



**FUTURE CONSUMER LIMITED** (Formerly Future Consumer Enterprise Limited)

**Corporate Office :** 247 Park, Tower "C", 8th Floor, LBS Marg, Vikhroli (W), Mumbai - 400 083  
(T) +91 22 6119 0000 | www.futureconsumer.in

**Regd. Office :** Knowledge House, Shyam Nagar, Off JVLR, Jogeshwari (East), Mumbai - 400 060  
(T) +91 22 6644 2200 | CIN: L52602MH1996PLC192090

5<sup>th</sup> July, 2019

To,  
The Secretary  
Department of Corporate Services  
✓ BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001  
**Scip Code: 533400**

To,  
Asst. Vice President - Listing  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai-400 051  
✓ **Scip Code : FCONSUMER**

Dear Sir / Madam,

**Sub: Annual Report 2018-19 and Notice of Annual General Meeting of the Members of the Company**

Please take note that the Twenty-third Annual General Meeting of the Members of the Company ("AGM") is scheduled to be held on **Tuesday, 30<sup>th</sup> July, 2019** at 9.30 a.m. at Rangswar Hall, 4<sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai – 400 021.

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith Annual Report for the financial year 2018-19, together with Notice calling the said AGM.

Kindly take the above information on your records.

Thanking you,

Yours truly,  
For **Future Consumer Limited**

  
**Manoj Gagvani**  
**Company Secretary & Head - Legal**

Encl.: As above

## FUTURE CONSUMER LIMITED

**Corporate Identity Number (CIN):** L52602MH1996PLC192090

**Regd. Office:** Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road,  
Jogeshwari (East), Mumbai – 400 060

**Tel. No:** +91 22 6644 2200 **Fax:** +91 22 6199 5391

**Email ID:** [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in) **Website:** [www.futureconsumer.in](http://www.futureconsumer.in)

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Future Consumer Limited (the “**Company**”) will be held at Rangswar Hall, 4<sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai - 400 021 on Tuesday, 30<sup>th</sup> July, 2019 at 9.30 a.m. to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Deepak Malik (DIN: 00662141), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Ashni Biyani (DIN: 00058775), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

4. **Re-appointment of Mr. G. N. Bajpai (DIN: 00946138) as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV of the Companies Act, 2013 and the Rules framed thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactments thereof for the time being in force) and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**SEBI Regulations**”), Mr. G. N. Bajpai (DIN: 00946138) an Independent Director of the Company who holds office as such upto 25<sup>th</sup> August, 2019 and being eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, consent of the Shareholders of the Company (“**Shareholders**”) be and is hereby accorded for re-appointment of Mr. G. N. Bajpai as an Independent Director of the Company to hold office for a further term of 5 (Five) consecutive years with effect from 26<sup>th</sup> August, 2019.

**RESOLVED FURTHER THAT** Mr. G. N. Bajpai having attained the prescribed age limit in terms of Regulation 17(1A) of the SEBI Regulations, consent of the Shareholders be and is hereby further accorded for continuation of Mr. G. N. Bajpai as the Non-Executive Director of the Company during his renewed term of 5 (Five) consecutive years with effect from 26<sup>th</sup> August, 2019.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “**Board**”, which term shall be deemed to include the “Nomination and Remuneration/Compensation Committee” of the Company), be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion consider necessary, expedient or desirable and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Shareholders for the purpose of giving effect to this resolution.”

5. **Re-appointment of Mr. Narendra Baheti (DIN: 00057255) as an Executive Director of the Company**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and the Rules framed thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactments thereof, for the time being in force) and subject to consents and permissions from regulatory authorities as may be necessary, consent of the Shareholders of the Company (“**Shareholders**”) be and is hereby accorded for re-appointment of Mr. Narendra Baheti (DIN: 00057255) as an “Executive Director” of the Company (“**Appointee**”), for a period of three years with effect from 30<sup>th</sup> August, 2019 (“**Term**”), who shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** consent of the Shareholders be and is hereby further accorded to pay remuneration to the Appointee during his Term as an Executive Director of the Company, more particularly as set out in the Explanatory Statement annexed to this Notice.

**RESOLVED FURTHER THAT** in the event of there being no profits or inadequacy of profits in any financial year during the currency of Term of the Appointee, the amount

of remuneration and perquisites fixed as aforesaid shall be the minimum remuneration and perquisites payable to the Appointee, provided that the total remuneration by way of salary and perquisites shall be in accordance to the provisions as prescribed under the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “**Board**”, which term shall be deemed to include the “Nomination and Remuneration/Compensation Committee” of the Company), be and is hereby authorized to alter and vary the terms and conditions of appointment and/or remuneration payable to the Appointee, in accordance with the provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby further authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion consider necessary, expedient or desirable and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Shareholders for the purpose of giving effect to this resolution.”

**6. Revision in remuneration payable to Ms. Ashni Biyani as Managing Director of the Company**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and the Rules framed thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactments thereof, for the time being in force) and subject to consents and permissions from regulatory authorities as may be necessary, consent of the Shareholders of the Company (“**Shareholders**”) be and is hereby accorded for revision in remuneration payable to Ms. Ashni Biyani during her remaining tenure as Managing Director of the Company, more particularly as set out in the Explanatory Statement annexed to this Notice.

**RESOLVED FURTHER THAT** in the event of there being no profits or inadequacy of profits in any financial year during the currency of tenure of Ms. Ashni Biyani as Managing Director, the amount of remuneration and perquisites fixed as aforesaid shall be the minimum remuneration and perquisites payable to her, provided that the total remuneration by way of salary and perquisites shall be in accordance to the provisions as prescribed under the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “**Board**”, which term shall be deemed to include the “Nomination

and Remuneration/Compensation Committee” of the Company), be and is hereby authorized to alter and vary the terms and conditions of remuneration payable to Ms. Ashni Biyani, in accordance with the provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby further authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion consider necessary, expedient or desirable and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Shareholders for the purpose of giving effect to this resolution.”

**7. Increase in limits of shareholding by Foreign Portfolio Investors**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, the Consolidated Foreign Direct Investment Policy, as amended and all other applicable Rules, Regulations, Circulars, Directions, Notifications, Press Notes, Guidelines issued by Reserve Bank of India (“**RBI**”), Securities and Exchange Board of India (“**SEBI**”) (including any statutory modification(s) or re-enactments thereof, for the time being in force) and subject to all applicable approvals, permissions and sanctions from concerned authorities and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company (the “**Board**” which term shall be deemed to include its “Committee of Directors” thereof) and in supersession to earlier consent granted by the Shareholders of the Company (“**Shareholders**”), consent of the Shareholders be and is hereby accorded to increase the total shareholding limit of foreign investment by Foreign Portfolio Investors (“**FPIs**”) registered under the relevant regulations with SEBI, on their own account and including their sub-accounts registered with SEBI, by whatever name called, to acquire and hold on their own account and behalf of each of their sub-accounts registered with SEBI, investments in any manner in the equity shares of the Company upto an aggregate limit of 49% (forty-nine percent) of the total paid-up equity share capital of the Company on a fully diluted basis at the time of making such investment, provided however, that the shareholding of each FPIs in its own account and on behalf of each of their SEBI approved sub-accounts in the Company shall not exceed such limits as are applicable or may be prescribed, from time to time, under applicable acts, laws, guidelines, rules

and regulations (including any statutory modification(s) or re-enactments thereof for the time being in force).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion consider necessary, expedient or desirable and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Shareholders including to authorise one or more representatives to carry out any of the activities that the Board is authorised to do and to execute deeds, documents and writings of all nature as may be considered necessary and to make appearance before any authorities and to do such other things as may be considered expedient and necessary to give effect to this resolution.”

**By Order of the Board of Directors**

**Manoj Gagvani**

**Company Secretary & Head-Legal  
ACS: 10652**

Place: Mumbai  
Date: 22<sup>nd</sup> May, 2019

**Registered Office:**

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

**NOTES:**

- 1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“**the Act**”), in respect of the Special Businesses to be transacted at the Annual General Meeting (“**AGM**”), is annexed hereto.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
  
A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company.  
  
Members holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.
- 3) Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the AGM.
- 4) The Members of the Company had appointed M/s. S R B C & CO LLP, Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 years, to hold office from the conclusion of the 21<sup>st</sup> AGM of the Company till the conclusion of the 26<sup>th</sup> AGM of

the Company, subject to ratification of their appointment by the Members at every AGM. In accordance with the provisions of Companies Amendment Act, 2017, which has been notified on 7<sup>th</sup> May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors in the notice calling this AGM.

- 5) Corporate Members intending to send their authorised representative(s) to attend the AGM are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.
- 6) Members who hold shares in electronic form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio numbers in the attendance slip for attending the meeting to facilitate identification of membership at the AGM.
- 7) Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agents of the Company at the following address:  
  
**Link Intime India Private Limited**  
C-101, Embassy 247, 1<sup>st</sup> Floor, L.B.S. Marg,  
Vikhroli (W), Mumbai - 400083  
Tel. No. +91 22 4918 6270 Fax No. +91 22 4918 6060  
Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
- 8) Members desirous of obtaining any information as regards Financial Statements are requested to write to the Company at least one week before the AGM so that the information required will be made available at the AGM.
- 9) The Securities and Exchange Board of India (“**SEBI**”) has mandated submission of Income Tax Permanent Account Number (“**PAN**”) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.
- 10) As per the Press Release of SEBI issued on March 28, 2018, SEBI has decided to amend Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, for mandating transfer of securities of listed entities only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form.
- 11) Pursuant to Section 72 of the Act read with the Rules made thereunder, Members holding shares in single name may avail the facility of nomination in respect of

shares held by them. Members holding shares in physical form may avail this facility by sending a nomination in the prescribed Form No. SH-13 duly filled, to the Registrar and Share Transfer Agents - Link Intime India Private Limited. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

- 12) Documents in respect of items referred to in the accompanying Notice and the Explanatory Statement are available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. upto the date of the AGM on all working days (except Saturday, Sunday and Public Holiday). The aforesaid documents will also be available for inspection by Members at the venue of the AGM.
- 13) Members/ Proxies are requested to bring the Attendance Slip(s) duly filled in and copies of the Annual Report at the AGM.
- 14) Electronic copy of Annual Report for the financial year 2018-19 and Notice calling the 23<sup>rd</sup> AGM of the Company *inter alia* indicating the process and manner of Remote E-voting along with Attendance Slip and Proxy Form is also being sent to all members whose Email ID is registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copy of Annual Report for the financial year 2018-19 and Notice of the 23<sup>rd</sup> AGM of the Company *inter alia* indicating the process and manner of Remote E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 15) Route map for the venue of the AGM is annexed to this Notice.
- 16) Members have an option to either cast their vote in physical form by attending the AGM or vote through E-Voting facility.
- 17) Instructions and other Information for Voting:
  - a) In accordance to the provisions of Section 108 of the Act and Companies (Management & Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to offer to its Members facility for voting through electronic means ("**E-voting**") on the resolutions proposed to be passed at the AGM.
 

The Company has engaged National Securities Depository Limited ("**NSDL**"), an agency authorized by the Ministry of Corporate Affairs ("**MCA**") for providing e-voting platform.
  - b) The Members may cast their votes through E-voting from a place other than the venue of the AGM ("**Remote E-voting**").
  - c) Voting through physical ballot paper will be made available at the AGM and the Members attending the AGM who have not cast their vote by Remote E-voting shall be able to cast their vote by physical ballot paper at the AGM.
  - d) The Members who have cast their vote by Remote E-voting may also attend the Meeting but shall not be entitled to cast their vote again at the AGM. In case a Member votes by both the modes then the votes cast through Remote E-voting shall prevail and the votes cast at the AGM shall be considered invalid.
  - e) The Remote E-voting facility will commence from 9.00 a.m. on Saturday, 27<sup>th</sup> July, 2019 and end at 5.00 p.m. on Monday, 29<sup>th</sup> July, 2019. Remote E-voting will not be allowed beyond the aforesaid date and time and the Remote E-voting module shall be disabled by NSDL upon expiry of aforesaid period.
  - f) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / beneficial owner as on the cut-off date i.e. 23<sup>rd</sup> July, 2019.
  - g) The Members whose names appear in the Register of Members / list of beneficial owners as on the cut-off date 23<sup>rd</sup> July, 2019 only shall be entitled to vote on the Resolutions set out in this Notice.
 

Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
  - h) Any person who becomes a Member of the Company after dispatch of this Notice and holding shares as on the cut-off date i.e. 23<sup>rd</sup> July, 2019, may obtain the User ID and password for Remote E-voting by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in).
 

However, if you are already registered with NSDL for Remote E-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free number 1800-222-990.
  - i) Mr. Nilesh Shah (having Membership No. FCS- 4554 and COP No. 2631) or failing him, Mr. Mahesh Darji (having Membership No. FCS-7175 and COP No. 7809) representing M/s. Nilesh Shah and Associates, Practising

Company Secretaries, have been appointed as the Scrutinizer to scrutinize the E-voting process and voting done through physical ballot paper at the AGM in a fair and transparent manner.

- j) The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through Remote E-voting, not later than two (2) days from the conclusion of the AGM make a consolidated Scrutinizer's report and submit the same to the Chairman.

The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company [www.futureconsumer.in](http://www.futureconsumer.in) and on the website of NSDL and shall also be communicated to BSE Limited and National Stock Exchange of India Limited.

- k) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. 30<sup>th</sup> July, 2019.
- l) Instructions for Members for Remote E-voting are as under:

**Step 1** : Log on to NSDL e-Voting system at <https://www.evoting.nsdl.com>

**Step 2** : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login.

Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- iv. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- v. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you.

Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a ".pdf file". Open the ".pdf file". The password to open the ".pdf file" is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The ".pdf file" contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- vi. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- vii. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- viii. Now, you will have to click on “Login” button.
- ix. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- a) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- b) After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- c) Select “EVEN” of company for which you wish to cast your vote.
- d) Now you are ready for e-Voting as the Voting page opens.
- e) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- f) Upon confirmation, the message “Vote cast successfully” will be displayed.
- g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for Shareholders:

- i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [nilesh@ngshah.com](mailto:nilesh@ngshah.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in).
- ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Any grievance pertaining to Remote E-voting can also be addressed to Mr. Manoj Gagvani – Company Secretary & Head- Legal at the registered office address of the Company or by way of an email sent to [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in).
- 18) The Annual Report for the financial year 2018-19, Notice calling the 23<sup>rd</sup> AGM and Attendance Slip/Proxy Form will also be available on Company’s website - [www.futureconsumer.in](http://www.futureconsumer.in). Physical copies of the aforesaid documents will also be available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. upto the date of the AGM on all working days (except Saturday, Sunday and Public Holiday).
- 19) The Company is concerned about the environment and utilizes natural resources in a sustainable way. To support “Green Initiative”, the Members are requested to update their email address, with their concerned Depository Participant to enable us to send you necessary documents /communication via email. Members who hold shares in physical form are requested to register their e-mail address with Link Intime India Private Limited, Registrar and Share Transfer Agents.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No. 4

Mr. G. N. Bajpai, has been appointed as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Rules framed thereunder (**“the Act”**). Mr. G. N. Bajpai holds office as an Independent Director of the Company upto 25<sup>th</sup> August, 2019.

Mr. G. N. Bajpai has been associated with the Company since 2008. Prior to the same, he has been the Chairman of Securities and Exchange Board of India and Life Insurance Corporation of India. Mr. Bajpai is a distinguished leader and an expert in financial markets. He presently is the Director across many corporates in India and carries with him immense business experience. Mr. Bajpai has been instrumental in advising the Company in various business areas in which the Company has ventured from time to time.

The Nomination and Remuneration/Compensation Committee and the Board of Directors of the Company (**“the Board”**) are of the view that in order to take advantage of Mr. Bajpai's experience and advice that he provides, it would be appropriate that he continues to serve on the Board as an Independent Director.

In view of the same and based on the performance evaluation report of the Independent Directors, the Board at its meeting held on 22<sup>nd</sup> May, 2019, has recommended re-appointment of Mr. G. N. Bajpai as a Non-Executive Independent Director of the Company, for a further term of five consecutive years with effect from 26<sup>th</sup> August, 2019.

Further, in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (**“SEBI Listing Regulations”**), approval of members by way of a special resolution is required for continuation of directorship of a person as a Non-Executive Director who has attained the prescribed age limit. Accordingly approval of the Shareholders of the Company is also being sought for continuation of Mr. G. N. Bajpai as a Non-Executive Independent Director of the Company by way of passing Special Resolution set out under Item No. 4 of this Notice.

Mr. G.N. Bajpai is not disqualified in terms of Section 164 of the Act from being appointed as Director and has given his consent to act as an Independent Director of the Company. In the opinion of the Board and as confirmed by Mr. G. N. Bajpai, he fulfills the conditions for appointment as an Independent Director as specified under the Act and SEBI Listing Regulations and is independent of the management.

The Company has received notice in writing from a Member under Section 160 of the Act, proposing the candidature of Mr. G. N. Bajpai for the office of Director.

Additional information as required to be provided pursuant to the requirements of SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2), in respect of

Mr. G. N. Bajpai, is provided as an Annexure to this Notice and forms part of the Explanatory Statement.

Copy of the draft letter of appointment of Mr. G. N. Bajpai setting out the terms and conditions of appointment will be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. upto the date of the AGM on all working days (except Saturday, Sunday and Public Holiday).

Mr. G. N. Bajpai and his relatives, to the extent of their shareholding in the Company, if any shall be deemed to be concerned or interested in the Resolution set out under Item No. 4 of this Notice. None of the other Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are in any way concerned or interested in the Resolution set out under Item No. 4 of this Notice.

Your Directors recommend the Resolution proposed at Item No. 4 of this Notice for your approval.

### Item No. 5

The Shareholders of the Company (**“Shareholders”**) had at the 21<sup>st</sup> Annual General Meeting of the Company held on 29<sup>th</sup> August, 2017 approved appointment of Mr. Narendra Baheti as an Executive Director of the Company for a period of three years with effect from 30<sup>th</sup> August, 2016. The present term of Mr. Narendra Baheti as an Executive Director of the Company expires on 29<sup>th</sup> August, 2019.

In view of the same, the Board of Directors of the Company (**“the Board”**) on the basis of recommendation made by the Nomination and Remuneration /Compensation Committee has at its meeting held on 22<sup>nd</sup> May, 2019, subject to approval of the Shareholders of the Company and such other consents and approvals that may be required, approved re-appointment of Mr. Narendra Baheti (**“Appointee”**) as an Executive Director of the Company for a period of three years with effect from 30<sup>th</sup> August, 2019. The Board has at the said meeting also approved payment of remuneration to Mr. Narendra Baheti during his tenure as an Executive Director of the Company.

### Broad particulars of the terms of remuneration proposed to be paid to the Appointee is as under:

- (a) Salary for the financial year 2019-20: ₹ 1,60,00,000/- per annum in the scale of ₹ 1,60,00,000/- to ₹ 3,00,00,000/-, for the term proposed to be renewed.
- (b) In addition to the remuneration stated above, the Appointee shall be entitled to permissible contributions to provident fund, other funds and payment of gratuity plus other allowances, perquisites and reimbursements as per Company policy.
- (c) Increment in remuneration payable to the Appointee, as may be determined by the Board and / or the Nomination and Remuneration/Compensation Committee of the Company, shall be within the scale of remuneration mentioned under (a) above.



- (d) The perquisite value arising from exercise of employee stock options granted/to be granted to the Appointee from time to time shall not be considered as part of remuneration mentioned under (a) above and such amount shall be in addition to remuneration mentioned hereinabove.
- (e) Payment of commission of such amount in addition to remuneration mentioned under (a) above, as may be determined by the Board and/or the Nomination and Remuneration/Compensation Committee of the Company that may be permissible in terms of the provisions of the Companies Act, 2013.
- (f) The Appointee shall not be paid any sitting fees for attending meetings of the Board and/or any of its Committee(s).

Additional information as required to be provided pursuant to the requirements of SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2), in respect of the Appointee, is provided in the Annexure to this Notice and forms part of the Explanatory Statement.

Pursuant to the aforesaid, approval of the Shareholders of the Company is being sought by way of Special Resolution for re-appointment of Mr. Narendra Baheti as an Executive Director and payment of remuneration to him, for a period of three years with effect from 30<sup>th</sup> August, 2019.

The Agreement to be executed with Mr. Narendra Baheti, providing terms for re-appointment and payment of remuneration is available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting on all working days (except Saturday, Sunday and Public holiday).

Mr. Narendra Baheti and his relatives, to the extent of their shareholding in the Company, if any, shall be deemed to be concerned or interested in the Resolution set out under Item No. 5 of this Notice. None of the other Directors and / or the Key Managerial Personnel of the Company and/or their respective relatives are in any way concerned or interested in the Resolution set out under Item No. 5 of this Notice.

Your Directors recommend the Resolution proposed at Item No. 5 of this Notice for your approval.

#### Item No. 6

The Shareholders of the Company (“**Shareholders**”) had at the 22<sup>nd</sup> Annual General Meeting held on 29<sup>th</sup> August, 2018, appointed Ms. Ashni Biyani as Managing Director of the Company for a period of three years with effect from 22<sup>nd</sup> May, 2018 and had also approved remuneration payable to her as prescribed thereunder. In terms of the same, the existing remuneration of Ms. Ashni Biyani is ₹ 2.40 Crore (Rupees Two Crore Forty Lakhs only) per annum.

Ms. Ashni Biyani has been mentoring brand entrepreneurs and has been instrumental in successful launching of new products and developing new brands for the Company.

She has led pivotal roles in inculcating design thinking and management, leading consumer research, strategic business transformation, new product and brand development and people management. She has actively contributed towards achieving the overall vision of the Company of being recognized as India’s foremost consumer brands organization. She currently also serves on the board of Salaam Bombay Foundation and Gujarat Ambuja Foundation.

Considering the contributions made by Ms. Ashni Biyani towards the business of the Company and as recommended by the Nomination and Remuneration / Compensation Committee, the Board of Directors of the Company (“**the Board**”), has at its meeting held on 22<sup>nd</sup> May, 2019, in order to enable revision in her remuneration from time to time during the present term of her appointment, approved the new scale of remuneration payable to Ms. Ashni Biyani for her remaining tenure as Managing Director of the Company, subject to approval of the Shareholders of the Company and such other consents/ approvals that may be required.

#### **Broad particulars of the terms of remuneration proposed to be paid to Ms. Ashni Biyani are as under:**

- (a) Salary for the financial year 2019-20: ₹ 2,40,00,000/- per annum in the scale of ₹ 2,40,00,000/- to ₹ 4,00,00,000/-, payable during her term as Managing Director.
- (b) The Board shall be entitled to enhance the remuneration payable to Ms. Ashni Biyani, from time to time within the above scale, during the remaining term of Ms. Ashni Biyani as Managing Director of the Company.
- (c) In addition to the remuneration stated above, Ms. Ashni Biyani shall be entitled to permissible contributions to provident fund, other funds and payment of gratuity plus other permissible allowances, perquisites, club membership fees and reimbursements as per Company policy.
- (d) Payment of commission of such amount in addition to remuneration mentioned under (a) above, as may be determined by the Board and/or the Nomination and Remuneration/Compensation Committee of the Company that may be permissible in terms of the provisions of the Companies Act, 2013.
- (e) Ms. Ashni Biyani shall not be paid any sitting fees for attending meetings of the Board and/or any of its Committee(s).

Approval of the Shareholders of the Company is being sought by way of Special Resolution, to enable revision in remuneration payable to Ms. Ashni Biyani as Managing Director as stated above.

The Agreement to be executed with Ms. Ashni Biyani, for amending the terms of payment of remuneration as mentioned herein above is available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting on all working days (except Saturday, Sunday and Public holiday).

Ms. Ashni Biyani and her relatives, to the extent of their shareholding in the Company, if any, shall be deemed to be concerned or interested in the Resolution set out under Item No. 6 of this Notice. Except Mr. Kishore Biyani, being relative of Ms. Ashni Biyani, none of the other Directors and/or the Key Managerial Personnel of the Company and/or their respective relatives are in any way concerned or interested in the Resolution set out under Item No. 6 of this Notice.

Your Directors recommend the Resolution proposed at Item No. 6 of this Notice for your approval.

#### **Item No. 7**

In accordance to the provisions of Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended ("**FEMA Regulations**"), the total investment by all Foreign Portfolio Investors ("**FPIs**") registered with the Securities and Exchange Board of India ("**SEBI**"), including their sub-accounts, under the portfolio investment scheme, should not exceed 24% of the paid-up equity share capital of the Company. However, this limit can be increased to the sectoral cap/ statutory ceiling, as applicable to the Company under the FEMA Regulations, with the approval of the Board of Directors and members of the Company by way of a special resolution and subject to intimation to the Reserve Bank of India.

The Shareholders of the Company had earlier approved increase in the limits for investment to be made by foreign

institutional investor upto 49% of the paid up capital of the Company. In view of the amendments notified under FEMA Regulations from time to time, it is proposed to pass fresh resolution in supersession of the earlier consent granted by the Shareholders of the Company to align the same with the amended FEMA Regulations.

Accordingly, consent of the Shareholders of the Company is sought for passing a Special Resolution for increasing the limit of shareholding by FPIs from 24% to upto 49% of the total paid up equity share capital of the Company on a fully diluted basis.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are in any way concerned or interested in the Resolution set out under Item No. 7 of this Notice.

Your Directors recommend the Resolution proposed at Item No. 7 of this Notice for your approval.

**By Order of the Board of Directors**

Place: Mumbai  
Date: 22<sup>nd</sup> May, 2019

**Manoj Gagvani**  
**Company Secretary & Head-Legal**  
**ACS: 10652**

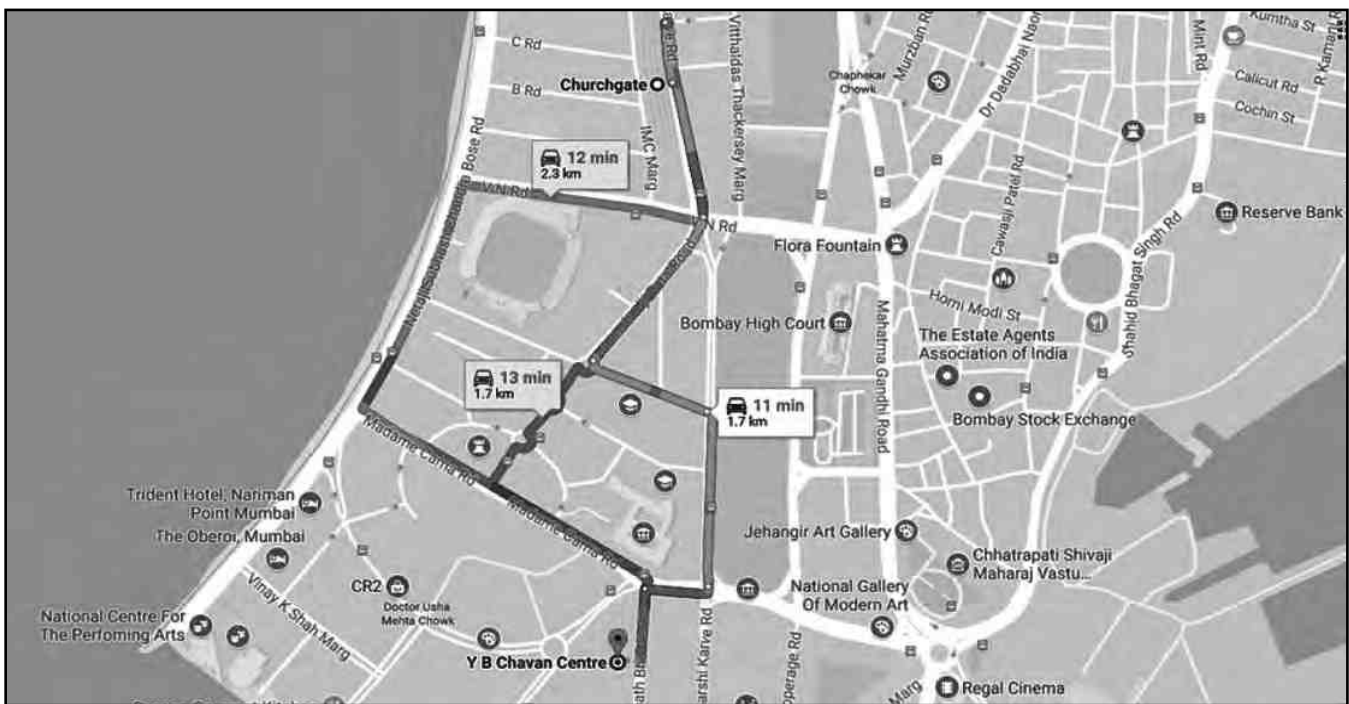
**Registered Office:**  
Knowledge House, Shyam Nagar,  
Off. Jogeshwari-Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060.

**Information pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Directors seeking appointment / re-appointment at the Annual General Meeting**

Name of Director(s)	Deepak Malik (DIN: 00662141)	Ashni Biyani (DIN: 00058775)	G. N. Bajpai (DIN: 00946138)	Narendra Baheti (DIN: 00057255)
Date of Birth	14 <sup>th</sup> November, 1967	25 <sup>th</sup> December, 1984	6 <sup>th</sup> July, 1942	26 <sup>th</sup> December, 1967
Age	51 years	34 years	76 years	51 years
Date of first appointment on the Board	26 <sup>th</sup> April, 2016	15 <sup>th</sup> November, 2014	20 <sup>th</sup> February, 2008	30 <sup>th</sup> August, 2016
Qualifications	Bachelor's Degree in Economics from Delhi University, a Master's Degree in Economics from the Delhi School of Economics and MBA from Cornell University	Graduate in Textile Designing	Master of Commerce from University of Agra and Bachelor of Laws from University of Indore.	Graduate in Commerce
Experience and Expertise in Specific Functional Area	Deepak Malik is a Managing Director of the private equity team in Proterra Investment Partners ("Proterra"). He currently sits on the Boards of various companies that Proterra's private equity funds have invested in. He joined Cargill in 1995 and worked in Cargill's Strategy and Business Development Group, where he managed corporate strategies and mergers and acquisitions within the petroleum, natural gas, coffee, grain and oilseeds, and meat industries.	Ashni Biyani has been instrumental in bringing in design led thinking within the Group's business decision making. She has led pivotal roles in inculcating design thinking and management, leading consumer research, strategic business transformation, new product and brand development and people management. In her current role, she leads a team that understands the nuances of Indian consumers. She has led the conceptualization and launch of various business formats across Future Group. She is currently focusing on creating futuristic food and fashion concepts. She currently also serves on the board of Salaam Bombay Foundation and Gujarat Ambuja Foundation.	G. N. Bajpai has previously been the Chairman of Securities and Exchange Board of India and Life Insurance Corporation of India. He is a distinguished leader and an expert in financial markets. He presently is the Director across many corporates in India and carries with him immense business experience. He has been instrumental in advising the Company in various business areas in which the Company has ventured from time to time.	Narendra Baheti carries with him professional expertise in dealing into agri commodity products and has been instrumental in setting up the sourcing, processing and distribution centers for Staples (Agribusiness) in leading cities like Mumbai, Delhi, Kolkata, Bangalore and Hyderabad for ensuring city specific reach of assortments to meet the established consumption pattern. He has also strengthened the supply chain management which today aids the staples distribution to various formats of Future Group. With his vast and varied experience, he continues to contribute in formulation of Integrated Food Strategy for the Company.
Terms and conditions of appointment / Re-appointment	The Director shall be liable to retire by rotation.	The Director shall be liable to retire by rotation.	As per the resolution at Item No. 4 of the Notice read with Explanatory Statement thereto.	As per the resolution at Item No. 5 of the Notice read with Explanatory Statement thereto.
Remuneration proposed to be paid	Not Applicable	As per the resolution at Item No. 6 of the Notice read with Explanatory Statement thereto.	Payment of sitting fees for attending meeting of Board of Directors and Committees thereof.	As per the resolution at Item No. 5 of the Notice read with Explanatory Statement thereto.
Remuneration last drawn (including sitting fees, if any) For financial year 2018-19	Nil	₹ 170 lakhs	₹ 4.25 lakhs	₹ 149 lakhs
Number of Board meetings attended during the financial year 2018-19	4	5	5	5
Directorships held in other listed companies (As on 31 <sup>st</sup> March, 2019)	None	None	Usha Martin Limited	None

Name of Director(s)	Deepak Malik (DIN: 00662141)	Ashni Biyani (DIN: 00058775)	G. N. Bajpai (DIN: 00946138)	Narendra Baheti (DIN: 00057255)
Directorships of other companies in India (As on 31 <sup>st</sup> March, 2019)	<ul style="list-style-type: none"> <li>Simply Fresh Private Limited</li> <li>Gemini Edibles &amp; Fats India Private Limited</li> <li>Citrus Processing India Private Limited</li> <li>Protterra Investment Advisors India Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Foresight Bullion India Private Limited</li> <li>Futurebazaar India Limited</li> <li>Futurephone Limited</li> <li>Future Ideas Company Limited</li> <li>Future People Services Limited</li> <li>Fonterra Future Dairy Private Limited</li> <li>Future Brands Limited</li> <li>Holi Accessories Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Micromax Informatics Limited</li> <li>Dalmia Cement (Bharat) Limited</li> <li>Future Generali India Life Insurance Company Limited</li> <li>Future Generali India Insurance Company Limited</li> <li>Invest Arc Private Limited</li> <li>IndiaNivesh Fund Managers Private Limited</li> <li>Intuit Consulting Private Limited</li> <li>Invest Assets Securitisation and Reconstruction Private Limited</li> <li>IndiaNivesh First Bridge Fund Managers Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Premium Harvest Limited</li> <li>Aadhaar Wholesale Trading and Distribution Limited</li> </ul>
Chairmanship/ Membership of the Committees of the Board of Directors of other listed companies (As on 31 <sup>st</sup> March, 2019)	Nil	Nil	<b>Usha Martin Limited</b> <ul style="list-style-type: none"> <li>Audit Committee – Member</li> <li>Nomination &amp; Remuneration Committee – Member</li> <li>Stakeholders Relationship Committee – Chairman</li> </ul>	Nil
Chairmanship/ Membership of the Committees of other companies in India (As on 31 <sup>st</sup> March, 2019)	<b>Citrus Processing India Private Limited</b> <ul style="list-style-type: none"> <li>Audit Committee - Chairman</li> </ul>	<b>Future Ideas Company Limited</b> <ul style="list-style-type: none"> <li>Audit Committee – Member</li> <li>Nomination &amp; Remuneration Committee – Member</li> </ul> <b>Future Brands Limited</b> <ul style="list-style-type: none"> <li>Committee of Directors – Member</li> </ul> <b>Idiom Design and Consulting Limited</b> <ul style="list-style-type: none"> <li>Nomination &amp; Remuneration Committee – Member</li> </ul>	<b>Future Generali India Life Insurance Company Limited</b> <ul style="list-style-type: none"> <li>Shareholders Grievance Committee – Member</li> <li>Audit Committee – Member</li> </ul> <b>Future General India Insurance Company Limited</b> <ul style="list-style-type: none"> <li>Shareholders Grievance Committee – Member</li> <li>Audit Committee – Member</li> </ul> <b>Dalmia Cement (Bharat) Limited</b> <ul style="list-style-type: none"> <li>Audit Committee – Member</li> </ul>	<b>Aadhaar Wholesale Trading and Distribution Limited</b> <ul style="list-style-type: none"> <li>Audit Committee -Member</li> <li>Nomination &amp; Remuneration Committee – Member</li> </ul>
Shareholding of Director(s) (As on 31 <sup>st</sup> March, 2019)	Nil	67,169 Equity Shares	2,50,000 Equity Shares	45,00,000 Equity Shares
Relationship with other Directors / Key Managerial Personnel	Not related to any Director /Key Managerial Personnel	Ms. Ashni Biyani is the daughter of Mr. Kishore Biyani, Promoter and Vice Chairman of the Company.	Not related to any Director /Key Managerial Personnel	Not related to any Director /Key Managerial Personnel

### ROUTE MAP FOR THE VENUE OF AGM



The prominent land mark for the venue is Mantralaya.



**FMCG 2.0**

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**NEW RECIPE OF  
CONSUMER DELIGHT**

# What's Inside

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## KEY PERFORMANCE INDICATORS



FY19 TOTAL INCOME FROM OPERATIONS

₹ 3,881 Cr



FY19 EBITDA

₹ 115 Cr



INCREASE IN CONSOLIDATED EBITDA FOR FY19, Y-O-Y

74%\*



Q4 FY19 marked the achievement of profitability at the PAT level

\*adjusted for exceptional items



REVISITING FMCG 2.0

# NEW RECIPE OF CONSUMER DELIGHT: INNOVATION

A new world is in the making. Powered by data and superior consumer insights, direct-to-consumer brands are bringing the consumer back in the consumer goods business. With data and customer proximity, FMCG 2.0 organisations create predictive, responsive, real-time brands. Brands that listen, talk and innovate for the consumer and acquire the lifetime value of today's Fast Moving Consumer Generation. This is the generation of consumers that Future Consumer Limited (hereinafter FCL) caters to with innovative brands that reinvent the paradigm of a good life, well lived.

## OUR PEDIGREE

Future Group operates some of the country's most popular retail chains including Big Bazaar, Easyday, Heritage fresh, Foodhall, among others. FCL combines the wisdom gathered through serving millions of customers with new energy of a startup in creating consumer brands for the India of tomorrow.

## ABOUT FUTURE CONSUMER LIMITED

FCL is among the first data-driven, modern trade-led FMCG companies with a wide range of consumer brands targeting the modern Indian consumer. FCL offers quality products through an integrated presence across the entire value chain of food and home and personal care (HPC) products.

## OUR VISION

FCL will shape household choices in food and everyday needs for the fast moving consumer generation. We will strive to be responsive, agile and take decisions enabled through data to bring everyday delight through our products and brands.



# OUR CULTURE OF INNOVATION

FCL fosters a rich culture of innovation centred on the Indian way of life and a deep understanding of how it is evolving for our various consumer segments. Modern retail and digital commerce enable a real-time flow of consumer data. Here are some of the key characteristics that define our approach:

## DATA SCIENCE

We work with member or customer data to deliver frequency, understand repeats, create promotions and alerts to our customers. Data science is driving more optimised sampling of products, creating suggestive baskets and subscriptions to acquire lifetime value of consumers.

## DEMAND SENSING

We are using data to predict customer cohorts that will be the early adopters of a new category or brand. Data science is helping us read early signals, prototype our launches and test various hypotheses.

## CUSTOMER PROXIMITY

The fast growing neighbourhood store formats like Easyday along with Heritage fresh in South India, supported by digital channels, bring us closer to customers and capture their spends far more frequently.

## PARTNERSHIPS

Establishing value-based partnerships with global brands enables us to enter newer categories, providing us with depth, knowledge of products and extensive product development capabilities.

## FOOD INFRASTRUCTURE

Our nation-wide sourcing and manufacturing operations including the India Food Park at Tumkur, Karnataka, help us to shape and influence the entire value chain. It gives us further flexibility to optimise and innovate.

## ORGANISATION DESIGN

We are fusing wisdom gained from decades of experience with the energy and enthusiasm that empowers young decision makers to innovate, take new initiatives and pursue multiplicity.

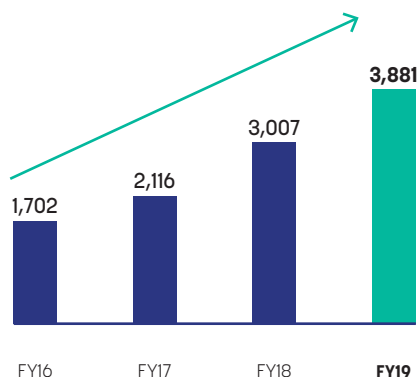
We believe we have the opportunity to become India's foremost FMCG company by using data science, modern retail and digital distribution networks to drive customer engagement, demand planning and an optimised value chain that creates shared value for customers and every stakeholder. While we have explored multiple categories and brands, our unique strengths and experience has now given us the confidence to explore more mainstream and highly competitive categories like dairy, biscuits and detergents in the forthcoming financial year.

## KEY CONSOLIDATED FINANCIALS

FCL has consistently delivered high growth marking its profitability turnaround, backed by a consumer-obsessed strategy of value creation. Going forward, we are set to achieve higher returns through expansion of our range of value-added products and focus on margins.

### STRONG REVENUE GROWTH

~32% CAGR

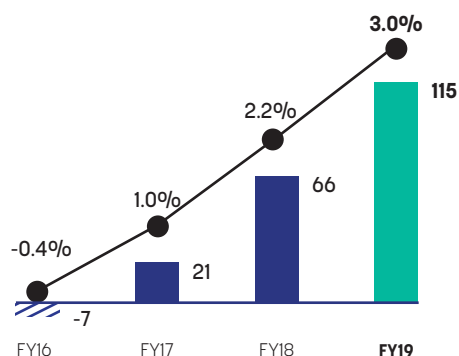


■ Revenue (₹ in Crores)

Strong revenue CAGR on the back of expanding distribution reach, increasing penetration and a wider product portfolio

### EBITDA TURNAROUND

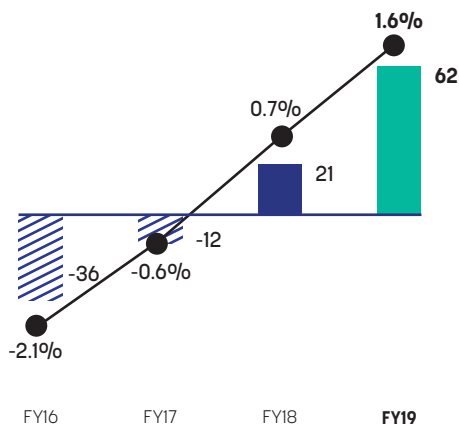
FY19 EBITDA: ₹115 Crores



■ EBITDA (₹ in Crores) ● EBITDA margin (%)

Strong improvement in operating profitability as operating leverage kicks in

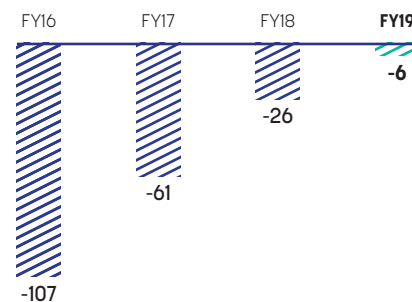
### EBIT & EBIT MARGIN



■ EBIT (₹ in Crores) ● EBIT Margin (%)

Backed by healthy revenue growth and cost efficiencies

### PAT\*



■ PAT (₹ in Crores)

PAT improvement on the back of operating profitability

\*attributable to owners of the Company

BRANDS

# SOMETHING FOR EVERYONE

Key to FCL's winning performance and rapid growth is its unique ability to build brands that acquire the lifetime value of today's millennial Fast Moving Consumer Generation.

## HOME, PERSONAL CARE, AND BEAUTY BRANDS



26% ↑

Cleaning solutions including a range of toilet and floor cleaners, utensil gels and bars, phenyls, scrubbers and garbage bags.



52% ↑

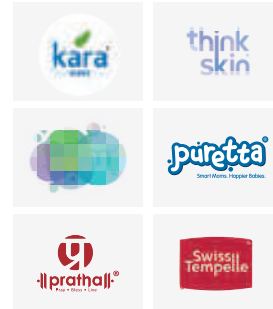
A range of products for personal grooming and make-up, to brighten your day.



41% ↑

Make life convenient with quality tissues, aluminium foils, cling films, handwash and party disposables.

And many more...



**FOOD BRANDS**



**68%** ↑

Made for taste. A range of Indian and global snacks - from biscuits, wafers and popcorn to nachos, namkeens, and bhujias.



**23%** ↑

Everyday kitchen essentials comprising rice, flour, ready-to-cook meals, and pulses.



**120%** ↑

The first national dry fruits brand that celebrates health living.



**49%** ↑

Nature's bounty in its most original form. A range of teas, coffee, oils, honey, coconut water without any additives, flavours or colour.



**137%** ↑

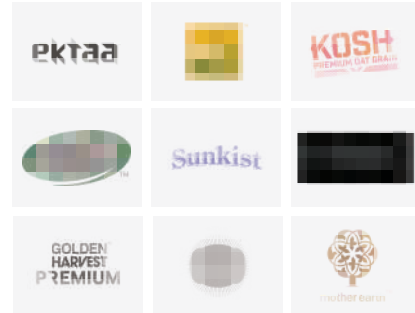
Culinary accents of lip-smacking chutneys, sauces, dips, pastes, and spice mixes.



**6%** ↑

A brand that connects with the Southern Indian tastes and cuisines with unique ingredients including spices, pickles and filter coffee.

And many more...



↑ Y-O-Y REVENUE GROWTH



\*Includes bulk

# REWRITE RULES, RETAIN VALUES

## Dear Shareholders,

I am pleased to share that your company has posted consolidated revenue of ₹ 3,881 Crores which is a growth of 29% over the previous year. Our EBITDA has grown by 74% as we registered EBITDA of ₹ 115 Crores. We are confident of mapping a strong growth trajectory going forward based on the large window of opportunity presented by favourable market trends as well as robust company-led initiatives.

### TAPPING MARKET OPPORTUNITIES

We see a huge opportunity in the Indian branded FMCG space and our strategic planning is focused on equipping ourselves to tap this emerging opportunity through data-driven consumer insights and a more

integrated organisation design, from a hierarchy we have become a holacracy. Our new way of functioning has made us more flexible and agile.

We have our finger on the pulse of the evolving trends in consumer tastes and preferences through consumer data gathered from various platforms both physical and digital. We are launching new innovative products in categories that are emerging as well as established, through differentiated range of products. This is accompanied by our focus on building a predictive supply chain, which serves to improve our ability to ensure product supply across the various retail outlets.

We have entered several mainstream and large product categories such as biscuits and Indian and western snacking, and made our presence felt with an approach that distinguishes our brands. We are reinterpreting snacks with the element of health uppermost in mind. We are also investing in the brand Tasty Treat and a building a strong association with consumers through celebrity endorsements and Indian Premier League.

We are expanding our presence in the home care, personal care, and beauty segments. Our personal care brand TS clocked in a growth of 52% during FY19 on y-o-y basis. It also has a strong presence on the online platforms like Nykaa, listing over 116 SKUs on the website.

### THE EVOLVING INDIAN MARKET

Digital technologies have generated a new momentum in the consumer space, with the consumer's preferences and interactions across all touchpoints, driving businesses to adapt.

On the other hand, the Indian market has witnessed a steady growth over the past few years driven by various macroeconomic factors. Government-led economic reforms such as Goods and Services Tax (GST) and FSSAI regulations have helped the sector evolve further through formalisation of the economy, requiring that businesses adhere to stricter norms.

We believe that the sector is now ready for disruption. The consumers today are demanding a greater value-driven proposition, encouraging businesses to do more to understand them better in order to customise their products. FCL's products are designed for this fast moving consumer generation.



“

In business as in life, winners don't stand out by just using their skills but also by employing their imagination and putting it into action. I believe it's our differentiated approach and innovation-led thinking which is leading us on our path to success.

## **CONTROLLED ENVIRONMENTS**

For any consumer goods company, distribution and retailing and the number of touch points is key. With the Group's extensive retail presence through more than 1,500 food and grocery stores, as on March 31, 2019, we have a great degree of control on our distribution. The country's leading ecommerce sites and retail chains feature our products.

India's food and grocery consumption stood at ₹ 30.8 Trillion in FY17 and is anticipated that it will continue to increase at a CAGR of ~10% till FY25. The organised Food & Grocery market is expected to grow at a much faster pace with a CAGR of 32% over FY17 to FY25. Modern trade is now 25% of the total trade in the Top 17 cities of the country, led by Chennai at around 40% share and in Pune at 35% as per market research from Nielsen. In cities like Lucknow, it is 27%, in Kochi at 38% and Amritsar at 14%.

The fast-growing neighbourhood's store networks of Easyday and Heritage fresh, coupled with our digital distribution strategy with Aadhaar Wholesale Centres in rural India will provide a strong platform for growth across all categories the company is present in.

FCL is steadily investing in a rural distribution model through its Aadhaar Wholesale Centres (AWC). Each Aadhaar Wholesale Center can be linked to over 100 Aadhaar Mitra or franchisee stores located in small villages and towns in and around the area. The AWC connects and supplies to these Aadhaar Mitra stores and to local business, hotels, restaurants and canteens in the area.

We have already rolled these out in Gujarat, Punjab, and Rajasthan, and will take it to many more states soon. We are also developing a digital distribution backbone for this network wherein Aadhaar Mitra stores can order, take payments from customers and manage their store – all on a digital platform.

## **OUR VALUE CHAIN**

We are growing our in-house production capability while our integrated farm-to-fork model help us to innovate rapidly. Our flagship India Food Park at Tumkur, Karnataka, is associated with more than 1,200 farmers and has nearly 25 factories, boosting our capacities. We also have sourcing hubs across 26 states in India with over 40 processing centres.

These facilities give us an edge in product research and development and a quick go to market. We have strategised our joint ventures with leading domestic and multinational companies, enabling us to enter specialised segments including the dairy space with the world's leading dairy company, Fonterra, during this year.

## **PRODUCT INNOVATIONS**

We are consumer-obsessed in our approach to product development, with more than 24 brands in over 70 key product categories. We work backwards from what we know about our consumers. Through the year, FCL has successfully undertaken the mainstreaming of dryfruits and healthier food products as snacks through Karmiq, continued extending the range of flours through Desi Atta Company, entered the highly competitive segment of biscuits through high quality variants like digestive, cream and marie biscuits, recipe ready kits from Golden Harvest. FCL also intends to venture into detergents category during FY20.

## **OUTLOOK**

We remain optimistic about growth prospects, expecting the momentum in revenue growth to continue as our brands develop higher trust and confidence of customers, entering more and more Indian households. Our company has imbibed the Indian ethos of empathy, joy, and care, which when combine the entrepreneurial spirit of our young professionals with decades of understanding and wisdom, power our strong connect with the Indian consumer. Armed with our consumer's trust, we are driven to creating value for all our stakeholders. I would like to take this opportunity to thank you all for being a part of this growth journey; we are committed to taking FCL to greater heights.

Rewrite Rules, Retain Values



**Ashni Biyani**

**Managing Director**

TASTY TREAT

# CHAK CHAK CHABAO: THE SNACKING & MUNCHING FAVOURITE



**AN ASSORTMENT OF IRRESISTIBLE SNACKS,  
SAVOURY AND SWEET**

The year marked the entry of Tasty Treat into a key mainstream category of biscuits, building on its vast range of snacking and munching products that reflect Indian and global tastes - from mithais, namkeens, and bhujias to nachos, wafers and popcorn.

Backed by strong consumer data and insights, the brand forayed into four of the six sub-categories in biscuits - marie, digestive, cream biscuits and cookies. Innovative variants such as digestive cream, marie cream and chai marie ensure we stand out on the shelves.

## 68%

YEAR-ON-YEAR REVENUE GROWTH

New recipe of consumer delight



Our biscuits foray is backed by a strong manufacturing tie-up with Pladis, amongst the global leaders in baking, confectionery and snacking products. Supporting our Tasty Treat foray is Bollywood star, Varun Dhawan; television commercials featuring the star were aired during the hugely popular Vivo IPL series.

With a smart use of consumer data to predict and target consumer groups, coupled with great product and marketing support, the brand has established itself well in Future Group outlets, second only to market leader Britannia. This category expansion has helped the brand to grow by 68% on a year-on-year basis.



TERRA

# THE GOOD FOR YOU BRAND



## LIP-SMACKING TASTE AND CRUNCH, THE HEALTHY WAY

Terra is a brand of chips made from nutritious root vegetables such as beet, carrot, kabocha, parsnip, taro, sweet potato, among others.

The brand is owned by Hain Celestial, a US-based company that champions a healthier way of life through a wide range of food products.

Terra was first introduced in Foodhall and subsequently in Big Bazaar. The ₹400 Terra packs met with unprecedented success with customers. FCL then formed a joint venture with Hain Celestial to manufacture it at the India Food Park in Tumkur. We aim to offer these locally manufactured variants at ₹100 a pack.

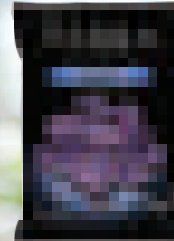


**PRODUCT OFFERINGS**

**ORIGINAL**



**BLUES**



**MEDITERRANEAN**



**SWEETS MEDLEY**



**SAY NAMASTE! TO GOURMET SNACKING:  
MADE IN INDIA**

During FY19, the factory first went live with another brand, Sensible Portions. Its Veggie Sticks contain 30% less fat than regular potato chips, are tastier and 100% natural. Its three flavours, Sea Salt, Zesty Ranch, and Cheddar Cheese, in three pack sizes – single, sharing

and party – are stocked at almost every modern retail chain. These are also being exported to the Middle East through our partnership with Dubai-based Choithrams. A similar rollout is planned for Terra chips and will help make snacking healthier overall.

GOLDEN HARVEST

# WINNING WITHIN THE HOUSEHOLD PANTRY



## CENTRE OF PLATE AND CENTRE OF THE CONVERSATION

Golden Harvest is all about spreading the love that is associated with homecooked food. It caters to the daily kitchen needs of our consumers by offering quality kitchen essentials. This brand is all about offering a wide range of product with consistent quality and competitive prices that ensure it becomes a repetitive purchase item in the consumers' basket.

Through the year, Golden Harvest\* consolidated its position as a ₹1,000 Crore-plus brand in revenues, growing at 23% year-on-year, backed by enhancing its assortment of products and product quality.

# 23%

YEAR-ON-YEAR REVENUE GROWTH

\*Includes bulk

New recipe of consumer delight



**PRODUCT OFFERINGS**

**RECIPE READY**



**SPICES, SALTS, SUGARS**



**PULSES**



**CEREALS**



**RICE**



**FLOURS**



**MODERNISING THE AGRIBUSINESS VALUE CHAIN**

We enhanced our capacities for manufacturing and packaging in the South, West, and the North regions during the sourcing of the agri produce. We also digitised the process of competitive bidding in which a thousand reliable suppliers participate, through an app called Agribid.

Our strategy for deepening our farmer connect includes initiatives for skill development and upgradation to enable

them to produce the desired quality. The initiative is aimed at a group of hundred farmers across two different locations for the time being.

Enabling freshness in supplies, shelf life extension, and faster reaction time in case of market changes will be our key focus areas going ahead.

KARMIQ

# MARRYING TASTE WITH HEALTH



## GOING NUTS FOR GOOD HABITS AND RICH NUTRITION

Dry fruits have always been popular in India and associated with high nutritional value. However, consumer demand used to spike only during festivities and barely any national brand had emerged to cater to consumer expectations and aspirations.

FCL took on the challenge to disrupt the existing scenario with Karmiq and has met with exceptional success in making it a year-round consumption product, becoming the first national brand in the dry fruits space. The products are being sourced directly from leading suppliers in California, Iran, Afghanistan and various parts of India.

# 120%

YEAR-ON-YEAR REVENUE GROWTH

New recipe of consumer delight

**PRODUCT OFFERINGS**

**MUNCHIES**



**FLAVOURED DRY FRUITS**



**BERRIES**



**DRY FRUITS & NUTS**



**ALTERNATE HEALTHIER & EXOTIC OILS**



**TRADITIONAL GOODNESS IN MODERN, INNOVATIVE FLAVOURS**

We have innovated by bringing in small munchies packs with flavoured dry fruits such as cashews with sea salt and pepper, cashew classic cheese, and sliced almond peri peri marketed as a healthy replacement for the snacks you generally crave.

Additionally, the brand also introduced a range of premium dry fruits such as prunes, dried apricots, and almonds packaged in unique tin cans and specially designed gift packs. Also available are berries, dried Afghan figs, pistachios, and walnuts. Trail mixes and seed mixes, along with munakka and khurmanis are to be launched soon.

DESI ATTA COMPANY

# CELEBRATING THE DIVERSITY OF AUTHENTIC INDIAN CUISINE



## FLOORED WITH THE COMBINATION OF QUALITY, TASTE, AND VARIETY

India is a country of diverse cultures, traditions, and language. With its wide range of flours from every corner of India, Desi Atta Company is ready to make your platter just as diverse. We are helping to bring back the love of cooking by focusing on the following three aspects:

### VARIETY

We bring you some 50-odd varieties of delicious, healthy, high-quality atta made from the finest of ingredients.

### EASY ACCESS

Our products are available through various ecommerce channel partners and the brand's digital portal, [www.desiattacompany.com](http://www.desiattacompany.com)

### CONVENIENCE

Our ready mixes help our consumers to enjoy items like dosa, idli, chakli, thepla, reducing the long preparation time they once used to require.

# 22%

YEAR-ON-YEAR REVENUE GROWTH

New recipe of consumer delight



**PRODUCT OFFERINGS**

**FASTING FLOURS**



**FLOURS**



**READY MIXES**



**DIFFERENT MIXES FOR DIFFERENT NEEDS**

Keeping a strong consumer focus, Desi Atta made the following product assortments available:

- Our fasting and feasting pack contains atta of rajgira, sabudana, singhara, samak, and kuttu.
- Our South Indian pack features mixes for dosa, medu vada, multigrain dosa, rice idli, upma, rava idli, and rava dosa.
- The snack pack includes mixes for khaman dhokla, besan pakora, khatta dhokla, dahi vada, peri idli, and moong pakora.



KARA

# INSTANT FIXES FOR BEAUTY ON-THE-GO



**FEEL EFFORTLESSLY  
FRESH AND BEAUTIFUL, ALWAYS**

Kara's instant wipes are the right fix when you want to feel beautiful and fresh while being on-the-go. The name Kara is derived from the Punjabi word karā meaning pure and unblemished.

Made from pure viscose fibre, the wipes are soft and dermatologically tested as well as paraben- and alcohol-free.

Kara has strong presence and popularity in modern trade outlets, more than 35,000 general trade stores, and leading online marketplaces such Amazon and Nykaa. It has partnered with the Femina Miss India beauty pageant and built its own fan following. Kara has also matured on digital media as a brand, with more than 25,000 followers.

We are extremely encouraged by the consumers' response to Kara, which has become a part of their daily beauty regimen. We have introduced wipes aimed at specialised skincare for different seasons, which has emerged as a key differentiator.

> 35,000  
GENERAL TRADE STORES

**THE WIPES ARE DIFFERENTIATED BY THE PURPOSE THEY ARE DESIGNED FOR**



**REFRESHING**

Feel fresh with wipes with neem and tea tree oil; aloe vera and cucumber; and aloe vera and mint oil.



**SKINCARE**

With toning, moisturising and cleansing wipes, as well as those with sunscreen, get your beauty regimen in control. Also, different wipes for different seasons.



**REMOVER**

Remove your nail paint (in rose, orange, strawberry, and lemon fragrances) and makeup on the go.



**SANITISING**

Forget the sanitiser, use wipes instead. Make your baby feel fresh and happy with our baby cleansing wipes.

**FORAY INTO SHEET MASKS**

Kara has recently launched a range of sheet masks for the face, helping to beat the summer heat and stay fresh. These are made with handpicked ingredients like aloe vera, blueberry, and more.

CLEANMATE

# EVERYDAY SOLUTIONS FOR SPIC & SPAN LIVING



## CUSTOM-MADE OFFERINGS CATERING TO EVERY HOUSEHOLD NEED

Our flagship brand in the home and personal care segment, CleanMate offers a complete range of products to fulfill all cleaning needs of a modern household. Building upon the cultural connotation 'cleaning is an act of purification', CleanMate offers a wide array of effective cleaning solutions. This brand is known to combine innovation with consumer insights and introduce unique products in the market.

# 26%

YEAR-ON-YEAR REVENUE GROWTH

New recipe of consumer delight

**PRODUCT OFFERINGS**

**TOILET CLEANERS**



**FLOOR CLEANERS**



**GLASS CLEANERS, UTENSIL GELS**



**BATHROOM CLEANERS**



**SIMPLIFYING CLEANING SOLUTIONS**

With growing awareness about hygiene, there is increasing demand for cleaning solutions in India. Due to the constantly changing consumer needs the cleaning products industry is truly dynamic. The market is flooded with a variety of products and product differentiation is key to be successful and enjoy consumer recall. CleanMate has achieved its target to reach out to a greater number of consumers with its attractive price proposition and has

seen a consistent increase in sales over the last few years. FY19 was a milestone year for the brand as it crossed the ₹80 cr mark in sales for the first time. We witnessed robust growth in some of the highly competitive categories of Toilet Cleaners, Floor Cleaners, Utensil Gels. We have launched first-of-its-kind, specifically designed toilet cleaner with high viscosity, for Indian toilets.

PRIM

# YOUR PARTNER IN HOME IMPROVEMENT



## CREATIVE WAYS OF MANAGING YOUR HOME

Prim is our young and innovative brand that offers an array of do-it-yourself (DIY) homecare solutions. The essence of the brand has been rightfully captured by its tag line 'Easy Breezy Done'. Our idea behind brand Prim is to empower you to accomplish simple, manageable homecare tasks without depending on external help.

# 186%

YEAR-ON-YEAR REVENUE GROWTH

New recipe of consumer delight



**PRODUCT OFFERINGS**

**RANGE OF CLEANING WIPES**



**HOME CARE SOLUTIONS**



**MICROFIBRE RANGE**



**PERSONAL CARE**



**DIY, THE IN THING FOR INDIAN MILLENNIALS**

The DIY trend has caught up with the young Indian population. Millennials today spend hours online on various platforms learning new things and getting work done. Platforms like YouTube are full of informative videos about doing things on your own such as assembling a piece of furniture and easy methods of cleaning shelves and wardrobes among others.

Prim aims to leverage the opportunities from this trend and offers a wide range of products such as wipes, cleaning

sponge, fabric care products, odour/moisture removers and food storage solutions to help consumers with quick and easy fixes for better living.

FY19 witnessed the launch of three key products- Moisture Absorber to dehumidify wardrobes, cabinets and shelves, Fridge Odour Absorber to deodorize refrigerators, and Toilet Seat Sanitizing Spray for the modern-day consumer. Besides traditional stores, Prim has its presence in the digital and ecommerce space as well.

## BUSINESS MODEL

# A CONSUMER-LED VALUE PROPOSITION

Driving FCL's encouraging performance and rapid growth is its unique integrated organisation design. It allows the company to innovate, incubate, and accelerate all at the same time.

We're using our

## Strengths

### DATA SCIENCES

FCL uses consumer and member transaction data from modern retail networks to understand, interpret, anticipate, and predict demand for its brands and products. The data is also used for demand sensing of new products prior to launch.

### AGILE ORGANISATION DESIGN

At FCL, our organisation is designed to combine the initiative and energy of the new generation of our professionals with the wisdom that comes from decades of experience in modern retail through Future Group.

### OWNING THE VALUE CHAIN

FCL now has a large presence across agri-sourcing, new product development and brands, manufacturing and food processing, as well as access to modern distribution networks through Future Group.

### CONSUMER PROXIMITY

Easyday, Heritage fresh and Nilgiris are growing at a rapid pace with the aim to be present within 2 kilometer radius of urban consumers.

To gain business

## Advantage

Consumer data allows us to deliver frequency, understand repeats, recency of purchase, create promotions and alerts for our customers in order to acquire the customer lifetime value.

We are using data to predict consumer cohorts likely to be the early adopters of a new category or brand, who all are likely to shift to new brands or adopt new habits. We target them specifically and communicate with personalised content and instinctive rewards and samples.

A young organisation allows for the agility and the ability to respond faster and evolve with the changing consumer dynamics. At the same time, the wisdom from those who have created and led modern retail networks brings in insights on 'what not to do' as well as first-hand knowledge and learnings on consumer communities and competitor brands performance.

Owning the value chain allows us to innovate and evolve with consumers' tastes and preferences, maintain high quality and consistency of products and operate within controlled environments that modern retail provides. More importantly, it allows us to capture value through every stage of the product evolution – from farm to customers' homes.

Being available closer to the customer allows us to capture frequent and weekly purchase cycles, offer targeted communication, develop subscription models in the future and enhance customer lifetime value.

## OUR MANTRA

### INNOVATE

The Zero to One process, comprised of conception and ideation stages, involves different functions like data science and analytics, design, marketing and new product development teams working simultaneously towards conceptualising products, brands, communication and go-to-market strategies.

### INCUBATE

After prototyping and testing of products with a closed group of consumers, products are rapidly introduced on shop floor. Its performance and consumer response are closely monitored on a real time basis. The feedback from the stores is then incorporated for a quick iteration for rapid scale up or it goes back to the drawing board.

### ACCELERATE

The One to Hundred process, which is about the execution, focusses on perfecting the sales and communication strategy, achieving excellence in supply chain and product fill rates and using data science to increase frequency and bill penetration across all members and customers.

Leading to robust

# Outcomes

(Financials on consolidated basis)



₹3,881 Crores  
REVENUE



29%  
REVENUE GROWTH Y-0-Y



₹115 Crores  
EBITDA



74%  
EBITDA GROWTH Y-0-Y

## SCALE TO DRIVE GROWTH AND PROFITABILITY

(Brand revenue in ₹ Crores)

Clean  
Mate



on track  
for ₹ 100 Cr



KARMIO

Over  
₹ 100 Cr



FRESH  
& PURE  
Milgiri's

Over  
₹ 200 Cr

GOLDEN  
HARVEST\*

Over  
₹ 1,000 Cr

- We have more than 40 agribusiness sourcing and distribution centres
- With APMC licenses in more than 26 states, we are ensuring a reliable supply
- We are rapidly scaling up on the digital front with our state-of-the-art Agribid app, to be used on the sourcing side
- The 110-acre India Food Park, Tumkur, houses a variety of manufacturing and processing facilities as well as R&D infrastructure
- Our retail reach of approx. 1,20,000 outlets is the key to our customer-proximity
- Our Aadhaar Wholesale Centres are helping to expand our footprint in rural areas with access to a wide network of general trade stores

## CHANNEL-WISE SALES MIX

BIG BAZAAR



General Trade and Others

\*includes bulk

<sup>#</sup>adjusted for intercompany revenues





# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**G.N. Bajpai**  
Chairman, Independent Director

**Kishore Biyani**  
Vice Chairman

**Ashni Biyani**  
Managing Director

**Adhiraj Harish**  
Independent Director

**Deepak Malik**  
Nominee Director

**Frederic de Mevius**  
Director

**Harminder Sahni**  
Independent Director

**Krishan Kant Rathi**  
Director

**Narendra Baheti**  
Executive Director

**Neha Bagaria**  
Independent Director

**M/s. S R B C & Co LLP**  
Statutory Auditors

**Ravin Mody**  
Chief Financial Officer

**Manoj Gagvani**  
Company Secretary & Head-Legal

## BANKERS

State Bank of India  
RBL Bank Limited  
Kotak Mahindra Bank Limited  
Coöperatieve Rabobank U.A.  
IndusInd Bank Limited  
HDFC Bank Limited  
Yes Bank Limited

## WEBSITE

[www.futureconsumer.in](http://www.futureconsumer.in)

## CORPORATE IDENTIFICATION NUMBER

L52602MH1996PLC192090

## REGISTERED OFFICE

Knowledge House, Shyam Nagar,  
Off Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai- 400 060.  
Tel No.: +91 22 6644 2200  
Fax No.: +91 22 6644 2201

## CORPORATE OFFICE

Embassy 247, Tower 'C',  
LBS Marg, Vikhroli (West),  
Mumbai - 400 083  
Tel No.: +91 22 6119 0000  
Fax No.: +91 22 6199 5391  
Email ID : [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in)

## REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited  
C-101, Embassy 247, 1st Floor,  
L.B.S. Marg, Vikhroli (West),  
Mumbai – 400 083  
Tel No.: +91 22 4918 6000  
Fax: +91 22 4918 6060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 23<sup>rd</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2019.

### FINANCIAL HIGHLIGHTS

The summarized financial performance (Standalone and Consolidated) of the Company:

Particulars	Standalone		Consolidated	
	FY 18-19	FY 17-18	FY 18-19	FY 17-18
Total income	304,987.89	248,024.98	391,203.15	303,971.71
Profit / (Loss) before exceptional items	6,096.62	3,262.37	551.96	(1,151.77)
Share of Loss in Associate Company and Joint Ventures	NA	NA	(2,949.42)	(2,162.30)
Add / (Less) : Exceptional Items	(1,923.14)	-	22.41	-
Profit / (Loss) before Tax	4,173.48	3,262.37	(2,375.05)	(3,314.07)
Profit / (Loss) After Tax	6,053.10	3,234.68	(718.31)	(3,064.35)
Profit / (Loss) After Share of Associates and Minority Interest	NA	NA	(638.75)	(2,598.42)

(₹ in Lakhs)

### BUSINESS OPERATIONS

Future Consumer Limited (FCL) is a next generation food & HPC company focusing on launching new products in emerging categories and value-added space. The Company has followed a strategy of launching differentiated products catering to a wide range of categories of consumer's basket.

The Company continues its journey to launch new / innovative products and has entered mainstream categories such as biscuits, snacking amongst others. Tasty Treat brand emerged into the leading snacks brand in FCL portfolio with a topline of over ₹185 crores growing at 68% on YoY basis. The brand is gaining scale as we continue to advertise on prime-time television during widely viewed events such as IPL. The campaign featured brand ambassador Varun Dhawan celebrating every foodie's love for snacking, munching and sipping. Karmiq, the lifestyle wellness brand, with a premium product range of dry fruits, munchies and flavored dry-fruits nuts reached a new milestone recording sales of over ₹155 crore in FY 19 growing at 120% on YoY basis. FCL is also focusing on home care, personal care and beauty, as leading brands Clean Mate and Care Mate clocked revenues of over ₹80 crore and ₹60 crore in topline in FY 19. The Company's brand TS- in the beauty accessories space has recorded great acceptance with customers. FCL is becoming a data centric organization and is setting up tools that will enable real time demand sensing and build a predictive supply chain network.

During the year, your Company expanded its distribution footprint to over ~120,000 touch points. The Company expanded its presence through the 3,500 Canteen Stores Department (CSD). Further, the Company launched its rural distribution strategy through a membership-based program "Mitra". The Company has created presence in over 4 states with 7 centers and has enrolled over 60 Mitras.

FCL has established a robust sourcing ecosystem and the capability to manufacture products in-house as well as through

subsidiaries, joint ventures and associate companies. The Integrated Food Park enables end-to-end food processing along the value chain from the farm to the market. It has also led to reduction in lead time for the introduction of new products. During the year, FCL announced a joint venture partnership with global dairy nutrition company Fonterra. The partnership shall work towards building Dairy 2.0 through creation of value-added portfolio by leveraging more than 125 years of rich history and expertise of Fonterra and Future Group led modern trade network and select high end traditional food retail stores across the Country. Both the JV partners intend to follow an asset light model in the initial years to contain the capital investment at the same time keeping a strong focus on quality standards. The initial stages of the partnership will focus on product development, and marketing with the right capital investment made during this period. The first consumer products will be launched by the middle of 2019, using both locally sourced milk and dairy products from New Zealand.

During the year under review, your Company has recorded revenue from operations of ₹3,88,064.97 Lakhs as against revenue from operations of ₹3,00,746.50 Lakhs registering year over year growth of 29%. EBITDA of the Company almost doubled from ₹6,628.25 Lakhs in previous year to ₹ 11,543.59 Lakhs during the year under review. Profit before tax turned positive for the first time as FCL registered PBT of ₹574.37 Lakhs in FY19 as against loss before tax of ₹1,151.77 Lakhs during FY18. The loss after tax attributable to the Company shrank significantly from ₹2,598.42 Lakhs in FY18 to ₹638.75 Lakhs in FY19.

Save and expect those mentioned in this Report, there were no material changes and commitments affecting the financial position of the Company between end of financial year under review and date of this report.

## FUTURE OUTLOOK

India's GDP in FY 2017 stands at ~US\$ 2,464 bn and is projected to reach US\$ 3,555 bn in nominal terms by FY 2020. With a projected real GDP growth of 7%-8% till FY 2020, India is now among the fastest growing major economies in the world. The growth is driven by high private consumption, favorable demographics, dropping dependency ratio, rapidly rising education levels and steady urbanization. A large consumer base driving high private consumption coupled with government's focus on skill development, job creation, infrastructure and investments will act as key drivers of growth for India.

Globally, India is seen as one of the key consumer markets from where future growth is likely to emerge. It is estimated that India's consumption expenditure will increase from US\$ 1,453bn in FY 2016 to US\$ 2,062bn by FY 2020 and will surpass the consumption expenditure of developed economies like Italy, France and UK.

Currently, the food & groceries (F&G) segment forms the major share of the retail market (~67%). F&G will continue to be the dominant contributor in the retail market with 65% share in 2025. The Indian Food & Beverage (F&B) sector has seen multiple catalysts on the demand and supply sides. The sector is witnessing a strong shift from unbranded to branded products in categories such as staples led by increasing affluence level and consumer awareness. There has been a significant shift in consumer preferences led by digitization, social media and strong product innovation on one hand and supply chain investments on the other.

FCL has a healthy mix of staples (with high volume) and premium food products (high margins) and is now expanding its household and personal care categories as well. FCL will continue to focus on emerging categories where there is immense headroom for growth. With constant innovations, new offerings and change in product mix in brands like Golden Harvest, Tasty Treat, Karmiq, Desi Atta Company, Mother Earth and Cleanmate, FCL is expected to continue its focus on delivering topline growth with margin expansion. FCL continues to focus on categories suitable for modern trade and is now exploring opportunities to expand into general trade. FCL will continue to leverage Future Group's retail muscle to expand its distribution reach.

## UNCLAIMED SHARES

In terms of the provisions of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

("SEBI Listing Regulations"), details about unclaimed shares in suspense account as on 31<sup>st</sup> March, 2019 are as under:

Description	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account as on 1 <sup>st</sup> April, 2018	2	18,600
Aggregate number of shareholders who approached the Company for transfer from suspense account upto 31 <sup>st</sup> March, 2019	1	18,000
Number of shareholders to whom shares were transferred from suspense account upto 31 <sup>st</sup> March, 2019	1	18,000
Aggregate number of shareholders and outstanding shares in the suspense account as on 31 <sup>st</sup> March, 2019	1	600

The Company has opened separate suspense account with Central Depository Services (India) Limited and has credited the said unclaimed shares to this suspense account. The voting rights in respect of shares maintained under the suspense account shall remain frozen till the rightful owner makes any claim over such shares.

## TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to reserves.

## DIVIDEND

Your Directors have not recommended any dividend on equity shares in respect of the financial year 2018-19, in view of conserving the funds for envisaged business requirements.

In terms of the provisions of Regulation 43A of SEBI Listing Regulations, the Company has adopted a Dividend Distribution Policy. The Dividend Distribution Policy is annexed to this Report as Annexure I and is also available on the website of the Company - <http://futureconsumer.in/Investors.aspx#policies.html>

## INCREASE IN SHARE CAPITAL

During the year under review, your Company has issued and allotted in aggregate 70,29,017 equity shares of the Company to eligible employees on exercise of options granted under Employees Stock Option Scheme(s) formulated by the Company.

Consequent to the aforesaid, the issued, subscribed and paid-up capital of the Company increased from 1,91,34,33,663 equity shares of ₹ 6/- each to 1,92,04,62,680 equity shares of ₹ 6/- each.

## SUBSIDIARIES AND JOINT VENTURE COMPANIES

As at 31<sup>st</sup> March, 2019, your Company had following Subsidiary and Joint Venture companies:

Sr. No.	Name of the company	Category
1.	Aadhaar Wholesale Trading and Distribution Limited	Subsidiary
2.	Affluence Food Processors Private Limited	Subsidiary
3.	Appu Nutritions Private Limited	Subsidiary
4.	Aussee Oats India Limited (formerly known as Aussee Oats India Private Limited)	Subsidiary
5.	Aussee Oats Milling (Private) Limited	Subsidiary
6.	Avante Snack Foods Private Limited	Subsidiary
7.	Bloom Foods and Beverages Private Limited	Subsidiary
8.	FCEL Food Processors Limited	Subsidiary
9.	FCEL Overseas FZCO	Subsidiary
10.	FCL Tradevest Private Limited	Subsidiary (w.e.f. 24 <sup>th</sup> December, 2018)
11.	Future Consumer Products Limited	Subsidiary
12.	Future Food and Products Limited	Subsidiary
13.	Future Food Processing Limited (formerly known as Future Food Processing Private Limited)	Subsidiary
14.	Fonterra Future Dairy Private Limited	Joint Venture (w.e.f. 1 <sup>st</sup> December, 2018)
15.	Genoa Rice Mills Private Limited	Joint Venture
16.	Hain Future Natural Products Private Limited	Joint Venture
17.	Integrated Food Park Limited (formerly known as Integrated Food Park Private Limited)	Subsidiary
18.	Mibelle Future Consumer Products A.G.	Joint Venture
19.	MNS Foods Limited (formerly known as MNS Foods Private Limited)	Subsidiary
20.	Nilgiris Franchise Limited (formerly known as Nilgiris Franchise Private Limited)	Subsidiary
21.	Nilgiri's Mechanised Bakery Private Limited	Subsidiary
22.	Sublime Foods Limited (formerly known as Sublime Foods Private Limited)	Subsidiary
23.	The Nilgiri Dairy Farm Private Limited	Subsidiary

During the year under review:

- a) Amar Chitra Katha Private Limited ("ACKPL") has ceased to be a subsidiary of the Company with effect from 14<sup>th</sup> December, 2018. Consequent to the same, ACK Media Direct Limited, IBH Books & Magazines Distributors Limited and Ideas Box Entertainment Limited subsidiaries of ACKPL have also ceased to be the subsidiaries of the Company with effect from the same date.

- b) Fonterra Future Dairy Private Limited is a joint venture entity pursuant to the joint venture agreement executed between the Company and Fonterra (Europe) Cooperatie U.A., joint venture partner.
- c) Affluence Food Processors Private Limited become a wholly owned subsidiary of the Company with effect from 6<sup>th</sup> November, 2018, consequent to acquisition of entire stake from of the joint venture partner by the Company.
- d) For the purpose of consolidation of investments held by the Company in few subsidiary /joint venture companies engaged in manufacturing activities, the respective shareholding of the Company in these companies have been transferred to a wholly owned subsidiary viz. FCL Tradevest Private Limited. Consequent to the same, Affluence Food Processors Private Limited, Aussee Oats India Limited, Sublime Foods Limited, MNS Foods Limited, Integrated Food Park Limited, Future Food and Products Limited, Future Food Processing Limited have become subsidiary of FCL Tradevest Private Limited. Genoa Rice Mills Private Limited has become a joint venture of FCL Tradevest Private Limited.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of Subsidiaries and Joint Venture companies in Form AOC-1 is attached separately to this Annual Report.

The performance, financial position and contribution of each of the Subsidiaries and Joint Venture companies to the performance of the Company, is provided under Management Discussion and Analysis Report, which is presented separately and forms part of this Report.

The policy for determining material subsidiaries as approved by the Board of Directors of the Company is available on the website of the Company - <http://futureconsumer.in/Investors.aspx#policies.html>

As on 31<sup>st</sup> March, 2019, FCL Tradevest Private Limited and Bloom Foods and Beverages Private Limited have been identified as material subsidiary of the Company as per the thresholds laid down under the aforesaid policy.

In accordance to the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein standalone and the consolidated financial statements of the Company and the audited financial statements of each of the subsidiary companies have been placed on the website of the Company - [www.futureconsumer.in](http://www.futureconsumer.in).

The audited financial statements in respect of each subsidiary company shall also be kept open for inspection at the Registered Office of the Company during working hours for a period of 21

days before the date of ensuing Annual General Meeting. The aforesaid documents relating to subsidiary companies can be made available to any Member interested in obtaining the same upon a request in that regards made to the Company.

## FINANCIAL STATEMENTS

Pursuant to the Companies (Indian Accounting Standards) Rules, 2015 ("IND AS") notified by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards with effect from 1<sup>st</sup> April, 2016. Accordingly, the Standalone and Consolidated Financial Statements of the Company and its subsidiaries, for the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 have been prepared in accordance with IND AS.

The audited Consolidated Financial Statements prepared in accordance with IND AS are provided in this Annual Report.

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

Details of loans granted, guarantees provided and investments made by the Company under the provisions of Section 186 of the Companies Act, 2013, are provided in the Notes to Standalone Financial Statements of the Company, forming part of this Annual Report.

## RELATED PARTY TRANSACTIONS

The Company has formulated policy on materiality of related party transactions and dealing with related party transactions ("RPT Policy") in accordance to the provisions of Companies Act, 2013 and SEBI Listing Regulations. The RPT Policy is available on the website of the Company - <http://futureconsumer.in/Investors.aspx#policies.html>

All transactions with related parties are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for transactions with related parties which are repetitive in nature.

All transactions entered into with related parties during the financial year under review were in the ordinary course of business and on an arm's length basis. The disclosure in respect of material contracts or arrangements with related parties, as required under Section 134(3)(h) of the Companies Act, 2013 is made in Form AOC-2 which is annexed to this Report as **Anneuxre II**.

## INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROLS

The Company has put in place an adequate internal control system to safeguard all its assets and ensure operational

excellence. The system meticulously records all transaction details and ensures regulatory compliance. The Company also has a team of internal auditors to conduct internal audit. KPMG as our Internal Auditor ensures that all transactions are correctly authorised and reported. The reports are reviewed by the Audit Committee. Wherever necessary, internal control systems are strengthened and corrective actions are initiated. The Internal Auditors assist in setting Industry benchmarks and help us drive and implement best Industry practice within our organization.

Internal Audit team conducts Internal Financial Review (IFC) testing on yearly basis as per Companies Act 2013, to ensure adequate and effective Internal Control over Financial Reporting. The same is also being certified by our Statutory Auditors on a yearly basis.

Based on the assessment carried out by the Company, the internal financial controls were adequate and effective and no reportable material weakness or significant deficiencies in the design or operation of internal financial controls were observed, during the financial year ended 31<sup>st</sup> March, 2019.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of provisions of the Companies Act, 2013, Mr. Deepak Malik and Ms. Ashni Biyani are liable to retire from the Board of the Company by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, have offered themselves for re-appointment.

Ms. Ashni Biyani has been appointed as the Managing Director of the Company with effect from 22<sup>nd</sup> May, 2018 for a period of three years pursuant to the approval granted by the Shareholders of the Company at the Annual General Meeting held on 29<sup>th</sup> August, 2018.

The Board of Directors of the Company ("Board") had at their meeting held on 22<sup>nd</sup> May, 2019, on the recommendation of the Nomination and Remuneration/Compensation Committee ("Committee") and pursuant to the provision of Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approved re-appointment of Mr. G. N. Bajpai as the Non-Executive Independent Director on the Board of Directors of the Company for a further term of 5 (Five) consecutive years with effect from 26<sup>th</sup> August, 2019, subject to approval of the Shareholders of the Company. Further, the Board has at the said meeting based on the recommendation of the Committee and subject to approval of the Shareholders, approved re-appointment of Mr. Narendra Baheti as an Executive Director on the Board of Directors of the Company for a further period of 3 years with effect from 30<sup>th</sup> August, 2019.

The Notice convening forthcoming Annual General Meeting includes the proposal for appointment / re-appointment of the aforesaid Directors. A brief resume of the Directors seeking appointment/ re-appointment at the forthcoming AGM and other details as required to be disclosed in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) forms part of the Notice calling the AGM.

As on 31<sup>st</sup> March, 2019, none of the Directors are disqualified for appointment/re-appointment under Section 164 of the Companies Act, 2013.

Mr. Harminder Sahni and Ms. Neha Bagaria have been appointed as an Independent Director(s) of the Company for a period of 5 years with effect from 14<sup>th</sup> September, 2018 and 20<sup>th</sup> March, 2019 respectively.

The Company has received individual declarations from following Independent Director(s) of the Company stating that they meet the criteria of independence as provided under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations:

- a) Mr. G. N. Bajpai
- b) Mr. Harminder Sahni
- c) Mr. Adhiraj Harish
- d) Ms. Neha Bagaria

During the year under review, Ms. Vibha Rishi resigned as an Independent Director of the Company with effect from 14<sup>th</sup> September, 2018. The Board wish to place on record their appreciation for contributions made by Ms. Vibha Rishi during her tenure as a member of the Board of Directors of the Company.

## MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 5 (five) times during the financial year 2018-19. The details of composition of the Board and its meetings held during the year under review and the attendance of the Directors at those meetings is provided in the Corporate Governance Report which forms part of this Annual Report.

## AUDIT COMMITTEE

As on 31<sup>st</sup> March, 2019, the composition of Audit Committee has been as under:

- a. Mr. G. N. Bajpai
- b. Mr. Harminder Sahni
- c. Mr. K K Rathi
- d. Mr. Adhiraj Harish

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on 31<sup>st</sup> March, 2019, the composition of Corporate Social Responsibility Committee has been as under:

- a. Mr. Kishore Biyani
- b. Ms. Ashni Biyani
- c. Mr. Harminder Sahni

## PERFORMANCE EVALUATION OF BOARD

A formal evaluation of performance of the Board, its Committees, the Chairman and that of the individual Directors was carried out for the financial year 2018-19. The evaluation process was done based on structured questionnaire in accordance to the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

The evaluation of Individual Directors was done taking into consideration the contributions made by each Director as a member at the respective meetings, in pursuit of the purpose and goals, participation at the meetings, independent views and judgement, initiative, ownership of value building.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, information shared and participation of members. In respect of evaluation for performance of the Board, the parameters *inter alia* comprised of key areas such as Board composition, competency of Directors, diversity, frequency of Board and Committee meetings, information sharing and disclosures made to the Board and its Committees. The responses received on evaluation of the Board and its Committees and that of the individual Directors were shared with the Chairman.

The overall performance evaluation process for functioning of Board and its Committees was based on discussions amongst the Board Members, Committee Members and responses shared by each Member. The Board found that there was considerable value and richness in the discussions and deliberations and has agreed for possible continuous improvisation and effectiveness in functioning of the Board and Committees.

## CORPORATE GOVERNANCE

A report on Corporate Governance together with Auditors' Certificate as required under Regulation 34 of SEBI Listing Regulations forms part of this Annual Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required under Regulation 34 of SEBI Listing Regulations is presented separately and forms part of this Annual Report.

## BUSINESS RESPONSIBILITY REPORT

A report in terms of Regulation 34 of the SEBI Listing Regulations, on the business responsibility initiatives taken by the Company is presented separately and forms part of this Annual Report.

## VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism and Whistle Blower Policy to provide a framework for promoting responsible and secure whistle blowing and to provide a channel to the employee(s), Directors and other stakeholders to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policy/ies of the Company. The details of said vigil mechanism is given in Corporate Governance Report, which forms part of this Annual Report.

## NOMINATION AND REMUNERATION POLICY

In terms of requirements prescribed under Section 178 of the Companies Act, 2013, the Company has framed a Nomination and Remuneration Policy for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy").

During the year under review, the Company has amended the Policy in terms of requirements prescribed under the SEBI Listing Regulations.

The purpose of this Policy is to establish and govern the procedure as applicable *inter alia* in respect to the following:

- a) To evaluate the performance of the members of the Board.
- b) To ensure remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Policy is available on the website of the Company - <http://futureconsumer.in/Investors.aspx#policies.html> and is annexed to this Report as Annexure III.

## CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Company has constituted a Corporate Social Responsibility Committee ("CSR Committee") in accordance with Section 135 of the Companies Act, 2013. The Board of Directors of the Company have based on recommendations made by the CSR Committee formulated and approved Corporate Social Responsibility Policy ("CSR Policy") for the Company. The salient features of CSR Policy *inter-alia* comprises of framing of guidelines to make Corporate Social Responsibility ("CSR") a key business process for sustainable development of the society to directly/indirectly undertake projects/programmes which will enhance the quality of life and economic well-being of the communities in and around our operations and society and to generate goodwill and recognition among all stakeholders of the Company.

The disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form which is annexed to this Report as Annexure IV.

## RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

Your Company has Enterprise Risk Management (ERM) Policy in place. The aim of this policy is not only to eliminate risks but to also assist FCL personnel to manage the risks involved concerning the business and to achieve maximum opportunities and minimize adverse consequences.

It involves:

- Identifying and taking opportunities to improve performance as well as taking actions to avoid or reduce the chances of adverse consequences
- A systematic process that can be used when making decisions to improve the effectiveness and efficiency of performance
- Effective communication
- Accountability in decision making

Risk Management Committee meeting is held once in every six months wherein all the critical risks along with current mitigation plans identified during the period are presented to the Board. This ensures all the critical risks are covered and suitable mitigation plans are in place or needs to be implemented to overcome /avoid the risk to ensure controls are operating effectively. The Audit Committee has additional oversight in the areas of financial risk and controls.

## AUDITORS AND AUDITORS' REPORT

M/s. S R B C & CO LLP, Chartered Accountants, have been appointed as the Statutory Auditors of the Company

for a period of five years at the 21<sup>st</sup> Annual General Meeting of the Company held on 29<sup>th</sup> August, 2017.

The notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments and explanations. The Auditors' Report does not contain any qualification, reservation or adverse remark. No instances of fraud have been reported by the Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013.

### SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Company has appointed M/s. Sanjay Dholakia & Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2018-19 in terms of the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report is annexed to this Report as **Annexure V**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### PUBLIC DEPOSITS

Your Company has not been accepting any deposits from the public and hence there are no unpaid / unclaimed deposits or any instance of default in repayment thereof.

### EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on 31<sup>st</sup> March, 2019 in Form MGT 9 in terms of provisions of Section 92(3) of the Companies Act, 2013 read with Rules thereto is available on website of the Company <https://futureconsumer.in/investors.aspx#financials.html>

### PARTICULARS OF EMPLOYEES

Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided under **Annexure VI**, which is annexed to this Report.

In terms of the provisions of first proviso to Section 136(1) of the Companies Act, 2013, the statement containing particulars of top ten employees and the employees drawing remuneration in excess of limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is excluded from the Annual Report being sent to the Members of the Company and is available for inspection by the Members at the Registered Office of the Company during business hours on working days up to the date of the forthcoming Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary and the same shall be provided.

The full Annual Report including aforesaid information is being sent electronically to all those Members who have registered their email addresses and is also available on the website of the Company.

### PARTICULARS OF EMPLOYEE STOCK OPTION PLAN

Pursuant to the approval of the Shareholders, the Company has formulated following employee stock option schemes:

- a. FVIL Employees Stock Option Plan-2011 ("FVILESOP-2011")
- b. Future Consumer Enterprise Limited - Employee Stock Option Plan 2014 ("FCEL ESOP - 2014")

The aforesaid Employee Stock Option Plans are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("**SEBI Employee Benefits Regulations**") and there have been no material changes to these Plans during the financial year under review.

The details of options granted and exercised under FVIL ESOP-2011 and FCEL ESOP-2014 and other disclosures as required under SEBI Employee Benefits Regulations, are available on the website of the Company - <http://futureconsumer.in/investors.aspx#statutory-documents.html> and are also provided in **Annexure VII**, which is annexed to this Report.

### MAINTENANCE OF COST RECORDS

Your Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records have not been maintained by the Company.

### PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, EXPENDITURE ON RESEARCH AND DEVELOPMENT, FOREIGN EXCHANGE EARNINGS AND OUTGO, ETC.

The Company in its regular course of business is vigilant to conserve the resources and continuously implements measures required to save energy.

The Company's initiative towards Energy and Carbon Policy sets forth guidelines towards low carbon transformation through energy efficiency and sourcing energy from alternative and renewable sources. The Company's Environment Management Systems (EMS) help them in identifying and assessing environmental risks, preventing and mitigating the environmental impact caused due to its operations and products. The Company monitors its environmental performance against key performance indicators and works towards increasing manufacturing efficiency, wastage reduction and enhancing capacity utilization.



The business activities of the Company are not specific to any technology requirements. In the course of operations, processes are formed and implemented to achieve operational efficiencies in the Company and also at its subsidiaries which assist in maintaining product quality and cost control.

In respect of the manufacturing units of the Company and its subsidiaries, the brief particulars in respect of various steps and initiatives taken regarding conservation of energy and technology absorption are as under:

**(A) Conservation of Energy**

The energy utilization in each manufacturing unit is being monitored regularly in order to achieve effective conservation of energy. The significant energy conservation measures under taken during the year under review were as under:

**(i) the steps taken or impact on conservation of energy:**

- Controlled shut down of Freezers and freezer room design optimisation resulted in savings of 421 kwh/day w.e.f. January 2019.
- Rationalization in capacity utilization of freezer and movement of man and materials in the freezer room restricted temperature increase.
- Light circuit modification for auto power cut-off through installation of limit switches at cold chambers has resulted in savings of 92 kwh/month w.e.f. from March 2019.
- Height reduction in the ante room with false ceiling briquette fired steam boiler.
- Maximum utilization of the Steam in effective way by arresting steam through steam traps and monitoring water to steam ratio.
- Refurbishing of boiler through insulation of the steam line and replacement of refractory bricks has reduced loss of heat from the steam .
- Pressure regulating system have been initiate in steam line ensuring optimal utilization of steam.
- Electrical boiler replaced by briquette fired boiler has resulted in savings of 1152 kwh/day w.e.f. March 2019.
- Auto power factor correction (APFC) resulted in savings of 600 kwh/month w.e.f. March 2019.
- Street lights automated by timer mechanism resulted in savings of 3.2 KWH/month w.e.f March 2019.

In the current year, India Food Park plans to initiate following measures to conserve energy:

- Replace the use of LPG with PNG as fuel to boilers and the same will be complemented with briquettes at Food Park.
- Automate street lighting through timer based switches.
- Automate power factor correction at all units.

In the current year, the Company plans to replace the Surface Aerating system by Diffuser Aeration system at 'Aerator Tank 02' and install condensate recovery systems at the F&V division.

**(ii) the steps taken by the Company for utilising alternate sources of energy:**

India Food Park at Tumkur has installed 3MW solar power generating units by third party which is operational now and is being used across manufacturing units at India Food Park. The Company currently consumes 4,51,790 KWh at India Food Park. A 3 MW solar power plant caters to 48 % of the electricity requirements.

**(iii) the capital investment on energy conservation equipments:**

The total capital investment on energy conservation equipment during financial year 2018-19 across all the business verticals of the Company and its subsidiaries is approximately ₹ 24.50 lakhs.

**(B) Technology absorption**

In the India Food Park at Tumkur, surface aeration system has been changed to diffused aeration system and migrated to renewable energy source over conventional energy sources. These changes are expected to bring in process improvement, cost reduction and GHG reduction. The Company's water stewardship policy encourages water conservation efforts while monitoring, measuring and reporting progress against key performance indicators and complying with the local regulations.

**(C) Foreign exchange earning and outgo**

The details in respect of Foreign Exchange earnings/ outgo for the year under review, is provided below:

Foreign Exchange Earnings: ₹ 601.65 lakhs

Particulars	Amount (₹ in lakhs)
Interest Income	257.03
Sale of Goods	297.36
Sales Promotion	47.26
<b>Total</b>	<b>601.65</b>

Foreign Exchange Outgo: ₹ 7,273.53 lakhs

Particulars	Amount (₹ in lakhs)
Marketing Expenses	33.76
Purchases	7,138.17
Recruitment Expenses	3.51
Royalty Fees	96.01
Sitting Fees	0.50
Travelling Expenses	1.59
<b>Total</b>	<b>7,273.54</b>

## GENERAL

- 1) The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
  - 2) The Managing Director and Executive Director have not received any commission from the Company nor any remuneration in the form of salary/perquisites from any of its subsidiary companies.
  - 3) There are no significant / material orders passed by the regulators/courts/tribunals during the year under review which would otherwise impact the going concern status of your Company and its future operations.
  - 4) The Company has complied with the provisions regarding the constitution of the Internal Complaints Committee (ICC) in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereto. During the year under review, there were no reported instances of cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - 5) The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.
- standards have been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and of the profit or loss of the Company for that period;
  - c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - d) the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, on a going concern basis;
  - e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
  - f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement it is hereby confirmed that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable accounting

standards have been followed along with proper explanation relating to material departures, if any;

- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and of the profit or loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

**G.N. Bajpai**  
Chairman

Date: 22<sup>nd</sup> May, 2019

Place: Mumbai

## DIVIDEND DISTRIBUTION POLICY

Annexure I

### BACKGROUND:

Pursuant to the requirements prescribed under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Dividend Distribution Policy ("Policy") is formulated by Future Consumer Limited ("FCL" / "Company") to establish dividend distribution framework which shall be considered by the Board of Directors of the Company ("Board") prior to recommending dividend. This Policy is required to be disclosed in the Annual Report and on the website of the Company.

The objective of this Policy is to broadly specify the external and internal factors including financial parameters that shall be considered by the Board while recommending dividend to the shareholders of the Company ("Shareholders"). The Board shall while recommending dividend comply with this Policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable laws, rules and regulations.

### COMPANY'S PHILOSOPHY:

FCL believes in long term value creation for its Shareholders while maintaining the desired liquidity, leverage ratios and protecting the interest of all the stakeholders. In terms of the same, FCL will focus on sustainable returns in terms of dividend, in consonance with the dynamics of business environment and the regulatory requirements.

FCL looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long term stakeholder value creation. Good Corporate Governance practices enable a company to attract high quality financial and human capital. In turn, these resources are leveraged to maximize long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large. Our Dividend philosophy is in line with the above principles which will attempt to maintain a consistent dividend record to reward its Shareholders.

### DECLARATION OF DIVIDEND:

'Declaration of Dividend' is one of the key financial decisions of the Company, forming part of the overall strategy for efficient allocation of capital as well as increasing shareholder's wealth.

Subject to the applicable regulations, the recommendation of dividend for approval of the Shareholders shall be at the discretion of the Board since ultimately, it is the Board that is best placed to envisage what is in the best interests of the Company.

The Board shall endeavor to strike a balance between: (i) the Company's interest to capitalize its profits, boost cash flows

and use surplus funds for its business operations and (ii) the interests of its shareholders, in benefiting from their decision to invest in the shares of the Company.

In line with the philosophy described above, the Board shall review the operating performance every quarter and shall strive to distribute appropriate level of profits in the form of interim / final dividends, from time to time. All dividends shall be subject to statutory regulations and approvals, as applicable.

### PER SHARE BASIS:

The dividend will be declared on per share basis only.

### CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

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

### FINANCIAL PARAMETERS AND INTERNAL/EXTERNAL FACTORS CONSIDERED WHILE DECLARING DIVIDEND:

The financial parameters that may be considered by the Board before declaring dividend are profitability and distributable surplus available, liquidity and cash flow requirements, obligations, taxation policy, past dividend rates, future growth and profitability outlook of the Company.

The Board shall illustratively have regard to the following internal and external factors, in declaring dividend:

#### Internal factors:

- Operations and Earnings of the Company;
- General financial condition;
- Short term and long term capital requirements;
- Resources required to fund acquisitions and / or new businesses;
- Cash flow required to meet contingencies
- Outstanding borrowings;
- Liquidity position;
- Contractual obligations;
- Restrictive covenants under financing arrangements with lenders.

**External:**

- Macro-economic environment;
- Competitive Environment;
- Government Policy;
- Changes in accounting policies and applicable standards;
- Any other matter / risks that the Board may apprehend.

**USAGE OF RETAINED EARNINGS:**

The Company firmly believes that consistent growth will maximise shareholders value. Thus the Company shall endeavor to utilize retained earnings towards its business priorities, expansions, growth opportunities, acquisitions, investments or towards distribution to Shareholders via dividend or other

means as permitted by applicable regulations, as will be in the best interests of the Company and its stakeholders.

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

Currently, the Company has only one class of shares. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer to the investors of each class.

This Policy sets out the general parameters adopted by the Company for declaration of dividend for guidance purposes. This Policy would be subject to revision / amendment on a periodic basis, as may be considered necessary by the Board.

**FORM NO. AOC-2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

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

The Company has not entered into any contracts or arrangements or transactions with its related parties which are not on arm's length basis during the financial year 2018-19.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount (₹ in Lakhs)
Future Retail Limited	Entities controlled / having significant influence by KMP and their relatives	Sales	Ongoing	As per Purchase Order placed from time to time	8 <sup>th</sup> February, 2018	246,773.68

On behalf of the Board of Directors

G.N. Bajpai  
Chairman

Date: 22<sup>nd</sup> May, 2019  
Place: Mumbai

## NOMINATION AND REMUNERATION POLICY

Annexure III

### 1. PURPOSE OF THIS POLICY:

In terms of requirements prescribed under Section 178 of the Companies Act, 2013 (the "Act"), and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the "SEBI Listing Regulations"), Future Consumer Limited (the "Company") had adopted Remuneration Policy for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy"). Pursuant to the amendments in SEBI Listing Regulations, the amended Policy is being adopted by the Company which comes into effect from 1<sup>st</sup> April, 2019.

The purpose of this Policy is to establish and govern the procedure as applicable *inter alia* in respect to the following:

- a) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive/Non-Executive) and recommend to the Board (as defined), policies relating to the remuneration (payable in whatever form) of the Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board.
- c) To ensure remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- d) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

### 2. DEFINITIONS:

- a) "Board" shall mean Board of Directors of the Company as constituted from time to time.
- b) "Independent Director" means a director referred to in Section 149(6) of the Act and Regulation 16(b) of the SEBI Listing Regulations, as amended from time to time.
- c) "Key Managerial Personnel" or "KMP" shall mean Key Managerial Personnel as defined in Section 2(51) of the Act.
- d) "Committee" shall mean Nomination and Remuneration/Compensation Committee of Board of

Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Regulation 19 of the SEBI Listing Regulations.

- e) "Senior Management" shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall include the company secretary, chief financial officer and all functional heads of the Company.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Regulations 19 or the Accounting Standards shall have the meanings assigned to them in SEBI Listing Regulations.

### 3. COMPOSITION AND SCOPE OF NOMINATION AND COMPENSATION /REMUNERATION COMMITTEE:

The Nomination and Remuneration/Compensation Committee ("Committee") has been constituted to undertake the functions in accordance to the provisions of Section 178 of the Act and the Regulation 19 of the SEBI Listing Regulations as amended from time to time.

### 4. APPOINTMENT AND REMOVAL OF DIRECTOR, KMPs AND SENIOR MANAGEMENT:

#### 4.1 Appointment criteria and qualification:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.

For the appointment of KMP (other than Managing / Whole-time Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is being considered. Further, for administrative convenience, the appointment of KMP (other than Managing / Whole time Director) or Senior Management, the Managing Director /Whole Time Director are authorised to identify and appoint a suitable person for such position. However, if need be, the Managing Director /Whole Time Director may consult the Committee / Board for further directions / guidance.

The appointment of Independent Directors shall be in adherence with the Act and applicable rules thereunder and the provisions of SEBI Listing Regulations.

**4.2 Term:**

The Term of the Directors including Managing Director / Whole-time Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the SEBI Listing Regulations, as amended from time to time.

The terms of appointment of Independent Directors shall be in adherence with the Act and applicable rules thereunder and the provisions of SEBI Listing Regulations.

Whereas the terms and conditions of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

**4.3 Evaluation:**

The Committee shall provide manner for effective evaluation of performance of Board, its Committees and individual Directors, which shall be carried out by the Board or the Committee or an independent external agency. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence.

The criteria for evaluation of Independent Director shall *inter-alia* include:

- (a) Performance of the Directors; and
- (b) Fulfillment of the independence criteria as specified in these regulations and their Independence from the management.

**4.4 Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, rules and regulations, thereunder, the Committee may recommend, to the Board with reasons to be recorded in writing, removal of a Director, KMPs (other than Managing / Whole-time Director) or Senior Management, subject to the provisions and compliance of the said Act, such other applicable law, rules and regulations.

**4.5 Retirement:**

The Directors, KMPs (other than Managing/ Whole-time Director) and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMPs (other than Managing/ Whole- time Director), Senior Management in the same

position/ remuneration or otherwise even after attaining the retirement age for the benefit of the Company.

**5. REMUNERATION OF MANAGING / WHOLE-TIME DIRECTOR, KMPs AND SENIOR MANAGEMENT:**

The remuneration/ compensation/ commission, etc., as the case may be payable to the Managing /Whole time Director, will be determined by the Committee and recommended to the Board for its approval. The same shall be subject to the prior / post approval of the Shareholders of the Company and shall be in accordance with the provisions of the Act and Rules and other applicable Regulations made thereunder. The Committee shall recommend to the Board the criteria for remuneration in whatever form payable to KMPs and Senior Management based on the standard market practice and prevailing HR policies of the Company.

**6. REMUNERATION TO NON-EXECUTIVE/ INDEPENDENT DIRECTOR:**

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and Rules made thereunder for the time being in force or as may be decided by the Board from time to time.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and Regulation 19 of SEBI Listing Regulations.

**7. MINIMUM REMUNERATION:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole Time Director / Executive / Managing Director in accordance with the provisions of Section 197 of the Act and Schedule V thereto.

**8. REVIEW:**

The Committee shall review and recommend to the Board alterations to this Policy as and when necessary, provided they are not inconsistent with the provisions of the applicable laws. In the event of any conflict between the provisions of this Policy and Act or Rules and SEBI Listing Regulations or any other statutory enactments (as amended from time to time), the applicable provisions of Act or Rules and SEBI Listing Regulations or such other statutory enactments, shall prevail over this Policy and shall be construed accordingly.

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

Annexure IV

1. **Brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

Future Consumer Limited ("FCL" or "Company"), believes that its business is built around strong social relevance of inclusive growth by supporting the common man in meeting their financial needs. The Company equally believes that creation of large societal capital is as important as wealth creation for our stakeholders. As a responsible organization, the Company is committed towards the above objective and is keen on developing a sustainable business model to ensure and activate our future growth drivers. The Company has been contributing to the societal wealth creation for the last several years irrespective of any regulatory compulsions as a realization of its above belief. In line with the regulatory expectations, the Company has put in place a formal policy as a guide towards its social commitment going forward. The Corporate Social Responsibility Policy ("CSR Policy") has been recommended by CSR Committee and approved by the Board of Directors of the Company. The CSR Policy is available on the website of the Company - <http://futureconsumer.in/Investors.aspx#policies.html>

2. **The Composition of the CSR Committee is as under:**

- a) Ms. Ashni Biyani - Chairperson
- b) Mr. Kishore Biyani - Member
- c) Mr. Harminder Sahni - Member

3. **Average net profit of the company for last three financial years:** For the last three financial years, the Company has incurred Average Net Loss of ₹ 676.37 lakhs

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

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

(a) Total amount to be spent for the financial year: NIL

(a) Amount unspent, if any: Not Applicable

(a) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs Local area or other Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
Not Applicable							

\*Give details of implementing agency

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

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

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company, to the extent applicable.

**Ashni Biyani**  
Managing Director and Chairperson – CSR Committee



## SECRETARIAL AUDIT REPORT

Annexure V

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,  
The Members  
**Future Consumer Limited**  
(Formerly known as Future Consumer Enterprise Limited)  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Consumer Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (Not applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period); and
- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines, as mentioned above.

#### **We further report that:**

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

Based on the representation given by the Management of the Company and as verified by us, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

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

This Report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this Report.

For **Sanjay Dholakia & Associates**

**(Sanjay Dholakia)**  
**Practising Company Secretary**  
 May 22, 2019  
 Membership No. 2655 /CP No. 1798

## ANNEXURE I

To,  
 The Members  
**Future Consumer Limited**  
 (Formerly known as Future Consumer Enterprise Limited)  
 Mumbai

### Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Dholakia & Associates**

**(Sanjay Dholakia)**  
**Practising Company Secretary**  
 May 22, 2019  
 Membership No. 2655 /CP No. 1798

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Director, Company Secretary and Manager during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

Sr. No.	Name of Director/KMP and designation	Remuneration of Director / KMP for Financial Year 2018-19* (₹ in lakhs)	% increase in Remuneration for Financial Year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1.	Ashni Biyani# Managing Director	170.50	94%	60.74
2	Narendra Baheti Executive Director	149.56	7%	53.28
3	Manoj Gagvani Company Secretary and Head-Legal	95.90	8%	34.16
4	Ravin Mody Chief Financial Officer	109.79	7%	39.11

# Appointed as Managing Director with effect from 22<sup>nd</sup> May, 2018.

\* remuneration does not include the perquisite value on stock options exercised during the year.

a) Narendra Baheti: ₹ 656.88 Lakhs

b) Ravin Mody: ₹ 3.10 Lakhs

c) Manoj Gagvani: ₹ 115.55 Lakhs

- (ii) **Percentage increase in the median remuneration of employees in the financial year**

In the financial year 2018-19, there was an increase of 13% in the median remuneration of employees.

- (iii) **Number of permanent employees on the rolls of Company**

There were 1,599 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2019.

- (iv) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average percentage increase made in the salaries of employees other than the managerial personnel for the financial year i.e. 2018-19 was 13% whereas the increase in the managerial remuneration for the same financial year was 24%.

- (v) **Key parameters for any variable component of remuneration availed by the directors**

No variable component forms part of remuneration paid to Managing Director. In respect of the executive Director, the variable component of remuneration is in line with policy of the Company which largely takes into consideration the performance of the Company as well as the individual concerned.

- (vi) **Affirmation that the remuneration is as per the remuneration policy of the Company**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

## Annexure VII

**Disclosures relating to Employee Stock Option Scheme(s) in respect of Options granted till 31<sup>st</sup> March, 2019**

Sr. No	Particulars	FVIL ESOP-2011	FCEL ESOP-2014												
A	Disclosures in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note 36 in Notes to Financial Statements													
B	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 – Earnings Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	₹ 0.32													
<b>C</b>	<b>Details related to ESOS</b>														
(i)	A description of each ESOS that existed at any time during the year including the general terms and conditions of each ESOS														
(a)	Date of Shareholders' Approval	10 <sup>th</sup> August, 2010 and 16 <sup>th</sup> January, 2012	12 <sup>th</sup> January, 2015 and 12 <sup>th</sup> May, 2015												
(b)	Total Number of Options approved under ESOS	5,00,00,000	Primary Route: 3,19,50,000 Secondary Route: 7,98,00,000												
(c)	Vesting Requirements	<table border="1"> <tr> <td>At the end of one year from the date of Grant</td> <td>30% of options granted</td> </tr> <tr> <td>At the end of two year from the date of Grant</td> <td>30% of options granted</td> </tr> <tr> <td>At the end of three year from the date of Grant</td> <td>40% of options granted</td> </tr> </table>	At the end of one year from the date of Grant	30% of options granted	At the end of two year from the date of Grant	30% of options granted	At the end of three year from the date of Grant	40% of options granted	<table border="1"> <tr> <td>At the end of one year from the date of Grant</td> <td>20% of options granted</td> </tr> <tr> <td>At the end of two year from the date of Grant</td> <td>30% of options granted</td> </tr> <tr> <td>At the end of three year from the date of Grant</td> <td>50% of options granted</td> </tr> </table>	At the end of one year from the date of Grant	20% of options granted	At the end of two year from the date of Grant	30% of options granted	At the end of three year from the date of Grant	50% of options granted
At the end of one year from the date of Grant	30% of options granted														
At the end of two year from the date of Grant	30% of options granted														
At the end of three year from the date of Grant	40% of options granted														
At the end of one year from the date of Grant	20% of options granted														
At the end of two year from the date of Grant	30% of options granted														
At the end of three year from the date of Grant	50% of options granted														
(d)	Exercise price or Pricing formula	₹ 6	Primary Route : The exercise price per Option shall not be less than the face value of Equity Shares and shall not exceed market price of the Equity Share of the Company as on date of grant of Options, as may be decided by Nomination and Remuneration / Compensation Committee. Secondary Route : The exercise price per Option shall not exceed market price of the Equity Share of the Company as on date of grant of Options or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher, as may be decided by Nomination and Remuneration / Compensation Committee.												
(e)	Maximum term of Options granted	Three Years from the date of Vesting	Three Years from the date of Vesting												
(f)	Source of Shares (primary, secondary or combination)	Primary	Primary & Secondary												
(g)	Variation of terms of Options	Nil	Nil												
(ii)	Method used to account for ESOS - Intrinsic or fair value	Fair Value	Fair Value												
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable													

## (iv) Option Movement during the year (for each ESOS)

		FVIL ESOP-2011	FCEL ESOP-2014	FCEL ESOP-2014
		(Primary Route)	(Secondary Market Route)	(Primary Route)
a)	Number of Options outstanding at the beginning of the Period	50,25,017	1,54,41,500	72,82,000
b)	Number of Options granted during the year	Nil	Nil	Nil
c)	Number of Options forfeited / lapsed during the year	2,00,000	1,39,980	8,00,000
d)	Number of Options vested during the year.	46,00,000	75,70,000	22,50,000
e)	Number of Options exercised during the year	46,25,017	34,17,520	24,04,000
f)	Number of shares arising as a result of exercise of Options	46,25,017	34,17,520	24,04,000
g)	Money realized by exercise of Options	₹ 277.50 Lakhs	₹ 731.81 Lakhs	₹ 514.46 Lakhs
h)	Loan repaid by the Trust during the year from exercise price received	Not Applicable	₹ 787.66 Lakhs	Not Applicable
i)	Number of options outstanding at the end of the year	2,00,000	11,884,000	40,78,000
j)	Number of Options exercisable at the end of the year.	2,00,000	51,64,000	3,28,000

Sr. No	Particulars	FVIL ESOP-2011	FCEL ESOP-2014
v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Refer Note No. 36 in Notes to Standalone Financial Statements	
vi)	Employee wise details of options granted to:		
(a)	Senior Managerial Personnel (Directors and Key Managerial Personnel)	No Options granted during the financial year 2018-19	
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	No Options granted during the financial year 2018-19	
(c)	Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company from the time of grant.	Nil	
vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:		
(a)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Refer Note No. 36 in Notes to Standalone Financial Statements	
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	The fair value of each Option is estimated using the Black Scholes Option Pricing model.	
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options and is based on the daily volatility of the Company's stock price on NSE. The Company has incorporated the early exercise of Options by calculating expected life on past exercise behaviour.	
(d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	There are no market conditions attached to the grant and vest.	

**Details related to Trust:**

The details *inter alia*, in connection with transactions made by the Trust meant for the purpose of administering the Future Consumer Enterprise Limited Employee Stock Option Plan -2014 are as under:

**(i) General information on all schemes**

Sr. No.	Particulars	Details
1	Name of the Trust	Future Consumer Enterprise Employees Welfare Trust
2	Details of the Trustee(s)	Vistra ITCL (India) Limited (formerly known as IL & FS Trust Company Limited)
3	Amount of loan disbursed by Company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to Company / any company in the group) as at the end of the year	₹ 3,857.58 Lakhs
5	Amount of loan, if any, taken from any other source for which Company / any company in the group has provided any security or guarantee.	Nil
6	Any other contribution made to the Trust during the year	Nil

**(ii) Brief details of transactions in shares by the Trust**

Sr. No.	Particulars	Details
(a)	Number of shares held at the beginning of the year;	1,12,85,134
(b)	Number of shares acquired during the year through:	
	(i) primary issuance	Nil
	(ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	54,22,679 equity shares Constituting 0.28% of the paid up equity share capital of the Company as on 31 <sup>st</sup> March, 2019. Weighted average cost of acquisition is ₹ 42.28 per share
(c)	Number of shares transferred to the employees / sold along with the purpose thereof	33,87,520 equity shares pursuant to exercise of options granted to the employees*
(d)	Number of shares held at the end of the year	1,33,20,293 equity shares

**(iii) In case of secondary acquisition of shares by the Trust**

Sr. No	Particulars	Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
a)	Held at the beginning of the year	1,12,85,134	0.68%
b)	Acquired during the year	54,22,679	0.33%
c)	Sold during the year	Nil	Nil
d)	Transferred to the employees during the year	33,87,520*	0.20%
e)	Held at the end of the year	1,33,20,293	0.80%

\* 30,000 equity shares for options exercised have been transferred after 31<sup>st</sup> March, 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY OVERVIEW

Future Consumer Limited (hereinafter referred as "FCL" or "Company") is a unique and futuristic FMCG company engaged in branding, marketing, sourcing, manufacturing, and distribution of a wide portfolio of established food and FMCG brands across categories like Basic Foods, Ready to Eat Meals, Snacks, Beverages, Personal Hygiene Care, Beauty and Home Care. With robust joint venture partnerships with domestic and international companies, it has forayed into specialized product categories such as dairy, snacking products, personal care, etc.

### GLOBAL ECONOMY

#### Overview

The first half of 2018 saw the global economy gain momentum, driven by manufacturing growth across geographies and an improvement in trade conditions. However, as the year progressed, the growth momentum moderated due to multiple factors such as the escalating US-China trade tension, credit tightening in China and financial tightening among others. Global growth remained strong, at 3.8% in the first half of 2018, but dropped to 3.2% in the second half of the year [Source: International Monetary Fund (IMF)]. Moderate expansion in most emerging markets and developing economies are expected to help global economic output stabilise at around 3.6% in 2020 and beyond, offsetting the weakness in major advanced economies according to the IMF.

### GLOBAL CONSUMPTION STORY

Global consumption has risen steadily in industrial nations for decades and it is currently growing rapidly in many developing countries. As incomes rise, people are gaining access to a multitude of consumer items associated with greater prosperity. Population growth is also expected to further bolster the global consumption. China and India alone claim more than 20% of the global total consumer class of 362 million.

### INDIAN ECONOMY

#### Overview

Maintaining its steady position as the world's fastest growing major economy, India's GDP growth for fiscal year 2019 is expected to be 7%, boosted by conducive policy reforms and a credit rebound. The nation is currently experiencing a favourable phase of growth based on strong macro fundamentals of the economy, making growth prospects sustainable.

Fiscal deficit has been brought down to 3.4% in the government's revised estimate of fiscal year 2019. The Current Account Deficit (CAD), against a high of 5.6% six years ago, is around 2.5% of the GDP in fiscal year 2019. India has also moved up by 23 places to rank 77 in the World Bank's Ease of Doing Business 2019 report. All these changes have taken place on the back of the recent structural reforms initiated by the Indian

Government, such as a formalised tax structure, enhanced focus on infrastructure creation all of which have strengthened the economy, catalysed domestic demand, rising consumption and improved growth prospects.

#### India's consumption story:

India's growth as one of the fastest growing major economy is being driven by high private consumption and favourable demographics among others. The nation's private consumption, currently expected to be 59% of the GDP will continue to be the main driver of growth, growing at a robust CAGR of ~11% between 2017-2025. Factors such as dropping dependency ratio, increase in literacy levels and steady urbanization are expected to be key in driving private consumption. Globally, India is being looked upon as an important consumer market from where future growth is likely to emerge. The nation's consumption expenditure is expected to increase from US\$ 1,453bn in FY 2016 to US\$ 2,062bn by FY 2020 and will surpass the consumption expenditure of developed economies like Italy, France and UK.

Consumer demand has witnessed a pick-up towards the second half of 2018 with both modern trade and wholesale normalising post GST implementation and demonetization. In addition, as a result of increased exposure to global lifestyle and newer technologies, consumer perception in India has been shifting in favour of premium consumer durables thus leading to premiumisation of certain product categories.

Consumption is also rising in the rural markets due to the advent of technology and internet coupled with the young profile of the Indian consumer. Smaller towns and villages are expected to play a major role in fuelling the nation's consumption story in 2019 driven by factors such as rising rural incomes, better rainfall and strong policies directed towards enhancing farmer incomes.

#### Government initiatives

##### Insolvency and Bankruptcy Code:

The Insolvency and Bankruptcy Code (IBC) was launched in December 2016 with the objective of consolidating all laws related to insolvency and bankruptcy and to tackle Non-Performing Assets (NPA) which have been pulling the Indian economy down for years.

*Result: Post its implementation, this reform has provided a significant boost to the credit mechanism of the economy which allows for consumption smoothing and facilitates entrepreneurship.*

##### Pradhan Mantri Jan Dhan Yojana:

Pradhan Mantri Jan Dhan Yojana (PMJDY) was one of the biggest reforms undertaken in India for financial inclusion with an integrated approach to ensure comprehensive financial inclusion and provide banking services to all households in the country.

*Result: This scheme has helped the economically weaker sections of the society to become financially confident, aiding consumption.*

#### **Goods and Service Tax (GST):**

The GST has been one of the biggest tax reforms implemented in India to streamline the nation's indirect taxation system to bring in a more unified domestic system of indirect taxes. This reform has eliminated the cascading effects of indirect taxes.

*Result: This initiative has contributed to the formalisation of the Indian economy leading to an increase in organised retail and consumption. Average monthly GST revenue has increased by 9.2% in fiscal year 2019.*

#### **Doubling farmers income by 2022:**

This initiative was not only directed towards improving the livelihood of farmers but also to boost the agri-based manufacturing growth in rural India with an aim to move away from agri-production based model to a rural manufacturing-based model.

*Result: Many rural households are connected to mass consumption markets and this initiative is expected to enhance the purchasing power of farmers, driving the rural consumption demand.*

**Improving credit mechanism and favourable environment to entrepreneurship, increased formalization of the economy on the back of initiatives such as GST, improving purchasing power of farmers shall provide a significant boost to the consumption in the coming years.**

#### **Outlook**

India is expected to retain its tag as one of the fastest growing nation in fiscal year 2019-20. The government's policy measures to boost the investment climate and public consumption will help the country continue steadily upon its growth trajectory. Income support to farmers, hikes in the purchasing price of food grains and relief to taxpayers earning less than ₹ 5 lakhs are all expected to boost the household income of the rural population.

India also has an opportunity to strengthen its recent economic gains by initiating more integration in the global value chain. Factors such as a young working population, improving business climate and renewed focus on export expansion would support this opportunity.

## **INDIAN FMCG SECTOR**

### **Overview**

India's Food and Grocery consumption was estimated at ₹ 17.5 trillion in 2011-12, which rose to ₹ 30.8 trillion in 2016-17 at a CAGR of 12%. It is anticipated that the nation's food consumption will continue to increase at a CAGR of 10% till 2024-25. The organized Food & Grocery market is expected to grow at a much faster CAGR of 32% over 2016-17 to 2024-25 as the share of Modern Retail estimated to increase from 3.4% in 2016-17 to 8% in 2024-25. A large part of this growth will be led

by creation of new categories, entry of new players in the market and the launch of premium products.

Over the years, India has become one of the most attractive food and beverage markets and the fast growing under-30 consumer group is the largest contributor to the sales growth in this sector with their increasing purchasing power and inclination towards westernised, convenient and easy-to-prepare foods and beverages.

#### **Evolving Modern Trade:**

The shift to modern trade channel has been driven by convenience, better promotional offers, and wider assortment of products. Modern Trade channel for Food and Groceries is expected to grow at 3x growth of the overall growth. Modern Trade by virtue of effective merchandise display has spurred sales of certain FMCG categories. The growing popularity of this channel is evident from the fact that this is the preferred channel for the sale of FMCG products such as branded staples, liquid soap, floor cleaners and breakfast cereals among others. Post GST scenario, general trade took time to adjust to the new norms and modern trade came up to speed very fast, improving its overall saliency.

#### **FCL in context:**

FMCG companies predominantly have relied on general trade as a channel of distribution but FCL's business model is distinctly different from its peers due to its focus on Modern Trade. Shopping through modern trade is largely urban led and the pace of shift has accelerated over the past few years; FCL is likely to benefit from the same. As of fiscal year 2019, modern trade constituted over 75% of FCL's total sales.

The emergence of modern trade has coaxed consumers to opt for premium products and FCL is targeting to leverage this opportunity. Moreover, FCL's major thrust has been on premium and emerging value-added categories like dry fruits, health oils, oats, premium range of staples, snacks and beverages, home care, beauty etc. For example, Karmiq offers a premium range of dry fruits where there is virtually no competition from branded players and the margins are higher.

#### **Upcoming trends in the FMCG sector**

- **Rising smartphone penetration will aid consumption:** Increasing use of internet will drive the sales of quality FMCG products. Extensive use of smartphones is expected to increase searches by consumers about new products, price comparisons and product availability.
- **Globalisation of consumer preferences:** India's consumption patterns are expected to change rapidly in the next decade. A potent combination of favourable demographics, rising per capita incomes and urbanisation is expected to increase aspirational consumption. India is expected to cross the USD 2,000 per capita GDP mark in 2019 which will cause a disproportionate increase in



consumers' discretionary spending, leading to the evolution of a 'Glocal' consumer pattern.

- **Changing FMCG model:** Growth in technology is leading to the creation of an alternate business model which will mainly rely on customer acquisition closer to the point of sale with niche product categories on offer, in-store product sampling, targeted promotional campaigns, differentiated product values against competing brands and digital and social media led branding.

## BUSINESS AND PERFORMANCE OVERVIEW

### Centre of Plate (COP)

The Company has a wide portfolio of brands that cater to all the everyday essentials for the Indian kitchen. Centre of Plate is the leading contributor to the Company's top-line with a share of 51%. In the year under review, the Company continued its fast-paced expansion of this category by enhancing assortment and increasing penetration across the distribution network. All the major brands under this category achieved robust growth indicating stronger consumer connect. The COP business grew by 22% y-o-y with a robust underlying volume growth of 27%. Golden Harvest, our largest brand exhibited strong revenues in excess of ₹1,300 crores\*.

The Company's brand Fresh & Pure, with its promise for "SHUDHATTA JO DIKHE" and competitive pricing is garnering higher share within big-box stores and is poised for an encore in the convenience stores next year. The brand generated revenues of more than ₹ 230 crores including revenues of ~₹ 48 crore primarily from tea and coffee captured under processed food and beverages category.

FCL's conscious efforts of premiumization of the Centre of Plate portfolio are yielding great results. This premium portfolio "COP Foods" consisting of brands such as Karmiq, Golden Harvest Premium, Ektaa, Sangi's Kitchen, Mother Earth, Desi Atta among others grew by almost 127% in the year under review also reaching ~₹ 250cr mark in revenues. Karmiq, part of COP Foods, crossed the important milestone of ₹ 150cr in revenues during the year. At present, COP Foods constitutes ~13% COP revenues almost doubling from 7% in fiscal year 2018. FCL aspires to further enhance the contribution of COP Foods in the revenue pie enhancing the overall gross margins.

This rapid growth was supported by enhanced capacities for processing and packaging in South, West and North for commodities sourced in respective regions. The Company's procuring capabilities have also been enhanced through digitization of competitive bidding by over a thousand reliable suppliers by developing a specific app "AGRIBID". AGRIBID shall provide a nationwide pricing visibility for sourcing activities leading to an informed purchase decision. As a next step,

initiative has been taken to make this digitalisation transparent in aspects such as online supplier rating during live bidding, upstream supply chain and quality feedback.

### Processed Food and Beverages

The processed food category of FCL consists of popular brands such as Tasty Treat, Nilgiris, Sunkist and Sangi's Kitchen among others. This category contributes to the total revenues by 14% and has achieved a y-o-y growth of approximately 14% over the previous fiscal.

Tasty Treat, the leading brand in this category has achieved a sales figure of over ₹ 186cr in fiscal year 2019. The brand has grown by 68% over the previous year primarily driven by growth in biscuits, wafer biscuits and sweets. This year also marked Tasty Treat's foray into biscuits category and has performed extremely well capturing nearly 20% share in Future Group stores. During the year FCL relaunched namkeen range and added potato chips in five exciting flavours, wafer biscuit variants, jelly candies in four fruity flavours among others.

Varun Dhawan unveiled the new advertising campaign "Taste ka Attack" during the IPL playoffs in continuation with "Chak Chak Chabao" campaign designed during IPL 2018. The TV campaign accompanied by in store marketing initiatives, social media campaigns and promotions in the cricket stadiums effectively reached a wider audience through a 360 degree marketing approach.

Nilgiris registered healthy revenues of ₹ 245cr as the brand brought home traditional, refreshing Indian drinks with the product launches including spiced buttermilk, two variants of lassi and flavoured milk variants.

### Home Care, Personal Care and Beauty

FCL has a growing presence in the home and personal care category as the category grew by 37% on year over year basis contributing nearly 7% to the overall FCL top line.

CleanMate, our leading brand in the Home and Personal Care category crossed ₹ 84cr in revenues growing at a solid 26% on year on year basis. This year we launched toilet cleaner with unique higher viscosity formulation aimed at Indian Toilets. Caremate crossed ₹ 61cr top-line in fiscal year 2019 registering 41% over fiscal year 2018. Caremate saw the launch of a wide range of bio-degradable party disposables. Pratha, our brand of lifestyle home fragrances & spiritual needs, grew at 53% year over year registering revenues of ₹ 27cr.

The beauty and accessories brand TS clocked 52% growth in the fiscal year 2019 to touch a revenue figure of ₹ 33cr. This brand focused on four major categories, hair accessories, bath accessories, makeup accessories and nail enamel accessories and has increased its presence on Nykaa, listing over 116 SKUs on the website. In April, 2019, FCL announced acquisition of

\*Includes bulk

personal care portfolio comprising of Iraya (ayurvedic personal care brand), D'Free (anti-dandruff solutions), Hair For Sure (hair regrowth formula) of Athena Life Sciences Limited. This acquisition enables FCL to expand its portfolio in high margin categories of skin & hair care based on the Ayurveda platform.

FCL is making huge strides under the Personal Care category with the launch of new brands viz. Puretta and Aroha. FCL has entered into the Baby Accessories market with launch of 40+ SKUs in 6 categories under the brand Puretta. We also introduced Aroha, a premium range of 2-in-1 herbal handmade soaps, with special benefits derived from nature to add the glow and revitalize your skin.

#### **Aadhaar**

Aadhaar is a wholesale distribution business operated by the Company and these centres are expected to build a digital distribution highway for FCL brands. This digitally distribution network is expected to include kirana stores along with various other formal and informal institutions. During the year, FCL set up 7 Aadhaar Wholesale Centers ("AWCs") in the rural areas of Gujarat, Punjab, Rajasthan and Telangana. Aadhaar also launched a membership-based programs ("Mitra") signing up general trade stores in a 100-kilometre radius.

Other than membership-based participation, even non-member general trade stores shop at AWC. At present, these wholesale centres cater to over 60 such Mitra stores.

In rural areas, these centres will lead to better and wider product availability for the end consumers residing in these areas. Initially, FCL shall also supply products of other FMCG players under this model in order to service a full basket, while gradually the emphasis would be on increasing share of FCL products. FCL will be further expanding the rural distribution network via setting up wholesale centres into newer states and newer districts.

## **HUMAN RESOURCES**

Future Consumer Limited had 1,599 employees as on 31<sup>st</sup> March 2019 vis-à-vis 1,603 on 31<sup>st</sup> March 2018. The Company has a sustained industrial dispute free work atmosphere which has enhanced employee productivity. This has been possible due to our transparent and fair employee policies and the strong bond between the senior management and the employees. We have a fair remuneration system where deserving employees are rightfully rewarded. Systematic wage settlement, a fruitful bonus policy and an encouraging work environment has enhanced the level of engagement of the employees in the organisation. The Company has also maintained healthy and cordial industrial relations during the year.

## **RISK, THREATS INTERNAL CONTROLS AND ADEQUACY**

The industry in which the Company operates has some inherent risks such as ever-changing consumer demand, competitive intensity and cost volatility. This requires identifying, monitoring and mitigating risks predominantly in the areas of business, operations, finance and compliance.

The Company has an adequate internal control system through Internal Audit and Enterprise Risk Management to safeguard all its assets and ensure operational excellence.

#### **Enterprise Risk Management :**

FCL has Enterprise Risk Management (ERM) Policy in place. The aim of this policy is not only to eliminate risk but to also assist FCL personnel to manage the risks involved concerning the business and to achieve maximum opportunities and minimize adverse consequences.

It involves:

- Identifying and taking opportunities to improve performance as well as taking actions to avoid or reduce the chances of adverse consequences
- A systematic process that can be used when making decisions to improve the effectiveness and efficiency of performance
- Effective communication
- Accountability in decision making

Risk Management Committee meeting is held once in every six months wherein all the critical risks along with current mitigation plans identified during the period are presented to the Board members. This ensures all the critical risks are covered and suitable mitigation plans are in place or needs to be implemented to overcome /avoid the risk to ensure controls are operating effectively.

#### **Internal Audit and Internal Financial Controls :**

The Company has put in place an adequate internal control system to safeguard all its assets and ensure operational excellence. The system meticulously records all transaction details and ensures regulatory compliance. The Company also has a team of internal auditors to conduct internal audit. KPMG as our Internal Auditors ensures that all transactions are correctly authorised and reported. The reports are reviewed by the Audit Committee. Wherever necessary, internal control systems are strengthened, and corrective actions are initiated. The Internal Auditors assist in setting Industry benchmarks and help us drive implement best Industry practice within our organization.

Internal Audit team conducts Internal Financial Review (IFC) testing on yearly basis as per Companies Act 2013, to ensure adequate and effective Internal Control over Financial Reporting is in place. The same is also being certified by our statutory auditors on a yearly basis.

#### Key initiatives undertaken during the year:

##### I. Strengthening Access Controls and Segregation of Duties in ERP:

The Company operates on SAP HANA. The Company recently implemented Governance Risk & Compliance (GRC) module in SAP resulting in:

- Effective deployment of Segregation of duties (SoD) rules and sensitive access for SAP applications.
- Remediate and mitigate SoD conflicts.
- Enforce compliance to ensure SAP roles designed are without inherent conflicts.
- Periodic access and SoD reviews for governance.

##### II. Information Technology General Controls:

Policies and procedure to identify risk and access management, defining relevant security management process and controls exists and is approved by the Chief Information Security Officer of Future Group which is communicated to all the employees. Controls can be segregated into Physical controls, Logical controls and Access Controls.

###### a) Physical controls:

- Primary responsibility lies with the employees to maintain and take care of the Laptops/desktops and other accessories allocated to them.
- Periodic e-mail communications with respect to steps to be followed for proper handling of the Company Assets is being circulated by the IT team.
- Physical Assets are always insured.

###### b) Logical Controls:

- Ensures safeguarding of organization's systems, including user identification and password access, authenticating, access rights and authority levels.
- Appropriate communication through e-mails by IT team is sent to the employees for safeguarding their login passwords.
- Access to USB is strictly restricted and is given to relevant employees post necessary approvals.

###### c) Access Controls:

- Monitored through implementation of GRC module in SAP.

ITGC audit is being conducted on a yearly basis by statutory audit team.

Business continuity plan (BCP) refers to the activities required to keep the organization running during a period of displacement or interruption of normal operations. BCP helps in continuing the business even after a disaster occurs. Hence an efficient BCP and Disaster Recovery Plan (DRP) can be used to actively run and maintain the business activities. For Future Consumer Limited, DRP and BCP for data stored on Future Group centralised server is in place and is controlled by Centralised IT team of Future Group. Back up of the data stored on the centralised Server is created on a regular basis to ensure there is no loss of data in case of any natural calamities or system failure. This shall effectively ensure no business loss to FCL.

## REVIEW OF CONSOLIDATED FINANCIALS

The financial statements have been prepared in accordance with Indian Accounting Standards and the relevant provisions of the Companies Act, 2013 and Rules made thereunder, as amended/ re-enacted, from time to time, as applicable.

Particulars (₹ Lakhs)	FY19	FY18
<b>Revenue from Operations</b>	<b>388,064.97</b>	<b>300,746.50</b>
Cost of Goods Sold	335,607.78	258,508.98
<b>Gross Profit</b>	<b>52,457.19</b>	<b>42,237.52</b>
<b>Gross Margin (%)</b>	<b>13.50%</b>	<b>14.00%</b>
Other Income	3,138.18	3,225.21
<b>Expenses</b>		
Employee Benefit Expense	13,117.77	12,536.74
Other Expense	29,262.42	24,273.12
Finance Costs	7,347.73	5,256.79
Depreciation and amortization expense	5,315.49	4,547.84
Exceptional items	(22.41)	-
<b>Profit / (Loss) Before Tax</b>	<b>574.37</b>	<b>(1,151.77)</b>
Share of Profit / (Loss) in Associates & JVs	(2,869.86)	(1,696.36)
Net tax expense	1,656.74	249.72
<b>Net Profit/(Loss) for the Year*</b>	<b>(638.75)</b>	<b>(2,598.42)</b>

#### Turnover

The Company has recorded consolidated turnover of ₹ 3,88,064.97 Lakhs in the fiscal year 2019 as against ₹ 3,00,746.50 Lakhs in last fiscal, a growth of 29%. Our turnover consists of income from sale of products and other operating income by the Company and its subsidiaries.

#### Cost of Goods Sold

Our cost of goods sold primarily includes costs in relation to purchases of finished goods and raw materials and other cost. Our cost of goods sold accounted for 86.5% and 86.0% of our turnover for fiscal year 2019 and fiscal year 2018 respectively.

# Attributable to owners of the Company

### Employee Costs

Employee cost include salaries and bonuses to our employees, ESOP charges, contributions to provident funds and other funds as well as staff welfare expenses. During fiscal year 2019, employee benefit expenses grew 4.6% over the previous year and accounted for 3.4% and 4.2% of our Revenue from Operations for fiscal year 2019 and fiscal year 2018, respectively. The increase is lower at 4.6% primarily on account of outsourcing of bakery operations under Nilgiris and lower provisions on account of retirement benefits and lower ESOP charge.

### Other Expenses

Other Expenses primarily include expenses towards payment of rent and fuel, power, water, advertisement, publicity and selling expenses, travelling expenses, legal and professional charges etc. Other expenses accounted for 7.5% and 8.1% of Revenue from Operations for fiscal year 2019 and fiscal year 2018, respectively. Our overall Other Expenses for fiscal year 2018 grew by 20.6% over fiscal year 2018.

### Interest and Financing Charges

Interest and financing cost primarily consist of interest on working capital loans, fixed loans and term loans. FCL incurred interest and financing charges of ₹ 7,347.73 Lakhs in fiscal year 2019 an increase of ₹ 2,090.94 Lakhs over the previous fiscal year. The increase was primarily on account of increased working capital requirements, capital expenditure and funding for expansion plans of Joint Ventures. Our interest and financing charges accounted for 1.9% and 1.7% of Revenue from Operations for fiscal year 2019 and fiscal year 2018, respectively. Interest and Financing Charges stood at ~10% on average borrowing balance.

### Depreciation and Amortization

For the year, Depreciation and Amortization expense has increased from ₹ 45.48 crore in fiscal year 2018 to ₹ 53.15 crore in fiscal year 2019. The increase is primarily on account of additional depreciation charge pertaining rice mill and combimill which have been capitalised during the year.

### Profit before Tax

FCL turned profitable at profit before tax with a profit of ₹ 574.37 Lakhs for fiscal year 2019 vs a loss of ₹ 1,151.77 Lakhs for the fiscal year 2018.

### Losses on account of JVs, Subsidiaries and Associates and minority interest

Losses on account of JVs, Subsidiaries and Associates and minority interest stood at ₹ 2,869.86 Lakhs in fiscal year 2019 vs ₹ 1,696.36 Lakhs for fiscal year 2018. The losses increased primarily due to expenses pertaining to Hain Future Natural Products Private Limited and Fonterra Future Dairy Partners which were yet to begin commercial operations during the period under review and increased consolidation of losses on

account Aussee Oats Milling (Private) Limited. During the fiscal year 2019, FCL divested its investment in Amar Chitra Katha Private Limited and have consolidated FCL's share of losses till the date of divestment.

### Profit after Tax

FCL has conservatively created a deferred tax asset of ₹ 1879.62 Lakhs to normalize earnings on account of visibility of profitability at the standalone level. Loss for fiscal year 2019 was ₹ 638.76 Lakhs, an improvement of 75.4% over fiscal year 2018.

### SUMMARY OF BALANCE SHEET

Assets (₹ Lakhs)	FY19	FY18
<b>Non-Current Assets</b>		
Property Plant & Equipment, Intangibles & Capital Work in Progress	97,604.23	97,903.72
Financial Assets (Non-Current)	10,257.88	7,009.72
Other Non-Current Assets	5,566.25	2,951.66
<b>Total Non-Current Assets</b>	<b>113,428.37</b>	<b>107,865.10</b>
<b>Current Assets</b>		
Inventories	24,684.80	22,424.31
Trade Receivables	67,466.28	49,284.46
Cash & Bank Balances	6,836.07	4,475.22
Other Current Assets	14,512.35	18,194.30
<b>Total Current Assets</b>	<b>113,499.51</b>	<b>94,378.29</b>
<b>Total Assets</b>	<b>226,927.88</b>	<b>202,243.39</b>
<b>Equity and Liabilities (₹ Lakhs)</b>		
<b>Shareholder's Funds</b>	<b>98,781.05</b>	<b>99,948.39</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Borrowings	27,770.87	31,014.16
Other Non-Current Liabilities	9,210.82	8,913.89
<b>Total Non-Current Liabilities</b>	<b>36,981.70</b>	<b>39,928.05</b>
<b>Current Liabilities</b>		
Borrowings	48,172.92	23,035.48
Current maturities of long term debt	5,423.02	7,716.13
Trade Payables	30,034.84	24,029.75
Other Current Liabilities	7,534.34	7,585.59
<b>Total Current Liabilities</b>	<b>91,165.13</b>	<b>62,366.95</b>
<b>Total Equity and Liabilities</b>	<b>226,927.88</b>	<b>202,243.39</b>

### FINANCIAL POSITION

#### Property Plant & Equipment, Intangibles & Capital Work in Progress (Fixed Assets)

Fixed Assets marginally declined from ₹ 97,903.72 Lakhs at the end of fiscal year 2018 to ₹ 97,604.24 Lakhs at the end of fiscal 2019. There was addition of ₹ 7,551.65 Lakhs in Fixed Assets which was offset by depreciation charge/ deletion of ₹ 5,725.27 lakhs and impairment of ₹ 2,690.48 Lakhs towards KBFP and Sach business.

### Other Non-Current Assets

Other Non-Current Assets increased from ₹ 2,951.66 Lakhs for fiscal year 2018 to ₹ 5,566.25 Lakhs for fiscal year 2019 primarily due to increase in net deferred tax assets of ₹ 1,870.65 Lakhs.

### Financial Assets (Non-Current)

Financial Assets increased from ₹ 7,009.72 Lakhs for fiscal year 2018 to ₹ 10,257.88 Lakhs for fiscal year 2019 primarily due to conversion of inter corporate deposits of ₹ 4,977 Lakhs held in Amar Chitra Katha Private Limited into 0.001% Compulsorily Convertible Debentures (CCDs). This has resulted in corresponding decrease in Other Current assets.

### Other Current Assets

Other Current Assets decreased from ₹ 18,194.30 Lakhs for fiscal year 2018 to ₹ 14,512.35 Lakhs for fiscal year 2019 primarily due to conversion of inter corporate deposits of ₹ 4,977 Lakhs held in Amar Chitra Katha Private Limited into 0.001% Compulsorily Convertible Debentures (CCDs). This has resulted in corresponding increase in Financial Assets (Non – Current).

### Cash and Bank Balances

Cash & Bank Balances stood at ₹ 6,836.07 Lakhs (fiscal year 2018: ₹ 4,475.22 Lakhs).

### Shareholders' Funds

As on 31<sup>st</sup> March, 2019 (fiscal year 2019), Shareholder's Funds of the Company amounted to ₹ 98,781.05 Lakhs (fiscal year 2018: ₹ 99,948.39 Lakhs).

### Net Working Capital

As on 31<sup>st</sup> March, 2019, the Net Working Capital of the Company amounted to ₹ 62,116.25 Lakhs (fiscal year 2018: ₹ 47,679.03 Lakhs), this included ₹ 24,684.80 Lakhs (fiscal year 2018: ₹ 22,424.31 Lakhs) of Inventories, ₹ 67,466.28 Lakhs (fiscal year 2018: ₹ 49,284.46 Lakhs) of Trade Receivables and ₹ 30,034.84 Lakhs (fiscal year 2018: ₹ 24,029.75 Lakhs) of Trade Payables. Net Working Capital Days increased from 49 days at the end of fiscal year 2018 to 51 days at the end of fiscal year 2019.

### Borrowings

As on 31<sup>st</sup> March, 2019, the Company's Gross Debt stood at ₹ 81,366.81 Lakhs comprising Non-current borrowings of ₹ 27,770.87 Lakhs, short-term borrowings of ₹ 48,172.92 Lakhs and Current Maturities of long-term borrowings of ₹ 5,423.02 Lakhs (fiscal year 2018 Gross Debt: ₹ 61,765.77 Lakhs; Non-current borrowings: ₹ 31,014.16 Lakhs; Short-term borrowings: ₹ 23,035.48 Lakhs and Current Maturities of long-term borrowings: ₹ 7,716.13 Lakhs). Long-term borrowing repayment of FCL is split evenly over a tenure of six years providing necessary liquidity in the medium term.

The increase in borrowings was primarily on account of absolute increase in net working capital requirements and investment in joint ventures. FCL is also in the process of completing a

fund-raise of ₹ 34,962.00 Lakhs in the form of equity linked instruments from existing investors International Finance Corporation, Verinvest SA as well as Promoters which shall help contain the overall borrowing levels.

### Details of Significant Changes in Key Financial Ratios

#### 1. Debtors Turnover

Debtors Turnover ratio increased marginally from 50 days at the end of fiscal year 2018 to 55 days at the end of fiscal year 2019 primarily on account expansion of product portfolio.

#### 2. Inventory Turnover

Inventory Turnover ratio improved from 28 days of Cost Of Goods Sold (COGS) at the end of fiscal year 2018 to 26 days of COGS at the end of fiscal year 2019.

#### 3. Payables Turnover

Payables Turnover ratio remained constant at 29 days of COGS for fiscal year 2019 and 2018.

#### 4. Interest Coverage Ratio

Interest coverage ratio improved significantly from -0.18x for fiscal year 2018 to 0.39x for fiscal year 2019 primarily on account of top line growth of 29% coupled with EBIT margin expansion from -0.17% for fiscal year 2018 to 0.39% for fiscal year 2019.

#### 6. Current Ratio

Current ratio remains comfortable at 1.2x for the fiscal year 2019 as compared to 1.5x for the fiscal year 2018, the ratio declined primarily on account of increase in short term borrowings.

#### 7. Debt to Equity Ratio

Debt to Equity ratio (calculated on net debt) stood at 0.8x for the fiscal year 2019 as compared to 0.6x for the fiscal year 2018. Increase in the ratio was primarily due to increase in short term borrowing to ₹ 48,172.92 Lakhs for the fiscal year 2019 from ₹ 23,035.48 Lakhs for the fiscal year 2018.

#### 8. Operating Profit Margin (EBITDA) %

EBITDA margin (EBITDA calculated as Earnings before Interest, Taxes, Depreciation and Amortisation, Exceptional Items and including Other Income {excluding interest income} for the Company improved significantly from 2.2%\* for the fiscal year 2018 to 3.0% for the fiscal year 2019 as a result of improvement in operating expenses as a % of revenues from 12.2% for the fiscal year 2018 to 10.9% for the fiscal year 2019.

#### 9. Net Profit Margin (%)

Net profit margin (attributable to owners of the Company) improved from -0.9% for the fiscal year 2018 to -0.2% for the fiscal year 2019 as a result of improvement in EBITDA margins from 2.2% to 3.0% in respective years.

\* excluding gain on redemption of debentures in Capital Foods Private Limited

## 10. Return on Net Worth (%)

Return on Net Worth improved from -2.6% for the fiscal year 2018 to -0.7% for the fiscal year 2019 as net losses shrunk significantly from ₹ 2,598.42 Lakhs for the fiscal year 2018 to ₹ 638.75 Lakhs for the fiscal year 2019.

### Performance of Subsidiary, Joint Venture and Associate companies:

#### Subsidiary Companies:

#### 1. Aadhaar Wholesale Trading and Distribution Limited ("Aadhaar")

Aadhaar, a wholly owned subsidiary of the Company, is in the business of rural and semi-urban wholesale and distribution of primarily fast-moving consumer products of the Company. It is actively pursuing wholesale distribution and franchisee models in this segment. During the fiscal year 2019, Aadhaar has built seven wholesale centers across four states which facilitate effective access to General Trade. General trade store operating in a 100-kilometre radius can become a member ("Mitra") of a wholesale centre. These Mitras in turn will get an access to the Company's brands along with other FMCG products and shall also benefit from technology and systems expertise. These wholesale centers also cater to other businesses in the radius such as hotel, restaurants and canteens, FCL intends to improve its reach to rural India via this digital distribution model. Aadhaar has registered revenues of ₹ 33,621.47 Lakhs representing growth of 10% on year over year basis.

#### 2. The Nilgiri Dairy Farm Private Limited ("Nilgiris")

With origin in 1905, Nilgiris is a leading dairy and bakery brand in South India with a franchisee network of ~242 stores. The brand Nilgiris has grown to become a household name in the south India with consumers spanning successive generations. The brand has a unique portfolio, supported by manufacturing facilities for dairy. Nilgiris also has franchisee operated chain of convenience stores with a strong presence in urban centers across India's southern states. Nilgiris has registered consolidated revenues of ₹ 24,533.53 Lakhs for the fiscal year 2019 as the top line grew by 6% on year over year basis.

The subsidiaries of Nilgiris are mentioned as below:

- a) Appu Nutritions Private Limited
- b) Nilgiri's Mechanised Bakery Private Limited
- c) Nilgiris Franchise Limited, *formerly known as Nilgiris Franchise Private Limited*

#### 3. Bloom Foods and Beverages Private Limited ("Bloom"),

Bloom, a wholly owned subsidiary of the Company, is predominantly engaged in the business of trading in all types of fruits and vegetables. Bloom has registered revenues of ₹ 48,458.54 Lakhs (year over year growth of 129%) and

Profit after Tax of ₹ 467.53 Lakhs for the fiscal year 2019 as compared to loss of ₹ 87.32 Lakhs for fiscal year 2018.

#### 4. Integrated Food Park Limited ("IFPL"), *formerly known as Integrated Food Park Private Limited*

IFPL, a subsidiary of FCL Tradevest, has in partnership with the Ministry of Food Processing Industries, Government of India, set-up a state-of-the-art India Food Park facilitates which provides end-to-end food processing along the value chain (grading, sorting, pulping, packaging & distribution) from the farm to the market. Equipped with world-class food processing units, storage capacity, cold storage unit and in-house pulping, dehydration and frying and roasting line, IQF, milling, flouring, spice and dal units, this massive park is spread across 110 acre land at Tumkur region in Karnataka. IFPL is home to several food processing firms where it enables them to work through a single window system. IFPL also houses other facilities such as effluent / sewage treatment plant, central canteen, meeting and conference rooms, office cabin, micrology lab and research and development lab.

IFPL has registered revenues of ₹ 2,797.07 Lakhs as revenues grew by 43% on year over year basis and EBITDA of ₹ 1,452.60 Lakhs for the fiscal year 2019 as compared to EBITDA of ₹ 839.16 Lacs.

#### 5. Aussee Oats Milling (Private) Limited ("Aussee Oats")\*, *formerly known as Aussee Oats Milling (Private) Limited*

Aussee Oats operates a state-of-the-art "oats based" breakfast cereals manufacturing facility (EOU - Export Oriented Unit) in Sri Lanka through a Joint Venture initiative with SVA India Limited and the Company. The Company holds 50% plus one ordinary share of Aussee Oats. Aussee Oats predominantly focuses on manufacturing and sale of wide range of oats such as flavoured oats, steel cut oats etc.. Aussee Oats has registered revenues of ₹ 3,838.29 Lakhs for the fiscal year 2019 as revenues grew by 33% on year over year basis (converted into Indian Rupees at the exchange rate of USD 1= ₹ 69.8889).

#### 6. Aussee Oats India Limited ("Aussee Oats India")\*, *formerly known as Aussee Oats India Private Limited*

Aussee Oats India is engaged in the business of selling, importing, primarily oats and oats based products in India. FCL Tradevest holds 50% plus one equity share of Aussee Oats India. Aussee Oats India has registered revenues of ₹ 3,507.60 Lakhs for the fiscal year 2019 as the revenues grew significantly by 105% on year over year basis.

#### 7. Sublime Foods Limited ("Sublime")\*, *formerly known as Sublime Foods Private Limited*

Sublime is engaged in the business of manufacturing convenient food products such as sauces, chutneys, condiments, dressings and mayonnaise for Company's brand - "Sangi's Kitchen". The manufacturing unit has

been set up by Sublime Foods at the India Food Park, Tumkur, which mainly produces dips and sauces such as sweet, chilli garlic, schezwan, mayonnaise, tamarind (imli), coriander & mint and Italian classic arrabiata and alfredo. It has capabilities to produce other variety of such food products such as jams, jellies, confectionery fillings, different types of cheese and few dairy products. These products are made in equipment imported from Italy with an automated manufacturing system to ensure safety and hygiene standards. FCL Tradevest owns 51% stake in Sublime Foods. Sublime has registered consolidated revenues of ₹ 1,722.28 Lakhs for the fiscal year 2019 as the revenues grew by 20% on year over year basis.

**Avante Snack Foods Private Limited ("Avante Foods")\***

Avante Foods is a subsidiary of Sublime Foods is engaged in the business of manufacturing, processing, branding, packaging, warehousing and dealing in items in snack food category, fried chips of various fruits and vegetables, nuts and seeds based snacks, dehydrated fruits and vegetables snacks, extruded snacks made from rice and other grains and other food products. Avante Foods has registered revenues of ₹ 543.57 Lakhs for the fiscal year 2019.

**8. MNS Foods Limited ("MNS Foods")\*, formerly known as MNS Foods Private Limited**

MNS Foods, a subsidiary of FCL Tradevest is engaged in the business of manufacturing and trading of all kinds of wafer biscuits, chocolate enrobed wafer biscuits, confectionaries, bakery, cookies, pastries, cereals foods, canned foods, lemon drops, extruded foods, tinned fruits, preserved foods, nutrients, vegetables, fruits, jams, pickles, sausages, diet foods, toffees, chocolates and packaging activities. MNS Foods supports manufacturing of Tasty Treat wafer biscuits from its manufacturing facilities set up at India Food Park, Tumkur. FCL Tradevest holds 50.01% stake in MNS Foods. MNS Foods has registered revenues of ₹ 1,459.51 Lakhs for the fiscal year 2019 as the revenues grew by 6% on year over year basis.

**9. Future Food and Products Limited ("FFPL") and Future Food Processing Limited ("FFPRL"), formerly known as Future Food Processing Private Limited**

FFPL and FFPRL have been set-up with the objective to focus on establishment of food processing units. These entities are subsidiaries of FCL Tradevest and are in the process of setting up necessary infrastructural facilities at Nagpur.

**10. Future Consumer Products Limited ("FCPL")**

FCPL has established a JV in association with the iconic cricketer Sachin Tendulkar for the brand "Sach", which establishes an emotional connect with young consumers.

**11. FCEL Overseas FZCO ("FCEL Overseas")**

FCEL Overseas has been set up in UAE to undertake the business of dealing in furthering exports of range of Company's products.

**12. FCEL Food Processors Limited ("FCEL Food Processors")**

FCEL Food Processors, a wholly owned subsidiary, has diversified its objects to carry on the business of manufacturing, processing, branding, packaging, warehousing, and/or otherwise dealing in food products.

**13. FCL Tradevest Private Limited ("FCL Tradevest")**

FCL is in the process of creating a culture of manufacturing excellence, reorganized the businesses and accordingly, certain investments in entities mentioned below with manufacturing operations have been sold to a newly formed wholly owned subsidiary, FCL Tradevest Private Limited at fair value.

As a result of this transaction, there is a one time exceptional gain of ₹ 2,988.41 Lakhs in fiscal year 2019 in FCL standalone books.

- Aussee Oats India Limited (Subsidiary of FCL Tradevest)
- Future Food and Products Limited (Subsidiary of FCL Tradevest)
- Future Food Processing Limited (Subsidiary of FCL Tradevest)
- Integrated Food Park Limited (Subsidiary of FCL Tradevest)
- MNS Foods Limited (Subsidiary of FCL Tradevest)
- Sublime Foods Limited (Subsidiary of FCL Tradevest)
- Affluence Food Processors Private Limited (Subsidiary of FCL Tradevest)
- Genoa Rice Mills Private Limited (Joint Venture of FCL Tradevest)

**14. Affluence Food Processors Private Limited ("Affluence")**

Affluence is a subsidiary of FCL Tradevest which operates a combi mill facility at the India Food Park, Tumkur and has a capacity of 60,000 MTPA. Affluence reported revenues of ₹ 3,340.50 Lakhs during the fiscal year 2019.

\* As per Ind AS 28, these entities are classified as Joint Ventures.

**Joint Venture Companies:**

**1. Mibelle Future Consumer Products A.G. ("Mibelle")**

The Company entered into a joint venture arrangement with Swiss based Mibelle A. G., a division of Migros Group, amongst the largest consumer goods company

in Central Europe, by forming a 50:50 joint venture company under the name Mibelle Future Consumer Products AG at Switzerland. The brand 'Swiss Tempelle' launched a variety of body wash and lotions and is further extending the range, during the year under review. The brand Swiss Tempelle generated revenues of over ~₹ 10.00 crore during the fiscal year 2019.

**2. Genoa Rice Mills Private Limited ("Genoa")**

Genoa is a 50:50 joint venture of FCL Tradevest with LT Foods Limited, amongst the leaders in the packaged rice space, undertaking the business of manufacturing and distribution of rice and with an objective of developing the first national brand outside the Basmati rice space. Genoa is engaged in the business of processing, marketing and distribution of rice and has set up its milling and processing plant at India Food park, Tumkur. Genoa generated revenues of ₹ 6,024.05 Lakhs during the fiscal year 2019.

**3. Hain Future Natural Products Private Limited ("Hain")**

Hain is a 50:50 joint venture with Tilda Hain India Private Limited. Tilda Hain India Private Limited is part of Hain Celestial Group Inc., a leading organic, natural and better-for-you products and is listed on

NASDAQ. Hain Celestial Group participates in almost all-natural categories with nearly 57 brands and introduced brands and products comprising Terra vegetable chips, Sensible Portions etc. Hain has set up a state of art manufacturing facility for brands Terra and Sensible Portions at India Food Park, Tumkur with a frying capacity of over 2 million cases per year. During the fiscal year 2019, Hain has initiated manufacturing of various SKUs of brand Sensible Portions from this facility. Hain incurred a loss of ₹ 528.89 Lakhs in fiscal year 2019.

**4. Fonterra Future Dairy Private Limited ("Fonterra")**

FCL and Fonterra Co-Operative Group, a leading global dairy nutrition company have formed a 50:50 joint venture to meet the growing demand for high-quality dairy nutrition in India. The partnership will leverage Fonterra's global dairy expertise and Future Consumer's strong local consumer insights and distribution scale, to launch a full range of consumer and foodservice dairy products. The first consumer products will be launched during mid of year 2019, using both locally sourced milk and imported dairy products from New Zealand. Fonterra incurred a net loss of ₹ 1,192.92 Lakhs for fiscal year 2019.



## BUSINESS RESPONSIBILITY REPORT

### Overview

Future Consumer Limited (“FCL”/“Company”), India’s first sourcing-to-supermarket food company caters to the fast moving consumer who shops at modern retail chains.

Customers increasingly demand for products that are innovative, economical, healthy, safe and responsible. The Company strives to achieve these aspirations and earn its customer’s trust, whilst improving its environmental and social impacts.

The Directors of FCL hereby present the Business Responsibility Report (“BRR”) of the Company for the financial year ended on 31<sup>st</sup> March, 2019, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This BRR delineates FCL’s endeavours to conduct business with responsibility and accountability towards all its stakeholders keeping in view the nine principles of the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’ released by Ministry of Corporate Affairs. This BRR is in line with the format prescribed by Securities and Exchange Board of India (“SEBI”).

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L52602MH1996PLC192090
2	Name of the Company	Future Consumer Limited
3	Registered address	Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
4	Website	www.futureconsumer.in
5	E-mail id	investor.care@futureconsumer.in
6	Financial Year reported	2018-19
7	Sectors/key products/services	<ol style="list-style-type: none"> <li>Food - Branded Packaged Food Business (Groceries, Dairy, Beverages, Bakery, Snacks and Munch and other World Foods)</li> <li>Home Care Products</li> <li>Personal Hygiene Care Products</li> </ol>
8	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	The Company operates in India and has presence in UAE and Sri Lanka through its subsidiaries.
	(b) Number of National Locations	FCL carries out business activities all over India with major manufacturing locations at Karnataka, Maharashtra and Haryana.
9	Markets served by the Company - Local/State/National/ International	FCL predominantly serves national markets with exports to few countries.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	INR 115,227.76 Lakhs
2	Total Turnover (INR)	INR 298,996.39 Lakhs (standalone)
3	Total profit after taxes (INR)	INR 6,053.10 Lakhs (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	With regard to the year under review, the Company was not required to spend any amount on CSR activities, since the criteria of average net profits of the Company during the three immediately preceding financial years, to be calculated under Section 198 of the Companies Act, 2013 was not achieved.
5	List of activities in which expenditure in 4 above has been incurred	Not Applicable

## SECTION C: OTHER DETAILS

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Company encourages its subsidiaries to participate in Business Responsibility (BR) initiatives of the Company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company encourages adoption of BR initiatives by its business partners, which currently aggregates to less than 30% of all the business partners.

## SECTION D: BR INFORMATION

### 1. Details of Director / Directors responsible for BR:

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

Sr. No.	Particulars	Details
1	Director Identification Number (if applicable)	00058775
2	Name	Ms. Ashni Biyani
3	Designation	Managing Director*
4	Telephone number	022 – 6119 0000
5	E-mail id	ashni.biyani@futuregroup.in

\*w.e.f. 22<sup>nd</sup> May, 2018

### 2. Principle-wise BR Policy / Policies (as per NVGs):

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

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

#### (a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies conform to voluntary sustainability guidelines such as the Global Reporting Initiative (GRI) and is also based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Details of compliance (contd...)										
Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The functional heads of the respective departments oversee the implementation of the policies.								
6	Indicate the link for the policy to be viewed online?	<a href="http://futureconsumer.in/Investors.aspx#policies.html">http://futureconsumer.in/Investors.aspx#policies.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?*	N	N	N	N	N	N	N	N	N
(b)	If answer to the question at serial number 1 against any principle, is 'No', please explain why	Not Applicable								

\*In the forthcoming financial year with the help of Future Group's sustainability cell, FCL aims to integrate the sustainability guidelines through strengthening of environmental and social performance of significant aspects, shall be audited by an internal team and disclosed appropriately.

### 3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company/ its Committees assess the various business responsibility initiatives undertaken by the Company on an annual basis.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the BRR for the year 2018-19 forms part of the Annual Report, which is published annually. It is available on the website of the Company at - <a href="http://www.futureconsumer.in/investors.aspx#annual-reports.html">http://www.futureconsumer.in/investors.aspx#annual-reports.html</a>

## SECTION E: PRINCIPLE WISE PERFORMANCE

### Principle 1: Ethics, Transparency and Accountability

FCL diligently follows the corporate governance practices, policies and procedures that ensures ethical conduct at all levels.

The Company has been built on a strong corporate governance foundation and seeks to positively impact every stakeholder it works with and the environment it impacts. This has been possible because of a robust governance structure and compliance with the Company's code of conduct and its policies.

These are made available to all stakeholders through the Company website <http://futureconsumer.in/investors.aspx#companypresentations> and vide declarations in the annual report.

#### Governance

FCL's governance structure, consists of various committees such as Audit Committee, Nomination and Remuneration/ Compensation Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. These committees' *inter-alia* help to address concerns with respect to policies and procedures enforced across the Company's business.

#### Vigilance Policy

FCL treats any act of fraud, bribery and corruption very seriously and expects its business partners to adopt the same approach. During the reporting period, the Company adopted the Anti-Corruption and Anti Bribery Policy.

The Company invested significant man-hours in sensitization of 287 employees on awareness raising and the required steps to register and resolve such complaints. Stakeholders are trained to report any potential or actual instance to [compliance.abac@futureconsumer.in](mailto:compliance.abac@futureconsumer.in). The policy is also being incorporated in all contracts with stakeholders associated with FCL including employees, manufacturers, vendors, partners and consultants and the Company expects all its stakeholders to respect the policy and abide by its principles, thereby ensure conducting business ethically.

The Company's Vigil mechanism empowers employees to bring to the attention of the management, any concerns about suspected misconduct, unethical behavior, suspected fraud or violations to come forward and express their concerns without fear of punishment or unfair treatment by reporting at [ethics@futureconsumer.in](mailto:ethics@futureconsumer.in). The mechanism promotes responsible and secure whistle blowing whilst assuring adequate safeguards to the whistle blower.

There were no complaints received by FCL under the Vigil Mechanism and Whistle Blower Policy as on 31<sup>st</sup> March, 2019.

#### Grievance Redressal Mechanism

Stakeholder complaints, concerns and queries are addressed vide grievance mechanism and processes to ensure that the Company resolves such cases satisfactorily thus improving its relationship with stakeholders and adding value to business through transparency and disclosure.

#### Employee Grievance Mechanism

The Company has an established grievance redressal procedure for employees. To enable easy resolution of issues, a grievance box is made accessible to employees. The Internal Complaints Committee ("ICC") receives the complaints, investigates the issue and resolves the grievance. During the reporting period, no complaints were received by the ICC.

The Prevention of Sexual Harassment (POSH) Policy is accessible to employees vide the intranet. Employees may report cases of sexual harassment by writing at - [posh@futuregroup.in](mailto:posh@futuregroup.in) and seek redressal of their grievances.

During the year under review, no POSH complaints were filed with the Company.

#### Investor Grievance Mechanism

The Corporate Governance Department regularly engages with the shareholders to resolve queries, grievances, if any, and provides guidance to shareholders for any Company-related matter. The Company has a designated e-mail ID - [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in) for addressing the investor complaints.

During the reporting period, the Company has received 4 (Four) investor complaints which have been satisfactorily resolved by the Company and its Registrar and Share Transfer Agents ("RTA").

#### Customer Grievance Mechanism

The customer relationship management team and the quality team work simultaneously towards resolving grievances of FCLs' customers. FCL believes in expeditious resolution of its customer grievances and has a robust and vigilant mechanism in place.

During the reporting period the Customer relations team received 388 customer complaints which have been resolved in close conjunction with the quality team.

#### Principle 2: Product Stewardship

The Company has begun its journey of sensitizing its employees, customers, and suppliers on the environmental and social impacts of its actions. During the year, a number of the Company's brands have aligned itself with social causes and customers have valued these actions by voting with their wallets.

The Company over the coming reporting period will endeavor to develop a sustainability road map, undertake audits and create awareness amongst all value chain members of their respective responsibilities.

#### Conscious Product development

The Company focuses on continuously improving product quality and develop new products through the Tumkur based Research and Development Lab.

The personal and home care category brands in which the Company deals have begun embedding environmental consciousness during product development stage itself.

- 'IRAYA' a 100% vegetarian cosmetic brand makes available sulphate free and silicon free products including those comprising of no synthetic dyes.
- 'Aroha' brand of soaps is 100% vegetarian and paraben free.
- 'Caremate', in the home care category produces deluxe kitchen rolls tissues made from 100% virgin fibre derived from Indonesian pulp that is certified by the Forest Stewardship Council.
- The brand also endeavors to source disposables that are biodegradable thus reducing the environmental burden.
- 'Swiss Tempelle' and 'Think Skin' body wash and face wash are paraben free and do not contain formaldehyde releasing preservatives and micro beads.
- 'Kara' brand of Wipes are made of viscous fibres that are 100% alcohol free.
- 'Puretta' Baby liquid cleanser and laundry detergent is alcohol, phosphorus and fluorescent free and is ideal for washing all baby accessories, toys and any articles that come in contact with the baby.

#### Healthy foods:

- Sunkist through its detox range of fruit juices ensures fully natural juices with no added sugar.
- The Organic flour and flax seeds retailed under the Mother Earth brand is USDA certified.
- The Sunkist range of jams contain no added sugar.
- Fresh and Pure tender coconut drink has no added sugar and is 100% coconut water.

#### Product Health and Safety

FCL endeavours to improve and attain the highest standards of quality and food safety. Food testing lab, batch tracking for manufactured products, dedicated teams for monitoring quality at each work center of production lines and a formal reporting systems are key drivers to the goal. One of the major activities initiated in FY 18-19 was BRC certification for the Fruit & Vegetable division at India Food Park.

The Company's manufacturing locations comply with ISO 22000, FSSAI 22000 standards for Food Safety Management.

The Company does not compromise on food safety by undertaking periodic workshops, trainings and internal audits.

The Company promotes healthy eating habits by making available organic food products, fortified products and health drinks. The Company is also addressing hunger and malnutrition especially with young school going children (for more details refer to Principle 8). The Company markets 'atta' fortified with iron through the 'Golden Harvest' brand and cooking oil fortified with Vitamin A and D through the "Fresh and Pure" brand.

#### Sourcing

The Company sources produce from the second harvest of organic farmers, who are assured of offtake, thereby enhancing their earnings.

Farm collection centres located at 16 locations source onion, tomato, oranges, watermelon, potatoes and vegetables from farmer producer organizations. 21 distribution centers located pan – India are well equipped with packing infrastructure, cold storages and quality equipment. Best efforts are made to ensure delivery to stores within a 12 hour window from harvesting.

Commodities are sourced by the Company's Centre of Plate division from over 250 centers, which are cleaned and packaged at five processing centers. The finished goods are sent to 38 locations which in turn serve to more than 300 store locations.

The Centre of Plate division has established transparency in prices of staples, spices, dry fruits and nuts by managing close to 50% of sourcing via Agribid, a SaaS application that connects suppliers/ farmers with the buyers, logistics team and quality assurance team. Additional benefits of Agribid include ease in vendor registration processes, placing of e-quotations and negotiations which lead to substantial time saving for buyers and cost saving for the Company. Going forward, the price trends being captured will help sourcing product efficiently.

The Company through its partnership with FoodTech India has set up a Polyhouse for growing of fruits and vegetables at Tumkur, India Food Park as a joint initiative with the Netherlands Government. The polyhouse covering 1 acre land has a capacity of producing 50 MT of cherry tomatoes and is a modern state of the art facility operated by automated environmental control and scientific irrigation practices that ensure better quality of produce and reduce food wastage.

During the reporting period, 20% of the suppliers of the Company were small and micro enterprise categories, which comprised of 4.5% of the total value of supplies received by the Company in FY 18-19. The Company also sources incense sticks, agarbattis, dhoop for its brand "Pratha" locally from small co-operatives and women entrepreneurs from Ahmedabad, Bangalore and Delhi.

#### Recycling

In adherence to the Plastic Waste Management Rules, 2016 and on implementation of the rules by Maharashtra Pollution Control Board, the Company has taken steps to comply with the regulatory requirements by ensuring plastic used in product packaging is recyclable and have tied up with a local Producer Responsible Organization (PRO) to recycle the plastic material at the end of its useful life.

The Company also participated in Plastic Lao Paise Kamao plastic recycling campaign in Mumbai and parts of Maharashtra based Big Bazaars. The campaign invited customers to bring back your Company's own brand bottles and in the process were incentivised with buy-back price. A total of 200kgs of FCL brand plastic has been collected and recycled so far. The campaign is in the process of being strengthened by piloting these in small format stores and in partnership with other recyclers.

Further, with the requirement of brand owners to demonstrate extended producer responsibility for Multilayered Plastic (MLP) in 17 states, the Company recycled 89 MT of MLP in Maharashtra and 10MT of MLP in Punjab in partnership with leading processors. (For further details on the compliance to Plastic Waste Management Rules, 2016 please refer Principle 6).

#### Principle 3: Employee Welfare

FCL's HR strategy aims to create a working environment that is supportive of employees' personal lives, while meeting the Company's business needs in accordance to the laws of the land.

#### Non Discrimination in recruitment and employment

FCL follows a streamlined process, to conduct a fair and effective recruitment and career development process free off caste, creed, age, colour or gender biases, which is consistent with employment related legislation. To be an inclusive employer, FCL provides equal opportunities to people with disabilities. In order to build a pro-inclusion mind-set and create a positive environment amongst stakeholders, FCL has designed appropriate communication and training programs.

The manpower at FCL as on 31<sup>st</sup> March, 2019 was 4023

No. of Permanent Employees			No. of Temporary/ contractual workers			Total Manpower		
Male	Female	Total	Male	Female	Total	Male	Female	Total
1400	199	1599	1304	1120	2424	2704	1319	4023

#### Diversity and Women's Empowerment

The Company is keen to improve diversity, right from entry level to its senior leadership, with a focus on women's representation. FCL currently employs 12% women in its workforce.

Currently women occupy 3% of the top management positions within the Company.

Group	Total Strength	No. of female employees	% of female employees to total strength
Band 1	752	83	11%
Band 2	514	70	14%
Band 3	231	38	16%
Band 4	73	7	10%
Band 5	29	1	3%
Total	1599	199	12%

#### Strengthening the Leadership pipeline:

- **Leadership Academy:** Future Group looks at identifying its leadership pipeline across various businesses through the institution of its Leadership Academy, an intricately curated 10 month intervention for leaders which has been developed to identify employees with leadership potential and strengthen their capacities through adequate training and project exposure. During the reporting period, FCL invested in 80 man hours on 5 employees, participating in the initiative.
- **Assessor Certification-** A 16 hour training programme for senior management is conducted annually. During the year under review the Company invested in 176 man hours for 11 employees who will now be able to be a part of the recruitment team in hiring new candidates.

#### Young Leader induction programs:

##### Future Business Innovator Program (FBI):

FCL conducts the Management Trainee Program at Tier 1 B School to hire management graduates for 1 year in a General Management role, whose role is mapped as per business requirement and their preferences based on 3 projects they will undertake with different concepts after a year. In the reporting year 2 FBIs were hired, by the Company.

##### Future Summer Samurai:

The program provided summer internship to 24 candidates from MICA, IES, MET, MISB Boconni and NDRI (National Dairy Research Institute) in the month of April-May for a period of 2 months wherein they are mentored by Business Heads and get hands on experience.

##### Future Ready

An interactive and engaging induction & orientation program for all new joiners which explains them an overview of Future Group, its businesses, its values & culture and prepares them for their journey at Future Group. During the reporting period, the Company invested 336 manhours for 42 employees beginning their journey at FCL.

#### Facilities for employee well-being

##### Khushali program(Employee wellbeing):

Employees are benefitted through a host of corporate partnerships under the Group's Khushali program focusing on home, education and health.

#### • Home

The Company has partnered with reputed real estate developers such as Dosti Realty, Shapoorji Pallonji, Piramal, Arkade Group, Kanakia Group, Wadhwa Group and JP Corp. Employees are provided discounts and other benefits such as buy back offerings and flexi-payment plan for houses at their desired location.

#### • Education

The Company partnered with organisations such as Jaro Education and NIIT on a PAN India basis to provide employees management and technical courses and technology programs from reputed institutes, universities and colleges for pursuing courses online.

#### • Health:

The Company has forged a partnership with health care institutions like Wockhardt, Fortis and diagnostic centres like Dr. Lal Path Labs and Welcome Cure. Employees and their family members can avail of priority treatment, free ambulance services, availing discounts on consultations, radiological diagnostic services, check-ups and alternative health care packages.

Insurance policies such as Medclaim, EDLI and Life security plans continue on a group level for eligible employees as per their grade. Similarly employees are provided the liberty of a flexi time window to enable them to achieve a work life balance.

At Nilgiris Dairy and the India Food Park, Tumkur, Karnataka, shuttle and volleyball sports facility were made available during the reporting period.

#### Employee incentives:

The Company provides employee benefits to its employees and dependents\* that can be availed at any stores run under the Future Group brand including Big Bazaar, fbb, Central, Brand Factory, Foodhall, Hometown, Easyday, Hypercity, Nilgiris to name a few. This helps meet the daily and aspirational needs of the employees and its dependents in food, bakery, fashion, homecare, electronics and personal care products categories.

The Company provides its employees an assistance plan to help address personal and professional challenges and situations that might be hindering employee growth and well-being.

\* upto a maximum of three

#### Employee Retention

FCL believes in overall development of the employee at a Future Group level, integrated with customized growth plans. Aligned with this, an Employee assistance plan is intended to help employees deal with personal and professional problems that might adversely impact work performance, health and overall well-being. The Company encourage employees to apply for Internal Job Postings so as to explore other formats and verticals.

### Employee growth, training and development and overall well-being

Apart from physical and mental health, FCL focuses on continuous learning and building organizational capabilities of its people on an equal and non-discriminatory basis.

Job skill analysis of employees ensure that they are well equipped with the knowledge and skills required as per their job roles and responsibilities and are kept aware of the latest trends and competitive landscape to adapt themselves to business challenges.

The Company nurtures its employees through trainings that are skill/ knowledge based (including food safety, good manufacturing practice, 5S, good health practice, SAP, root cause analysis, process improvement, allergens and handling, filling and packing, housekeeping, dispatch checklist filling, water testing and analysis, sample analysis, traceability, chemical analysis) and behavior based (like anti-corruption and bribery, personal hygiene and safety, electrical safety, fire safety, workplace ergonomics, first aid, energy saving, waste disposal)

The Company through these trainings have invested in 1,907 man hours for 2,339 participants.

#### Ban Jao Biyani

The flagship event of FCL allows the Company to harness a large talent pool of future leaders who become brand entrepreneur. Within the Company brand entrepreneurs are solely responsible to manage the P&L of their brand and coordinate with multiple teams across the Future Group.

The candidates undergo psychometric analysis, case study analysis followed by an extensive personal evaluation through interviews.

Shortlisted candidates were called during reporting period for a boot camp session to garner entrepreneurial experiences for 10 days, by undertaking store visits and working on projects and recommendations.

During the reporting year 40 candidates applied for the contest of which 16 profiles were selected for the boot camp session to provide an opportunity to fulfil their aspirations as brand entrepreneurs and product leads.

#### POSH Training

The Company believes in providing equal opportunity and has a Policy on Prevention of Sexual Harassment to ensure a harassment-free workspace for the employees. Awareness on the Code of Conduct and the sexual harassment policy is provided to all new employees during induction.

The employees of the Company participated in 5 POSH trainings undertaken at Group level and have been sensitized about the definition of sexual harassment, how to identify sexual harassment, how to avoid/protect oneself from being a victim

of sexual harassment and the reporting procedure of sexual harassment complaints.

Particulars	Value
Number of Awareness Sessions for Employees	1
Number of Employees Participated	25
Total Training Man Hours	100
Total Training Man Days	12.5

#### Health and Safety:

FCL embraces its environment health and safety policy to ensure employee welfare through accident free operations. FCL has a dedicated EHS manager at each business who is responsible for inspection of safety concerns.

Standard operation procedures include wearing of personal protective equipment and maintaining personal hygiene to prevent contamination of food.

The Company has developed Safety Guidelines which include:-

- List of personal protective equipment
- Safe Cutter Policy
- EHS Clauses for all Purchase orders and Agreements.
- Electrical safety
- Machine Guarding
- Incident reporting
- Project Pre-commissioning Check sheets

FCL ensures compliance to fire safety as mandated by the local authority requirements. Audit is also conducted on an annual basis through an insurance company. The Company also conducts mock drills on quarterly basis at offices and operating locations. Appropriate checks and measures have been incorporated that ensure seamless functioning of all equipment such as sprinklers and fire hydrants at all units, emergency exits remain unblocked and can be easily identified through appropriate signage for loss prevention during a fire.

#### Performance

Key Performance Indicator	Number
No. of injuries ( Minor+Major)	60
Lost time Accident	2
Medical Cases	1
First Aid Cases	57

#### Activities undertaken towards Health and Safety

- Preparation of Environmental and Social management systems roadmap
- Ensure implementation of safety guidelines
- Monthly reporting of KPIs related to health and safety

- Morning tool bob talk before start of work
- Monthly trainings as per schedule to inculcate to safety culture and driving ownership
- Observing and reporting leading and lagging indicators
- Hazard identification and risk assessment
- Installation of fire alarm and manual Call Point at F&V unit at India Food Park.
- Undertaking evacuation mock drills
- Internal safety audits to ensure compliance
- The Company aims at attaining ISO 14001 and ISO 45001 for India Food Park units in a phased manner in the forthcoming financial year.

#### Safety Trainings Undertaken

Category of Employees	Health Related Training conducted	Safety Training conducted
Permanent Employees	14	920
Contractual Employees	15	423
<b>TOTAL</b>	<b>29</b>	<b>1343</b>

#### Employees were given skill up-gradation training in the reporting period:

Category	India Food Park	Nilgiris Dairy	Centre of Plate
Permanent Employees	90%	14%	85%
Permanent Women Employees	100%	6%	75%
Casual/Temporary/Contractual Employees	100%	4%	75%

#### Principle 4: Stakeholder Engagement

Stakeholder engagement and partnership is essential to grow the Company's business and achieve aspirational goals. The Company actively engages with statutory bodies, trade bodies and associations, employees, investors, suppliers, customers, and civil society organisations to create a supportive environment.

In this process the Company understands the operating environment, its risks and challenges, identifying solutions as also opportunities that can give it quick successes.

#### Investor Engagement

The Company regularly interacts with its shareholders and investors through results announcements, annual report, media releases, Company's website and subject-specific communications. The Annual General Meeting gives the shareholders an opportunity to engage directly with the Board of Directors and the Management. During this meeting, the Board engages with shareholders and answers their queries on varied subjects.

The Investor Relations team also interacts regularly with investors and analysts, through quarterly results calls,

one-on-one and group meetings, participation at investor conferences and the annual investors meet.

#### Statutory bodies

FCL participates and engages with governments, regulators and legislators, both directly and through trade associations, towards legislative framework which may affect the Company's business interests.

#### Employee Engagement

FCL believes that its employees are its key stakeholder. During the period under review, the Company has engaged with its employees through various programs and activities such as:

- Celebrating monthly birthdays
- Providing surprise gift hampers, food and snacks, and overall grooming sessions for all women, while they inspired others through leadership talks on Women's Day.
- Conducting weekly town halls. Town halls are organized to encourage ideation and create awareness amongst employees, promote thought leadership and exchange of views amongst top management and peers. 30 Town Halls were conducted during the reporting period.
- Celebrating days of national importance including the Republic and Independence Day and various festivals namely Ganesh Chaturthi, Ayudha Pooja, Eid, Diwali, Christmas and Holi by distributing sweets and conducting competitions for employees and their children .
- Engaging with employees during Navratri through colour coded dressing competitions. The best dressed female and male employees were awarded across such as categories namely hairstyle, dress and footwear.

#### Supplier Engagement

The Company engages on a regular basis with suppliers to help innovate, create value, build capacity and capability, deliver quality and service and drive market transformation.

FCL undertakes internal audit of its suppliers in adherence to supplier code of conduct and benchmarks performance by rating its suppliers on 19 aspects such as statutory requirements, quality control, employee hygiene, pest control, cleaning and sanitation practices, processing control, allergen control, equipment suitability, cleaning & maintenance, traceability and recall process, HACCP, warehouse and transportation processes, operational risk assessment to name a few.

"Demonstration Polyhouse" training was conducted at the Polyhouse at India Food Park, Tumkur, by vegetable seed supplier Rijk Zwaan India, Broekman Logistics and Koppert India (crop protection) on polyhouse management.

With the objective of encouraging farmers to start a polyhouse in their respective fields, the Company invited 60 farmers



from Tumkur and Chikkaballapur for trainings on polyhouse management at India Food Park.

The Company encourages farmers to initiate organic farming to minimize health & safety impacts to customers and improve soil health. FCL field officers interact with local farmers and educate them on sorting and grading standards.

In the coming reporting period the Company plans to include environment, social and health and safety parameters as a part of the internal audit process.

#### Customer Engagement

The Company undertakes surveys and identify unique spaces within existing categories that capture consumption pattern and pursues customers for their valuable feedback in developing new products.

The Company uses a combination of channels, which include product labels, websites, phone numbers and leaflets to communicate with its consumers.

Customer polling through automated engines and neuro-linguistic programming (NLP) enables the Company to capture customer free flow. This process helps resolve grievances at the Point of Sale by identifying detractors.

#### Principle 5: Human Rights

The Company seeks to uphold and promote human rights in its operations, in relationships with business and partners through its human rights policy.

The Company's human rights policy recognizes the following priorities: compliance with applicable labour laws, zero tolerance to child labour, forced or compulsory labour in operations, equal opportunity for all employees to express concerns and seek redressal, health and safety of employees, respect and support of social and cultural norms of local communities.

The principles of human rights are followed in the same spirit within as well as outside the organisation when engaging with business partners.

To ensure no child labour in its operations, the Company documents age proofs and PAN cards of all candidates hired and contracted.

FCL ensures non-discrimination while communicating the job description through recruitment channels to give equal opportunity to all candidates irrespective of their caste, race, religion or gender.

FCL provides its employees ample opportunities to voice their needs. Senior management team follows an open door policy and attend to their grievances, feedback or suggestion. Adequate feedback and response mechanisms encourage openness and

quick resolutions, hence FCL employees do not feel the need to participate in collective bargaining activities.

The Company has deployed security personnel who have been trained on specific procedures applicable to their role to prevent human rights violation.

The Company is working towards deploying processes to ensure that its suppliers are in conformance to the human rights policy.

No complaints were received regarding human rights violation during the year under review.

#### Principle 6: Environment

FCLs' Environment Management Systems (EMS) help them in identifying and assessing environmental risks, preventing and mitigating the environmental impact caused due to its operations and products. The Company monitors its environmental performance against key performance indicators and works towards increasing manufacturing efficiency, wastage reduction and enhancing capacity utilization.

#### Energy efficiency and Climate stewardship:

FCLs' Energy and Carbon Policy sets forth guidelines towards low carbon transformation through energy efficiency and sourcing energy from alternative and renewable sources.

#### Energy

	India Food Park	Nilgiris Dairy
Electricity Sourced (KWh)	37,77,000	15,05,405
Renewable Energy from Solar (KWh)	34,86,433	0
Diesel Gensets (KWh)	51,225	90,112
LPG (kg)	1,35,826	0
Briquettes/rice husk for boilers (Kg)	67,812	8,28,637

FCL currently consumes 73,14,658 KWh at India Food Park, in Tumkur, Karnataka. A 3 MW solar power plant caters to 48 % of the electricity requirements.

During the reporting year at India Food Park some of the energy efficiency measures undertaken include:-

- Controlled shut down of Freezers and freezer room design optimisation resulted in savings of 421 kwh/day w.e.f. January 2019.
- Rationalization in capacity utilization of freezer and movement of man and materials in the freezer room restricted temperature increase.
- Light circuit modification for auto power cut-off through installation of limit switches at cold chambers has resulted in savings of 92 kwh/month w.e.f. from March 2019.
- Height reduction in the ante room with false ceiling briquette fired steam boiler.

- Maximum utilization of the Steam in effective way by arresting steam through steam traps and monitoring water to steam ratio.
- Refurbishing of boiler through insulation of the steam line and replacement of refractory bricks has reduced loss of heat from the steam .
- Pressure regulating system have been initiate in steam line ensuring optimal utilization of steam.
- Electrical boiler replaced by briquette fired boiler has resulted in savings of 1152 kwh/day w.e.f. March 2019.
- Auto power factor correction (APFC) resulted in savings of 600 kwh/month w.e.f. March 2019.
- Street lights automated by timer mechanism resulted in savings of 3.2 KWH/month w.e.f March 2019.

In the upcoming period India Food Park plans to have following initiatives for energy conservation:

- Replace the use of LPG with PNG as fuel to boilers and the same will be complemented with briquettes at Food Park.
- Automate street lighting through timer based switches.
- Automate power factor correction at all units.

In the current year, the Company plans to replace the Surface Aerating system by Diffuser Aeration system at 'Aerator Tank 02' and install condensate recovery systems at the F&V division.

**Water conservation:**

The Company's water stewardship policy encourages water conservation efforts while monitoring, measuring and reporting progress against key performance indicators and complying with the local regulations.

**Water Stewardship Performance**

	India Food Park	Nilgiris Dairy
Water Consumption(KL)	36,263	75,163
Water Intensity (KL/Ton)	1.012	17.553

At India Food Park water balancing project was undertaken across the food park operations, to benchmark water consumption at current operating level.

The RO reject from the Fruits and Vegetables division at India Food Park is reused for floor washing, hand washing and toilet flushing purposes which has resulted in reducing annual water consumption by 7.8 million KL.

The Company discharges effluents responsibly. During the reporting period 37,611 KL of effluents have been treated vide common effluent treatment plants at India Food Park and Nilgiris Dairy having 300 KLD and 80 KLD capacity and reused it for landscaping purposes.

The Company has plants to set up common effluent treatment plant of additional 412 KLD capacity due to increasing utilization rate at India Food Park in the coming financial year.

**Air Emissions:**

The Company's India Food Park and dairy unit adhere to the emission norms as per the National Air Quality Standards defined by CPCB and undertakes audits on quarterly basis.

**Solid Waste management:**

The Company works towards optimizing resources through reduce-reuse-recycle. At India Food Park, waste bins are in place to segregate the plastic waste, dry waste and organic waste. Waste management Standard Operating Procedures are in place across India Food Park.

Waste segregation takes place at source level, organic waste is composted and used in gardens as manure. Plastic waste is segregated, recyclable plastic sent for recycling and non-degradable plastic waste is sent for end-of-life treatment to a PCB authorised vendor.

**Waste Management Performance**

Types of Waste	India Food Park	Nilgiris Dairy
Hazardous Waste(kg)	220	160
Non Hazardous Waste(kg)	336,377	31,560

**Demonstrating Extended Producer Responsibility**

In adherence to the Plastic Waste Management Rules, 2016, the Company partnered with Big Bazaar in the reporting period to create a collection mechanism for the brand's packaging at Point of Sale in stores.

This Extended Producer Responsibility (EPR) mechanism is available at BB stores in Mumbai, Navi Mumbai, Thane, Solapur, Kolhapur, Latur, Tarapore, Nasik and Ahmednagar, while creating awareness amongst customers of Big Bazaar (For further details refer to Principle 2).



**Multi Layered Plastic (MLP) Recycling:**

Again in adherence with the Plastic Waste Management Rules, 2016, 99 tonnes of tetrapack, used in packaging of Sunkist by the Company was recycled (For further details refer to Principle 2).



### Principle 7: Public Advocacy

FCL focuses on building excellence in manufacturing food products, while interacting with key stakeholders. The senior leadership team continue to share invaluable experience to provide incisive insights at various conferences involving industry leaders that give inputs to key decision makers framing policies.

The Company learns from the best practices of others and collaborate with various trade and industry associations.

### Principle 8: Inclusive Growth

Inclusive growth and sustainability are key components of strategy and business practices at FCL in creating 'Happy Communities'.

FCL recognizes the social value of its products and leverages its value to address various challenges within the community by working with various not-for-profits in co-branded initiatives and addressing the needs of affected communities in partnership with customers vide point of sale promotions. With an ambition to play a key role in addressing nutrition challenges in the Country, the Company's activities largely focus on improving the health and wellbeing of children from deprived communities that enables growth and development. During the reporting period the following interventions were undertaken:-

#### KOSH- Address Hunger Challenges

KOSH, the Company's brand for oats products participated in Future Retails' initiative to tie up with not-for-profits across Mumbai, Delhi NCR, Bangalore and Kolkata to provide 3,38,131 oats meals served as breakfasts at children's homes, shelter homes and non-formal education centres. The initiative supported by addressing hunger and nutrition challenges of over 16,200 food insecure children.

The brand also partnered with Salaam Balaak Trust to undertake a roti donation drive on World Food Day. The Company created opportunities for its customers to contribute a roti for every ₹ 1 donation and for every engagement (likes, retweet and shares) vide social media.

#### Nilgiris: Share the Joy of Giving

Nilgiris has been synonymous with fresh, delightful dairy & bakery products in the Southern part of India for over 100 years. This Christmas Nilgiris tied up with Responenet Development Services in a co-branded initiative for the month of December through which 1,100 children of Sparsha Trust and Ashraya Childrens' Home received a weeklong ration.

Some of the other cobranded initiatives included vocational training for youth:

#### TS: Dreamlab Initiative

TS the all new beauty and grooming accessories brand by the Company collaborated with the Salaam Bombay Foundation, with the objective of empowering women since Womens Day 2019.

Under the DreamLab initiative girls in the age group of 14 to 18 years are given the opportunity to support their formal education with vocational courses of their choice. Through this program 10 youth were given the chance to gain training and develop skills to run or work in beauty salons. Based on their performance the girls were selected to promote TS Nail Paints and TS Kosmique Kajal at Big Bazaar stores in the Country.



#### Pratha: School to School

Pratha is the Company's brand of lifestyle home fragrances & spiritual needs products.

Pratha tied up with Goonj, with the objective of educating children from the marginalized communities. The School to School initiative of Goonj builds a relationship of empathy and dignity between urban and rural children, on two opposite sides of a big divide of resources and opportunities.



Through this initiative Pratha has provided educational support to 48 children.

### Principle 9: Customer Value

Being a Customer centric organization, FCL values its customers and works towards increasing customer loyalty by adhering to quality and compliance requirements, while addressing social and environmental concerns of the community.

The Company proactively interacts with its customers (For more details refer to Principle 4) and have a robust grievance mechanism cum feedback mechanism, conducted through post

product launch surveys to address complaints. (For more details refer to Principle 1)

**Product Labelling**

All Company products comply with the applicable acts and regulations such as the Drugs and Cosmetics Act, Legal Metrology Act, Bureau of Indian Standards Specifications, Trademark Act and Copyright Act, Food Safety and Standards Act, Tea Act, Tea Board Regulations for Labels and Pack Information and Plastic Waste Management Rules, 2016.

**Responsible marketing and communication**

FCL is committed to building trust by disclosing information truthfully and factually including cautionary statements and through transparent communication.

The Company ensures that its products are safe and provides clear information on the safe and responsible usage of their products. FCL upholds a consumer's right to information about the products by maintaining transparency of ingredients, nutritional values and the health and beauty properties of its products.

FCL always endeavours that its advertising and communications do not mislead or confuse the consumers or violate any of the principles regulating such matters. The Company adheres to the principles and codes in the area of advertising and marketing developed by Advertising Standards Council of India (ASCI).

During the year, no complaints were filed with ASCI against advertisements made by the Company.

## CORPORATE GOVERNANCE REPORT

This Corporate Governance Report outlines the governance practice followed by Future Consumer Limited ("the Company") in compliance with the requirements prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations").

### COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance refers to system of practices and processes by which a company is directed, controlled and governed. Corporate Governance essentially involves balancing the interests of the many stakeholders and maximize the value for all stakeholders which predominantly includes its shareholders, management, customers, suppliers, financiers, Government and the community. Good corporate governance helps to build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth for the company to fulfill its goals and objectives.

Corporate Governance for the Company comprises of processes and principles conforming to the highest standards which are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness for all stakeholders. The Company constantly strives to generate long term value and trust for its stakeholders.

The Company ensures regular dissemination of information to the Board of Directors of the Company ("Board") to ensure effective oversight of the Company's business activities. The Board reviews corporate policies, overall performance, accounting and reporting standards and other significant areas of management, corporate governance and regulatory compliance. The Company's philosophy on Corporate Governance envisages the attainment of highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the government, lenders and the society.

The Company's governance framework is continuously monitored to facilitate effective entrepreneurial and prudent management that can deliver long-term success to the Company.

### BOARD OF DIRECTORS

#### Composition

The Board has an optimum combination of Executive and Non-Executive Directors including Independent Directors in compliance with the provisions of the Companies Act, 2013 ('the Act') and SEBI Listing Regulations. The Board comprises of more than fifty percent Non-Executive Directors, one-third Independent Directors and two women Directors.

Mr. G. N. Bajpai is the Non-Executive Chairman of the Board and Mr. Kishore Biyani is the Vice Chairman of the Board. Ms. Ashni Biyani, Managing Director does not serve as an Independent Director of any other listed company.

The profile of each Director of the Company is available on Company's website at [www.futureconsumer.in](http://www.futureconsumer.in)

During the year under review, Mr. Harminder Sahni and Ms. Neha Bagaria have been appointed as an Independent Director(s) of the Company for a period of five years with effect from 14<sup>th</sup> September, 2018 and 20<sup>th</sup> March, 2019 respectively.

As on 31<sup>st</sup> March, 2019, the number of directorship / committee membership / chairmanship of all the Directors is within the respective limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

None of the Directors are related *inter-se* to each other, save and except Mr. Kishore Biyani and Ms. Ashni Biyani. Ms. Ashni Biyani is the daughter of Mr. Kishore Biyani.

In terms of confirmation received from respective Independent Directors of the Company, the Board is of the opinion that the Independent Directors fulfill the conditions specified under the Companies Act, 2013 read with Rules thereunder and SEBI Listing Regulations and are independent of management.

Ms. Vibha Rishi resigned as an Independent Director with effect from 14<sup>th</sup> September, 2018, due to her personal reasons. There was no other reason mentioned in the resignation letter as provided by Ms. Vibha Rishi.

#### Board Meetings and details of Directorship, Membership/ Chairmanship of Committees

During the financial year 2018 -19, five meetings of the Board of Directors were held on the following dates:

22<sup>nd</sup> May, 2018, 8<sup>th</sup> August, 2018, 3<sup>rd</sup> November, 2018, 6<sup>th</sup> February, 2019 and 29<sup>th</sup> March, 2019.

The minimum information required to be placed before the Board under Part A of Schedule II of SEBI Listing Regulations (to the extent applicable), is placed before the Board at their meetings.

The details of Directorship and Membership/Chairmanship of the Committees of the Board held by the Directors as on 31<sup>st</sup> March, 2019 and their attendance at the meetings (including meetings attended through electronic mode) during the year are as follows:

Name of the Director	Category	No. of Board Meetings held during the financial year 2018-19	No. of Board Meetings attended by the Director during the financial year 2018-19	Attendance at the last AGM	No. of Directorships in other public limited companies#	No. of Committee positions held including the Company*		Directorship in other listed company
						Chairman of the Committee	Member	
Mr. G. N. Bajpai	Chairman, Independent Director & Non-Executive Director	5	5	Yes	5	4	8	<ul style="list-style-type: none"> <li>Usha Martin Limited (Independent and Non-Executive Director, Chairman)</li> </ul>
Mr. Kishore Biyani	Promoter, Vice-Chairman & Non-Executive Director	5	5	Yes	6	1	3	<ul style="list-style-type: none"> <li>Future Retail Limited (Executive Director, Chairman)</li> <li>Future Lifestyles Fashions Limited (Executive Director, Managing Director)</li> <li>Future Enterprises Limited (Non Independent and Non Executive Director)</li> <li>Inox Leisure Limited (Independent and Non Executive)</li> </ul>
Ms. Vibha Rishi <sup>##</sup>	Independent Director & Non-Executive Director	5	2	No	-	-	-	-
Mr. Frederic de Mevius	Non-Executive Director	5	2	No	0	0	0	-
Mr. K K Rathi	Non-Executive Director	5	5	Yes	4	1	7	<ul style="list-style-type: none"> <li>AU Small Finance Bank Limited (Independent and Non-Executive Director)</li> <li>Aavas Financiers Limited (Independent and Non-Executive Director, Chairman)</li> </ul>
Ms. Ashni Biyani <sup>**</sup>	Managing Director	5	5	Yes	5	0	2	-
Mr. Adhiraj Harish	Independent Director & Non-Executive Director	5	4	No	2	0	5	<ul style="list-style-type: none"> <li>Advani Hotels and Resorts (India) Limited (Independent and Non Executive Director)</li> </ul>
Mr. Deepak Malik	Non-Executive Director & Nominee Director	5	4	No	0	0	0	-
Mr. Narendra Baheti	Executive Director	5	5	Yes	2	0	1	-
Mr. Harminder Sahni <sup>§</sup>	Independent Director & Non-Executive Director	5	3	-	0	0	1	-
Ms. Neha Bagaria <sup>§§</sup>	Independent Director & Non-Executive Director	5	0	-	0	0	0	-

<sup>#</sup> Excludes directorship in private companies, foreign companies and Section 8 companies.

<sup>\*</sup> Membership/Chairman of only Audit Committee and Stakeholders' Relationship and Share Transfer Committee in public limited companies have been considered.

<sup>##</sup> Ceased to be Director with effect from 14<sup>th</sup> September, 2018.

<sup>\*\*</sup> Appointed as Managing Director with effect from 22<sup>nd</sup> May, 2018.

<sup>§</sup> Appointed as an Independent Director with effect from 14<sup>th</sup> September, 2018 for a term of five years.

<sup>§§</sup> Appointed as an Independent Director with effect from 20<sup>th</sup> March, 2019 for a term of five years.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has in place familiarization programme for the Independent Directors to familiarize them with their role and responsibilities and to enable them to understand the nature of industry in which the Company operates and the business model of the Company. Presentations are periodically made at the Board and Committee meetings *inter alia* covering the key traits of the Company as a FMCG organisation, its vision, strategy, operations, markets, brands, new product launches, budget, financial performance, risk management framework and internal control processes and for such other areas as may be considered necessary. During financial year 2018-19, strategic meeting was also held to provide insight to the Independent Directors concerning several aspects of the Company's business and operations.

The details of the familiarization programme of Independent Directors is placed on the website of the Company – <http://futureconsumer.in/Investors.aspx#policies.html>

## MEETING OF INDEPENDENT DIRECTORS

During the financial year 2018-19, a separate meeting of the Independent Directors of the Company was held on 13<sup>th</sup> March, 2019, without the presence of Executive Directors or Management representatives.

The meeting was attended by majority of Independent Directors.

## MATRIX SETTING OUT THE SKILLS/ EXPERTISE /COMPETENCE OF THE BOARD OF DIRECTORS

In terms of the requirements prescribed under SEBI Listing Regulations, the Board has identified the following skills/ expertise/competencies for the Directors in the context of the Company's business for effective functioning:

Key Skills	Description
Business Strategies and Planning	Experience in developing strategies, critically accessing strategic opportunities and threats for growth of the business in a sustainable manner, taking into consideration the diverse and varied business environment.
Financial and Accounting Understanding	Financial management skills with an understanding of accounts and financial statements
Understanding of Consumer Insights in varied conditions	Knowledge and experience in managing organisations with consumer interface in varied conditions and leverage consumer insights in the interest of business

Key Skills	Description
Stakeholder Value Creation	Ability to appreciate the process for shareholder value creation, understanding contributing factors and critique interventions towards value creation for the other stakeholders.
Experience and Understanding of Regulatory Landscape	Experience and skills to provide oversight towards all dimensions of business, taking into consideration maintenance of high governance standards, Board accountability and understanding of the changing regulatory framework.
Board Cohesion	Ability to participate in cohesive manner and synergise a range of ideas for benefit of the organisation.

## COMMITTEES OF BOARD

In terms of applicable provisions of the Act and the SEBI Listing Regulations, the terms of reference of the Committees of Board are determined by the Board from time to time, The role and composition of these Committees, including the number of meetings held during the financial year 2018-19 and attendance thereof is provided below.

## AUDIT COMMITTEE

### Terms of reference

The terms of reference of Audit Committee *inter alia* includes the following:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- To approve transactions and subsequent modification(s) to the transactions of the Company with related parties;
- To scrutinize inter-corporate loans and investments of the Company;
- Valuation of undertaking or assets of the Company, wherever it is necessary;

- i. Evaluation of internal financial controls and risk management systems;
- j. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the provisions of Companies Act, 2013 and Rules thereto and that of the Listing Agreement.
- k. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- l. Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments thereunder and shall verify that the systems for internal control are adequate and are operating effectively.

The Statutory Auditors and Internal Auditors and executives from accounts, finance and corporate secretarial function also attend Audit Committee Meetings.

#### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2019, the composition of the Audit Committee has been as under:

- a) Mr. G.N. Bajpai
- b) Mr. Harminder Sahni
- c) Mr. K K Rathi
- d) Mr. Adhiraj Harish

During the financial year 2018-19, four meetings of Audit Committee were held on the following dates:

22<sup>nd</sup> May, 2018, 8<sup>th</sup> August, 2018, 3<sup>rd</sup> November, 2018 and 6<sup>th</sup> February, 2019.

Attendance of the Directors at the Audit Committee Meetings held during the financial year 2018-19 is as under:

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. G. N. Bajpai	Chairman	Independent & Non-Executive Director	4
Ms. Vibha Rishi <sup>#</sup>	Member	Independent & Non-Executive Director	2
Mr. K K Rathi	Member	Non-Executive Director	4
Mr. Adhiraj Harish	Member	Independent & Non-Executive Director	3
Mr. Harminder Sahni <sup>*</sup>	Member	Independent & Non-Executive Director	1

<sup>#</sup>Ceased to be Member with effect from 14<sup>th</sup> September, 2018

<sup>\*</sup>Appointed as Member with effect from 3<sup>rd</sup> November, 2018

Mr. G. N. Bajpai, Chairman of the Audit Committee was present at the last Annual General Meeting held on 29<sup>th</sup> August, 2018.

## NOMINATION AND REMUNERATION/COMPENSATION COMMITTEE

### Terms of reference

The terms of reference of Nomination and Remuneration / Compensation Committee *inter alia* includes the following:

- a. To undertake a process of due diligence to determine the 'fit and proper' status of existing Directors, if required;
- b. To undertake a process of due diligence to determine the 'fit and proper' status of the person proposed to be elected as a Director of the Company;
- c. To finalise the format and obtain declarations from the Directors as may be required under the Companies Act, 1956, and/or other statutory provisions and update on the same to the Board of Directors from time to time;
- d. To recommend the suitable change(s), if required to the Board of Directors of the Company;
- e. Framing suitable policies and systems to ensure that there is no violation by an employee of any applicable laws in India or overseas, including:
  - i) The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
  - ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995;
- f. Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment;
- g. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), in particular, those stated in Clause 5 of the ESOP Guidelines;
- h. Formulating criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- i. Formulation of criteria for evaluation of Independent Directors and the Board and also criteria for evaluation of performance of the Independent Directors;
- j. Devising a policy on Board diversity;
- k. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;



- I. To carry out evaluation of every Director's performance.
- m. Such other matters as may be delegated by the Board of Directors of the Company.
- n. Recommend to the board all remuneration, in whatever form, payable to senior management.

#### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2019, the composition of Nomination and Remuneration / Compensation Committee has been as under:

- a) Mr. Adhiraj Harish  
b) Mr. G. N. Bajpai  
c) Mr. Kishore Biyani  
d) Mr. Deepak Malik

During the financial year 2018-19, two meetings of Nomination and Remuneration / Compensation Committee were held on 22<sup>nd</sup> May, 2018 and 8<sup>th</sup> August, 2018.

Attendance of the Directors at the Nomination and Remuneration / Compensation Committee Meetings held during the financial year 2018-19 is as under:

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. Adhiraj Harish	Chairman	Independent & Non-Executive Director	1
Mr. G. N. Bajpai	Member	Independent & Non-Executive Director	2
Mr. Kishore Biyani	Member	Promoter, Vice-Chairman & Non-Executive Director	2
Mr. Deepak Malik	Member	Non-Executive Director & Nominee Director	2
Ms. Vibha Rishi*	Member	Independent & Non-Executive Director	2

\* Ceased to be Member with effect from 14<sup>th</sup> September, 2018

#### Performance Evaluation of Board

In compliance with the provisions of the Act and SEBI Listing Regulations, the Company has undertaken the performance evaluation process for the Board of Directors, its Committees and that of individual Directors. The performance evaluation was undertaken as per the Guidance Note on Board evaluation issued by Securities and Exchange Board of India and framework provided by Nomination and Remuneration/Compensation Committee, setting out parameters for conducting performance evaluation of the Board, its Committees and that of Individual Directors.

The details of the performance evaluation undertaken is provided in the Directors' Report, which forms part of this Annual Report.

#### Remuneration of Directors

The Nomination and Remuneration Policy of the Company has been disclosed in the Directors Report as **Annexure III**.

The details of remuneration paid to the Directors during the financial year 2018-19:

Name of the Director	Sitting Fees* (₹)	Remuneration (₹)	Total (₹)	No of Stock Options outstanding as on 31 <sup>st</sup> March, 2019
Mr. Kishore Biyani	3,25,000	Nil	3,25,000	Nil
Mr. G. N. Bajpai	4,25,000	Nil	4,25,000	Nil
Ms. Vibha Rishi <sup>@</sup>	2,00,000	Nil	2,00,000	Nil
Mr. Frederic de Mevius	1,00,000	Nil	1,00,000	Nil
Ms. Ashni Biyani <sup>#</sup>	Nil	1,70,50,508	1,70,50,508	Nil
Mr. K K Rathi	4,00,000	Nil	4,00,000	Nil
Mr. Adhiraj Harish	3,50,000	Nil	3,50,000	Nil
Mr. Deepak Malik	Nil	Nil	Nil	Nil
Mr. Narendra Baheti <sup>§</sup>	Nil	1,49,55,740**	1,49,55,740**	25,00,000
Mr. Harminder Sahni <sup>§</sup>	1,75,000	Nil	1,75,000	Nil
Ms. Neha Bagaria <sup>§§</sup>	Nil	Nil	Nil	Nil

\* Fees paid for Board, Committee and Independent Directors Meetings.

\*\* does not include perquisite value of ₹ 6,56,87,500 on stock options exercised during the year.

<sup>@</sup> Ceased to be Director with effect from 14<sup>th</sup> September, 2018.

<sup>§</sup> Appointed as an Independent Director with effect from 14<sup>th</sup> September, 2018 for a term of five years.

<sup>§§</sup> Appointed as an Independent Director with effect from 20<sup>th</sup> March, 2019 for a term of five years.

<sup>#</sup> Remuneration paid by way of salary (plus permissible contribution to provident fund, other funds and payment of gratuity, which are not included in computation of the ceiling on perquisites) plus other allowances and reimbursements payable as per Company policy.

In terms of the respective Agreements entered into by the Company with Ms. Ashni Biyani and Mr. Narendra Baheti, notice period is six months and severance fees is equal to remuneration payable for six months.

#### Non-Executive Directors

The Non-Executive Directors of the Company are not paid any remuneration except by way of sitting fees for attending meetings of Board of Directors and its Committee(s). The Non-Executive Independent Directors of the Company are paid sitting fees for attending the Meeting(s) of Independent Directors. The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the

financial year 2018-19. Details of shares held by Non-Executive Directors are as under:

Sr. No.	Name of the Director	No. of equity shares/ convertible instruments held as on 31 <sup>st</sup> March, 2019 (Own or held by / for other persons on a beneficial basis)
1	Mr. G. N. Bajpai	2,50,000 equity Shares
2	Mr. K K Rathi	2,275 equity Shares

## STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE

### Terms of Reference

The terms of reference of Stakeholders' Relationship and Share Transfer Committee *inter alia* includes the following:

- To approve Transfer / Transmission / Dematerialisation of Equity Shares of the Company;
- To approve issue of Duplicate/Consolidated/Split Share Certificate(s);
- To do all necessary acts, deeds and things, as may be required, including authorizing any person(s) to endorse the Share Certificate(s), affixing Common Seal of the Company on Share Certificate(s) as per Article of Association of the Company etc;
- To do all acts, deeds and things as may be required for admission of Equity Shares of the Company with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL];
- To decide and approve matters relating to Equity Shares and /or any other securities issued by the Company and any other matters as may be specifically authorized by the Board of Directors;
- To oversee and resolve grievances of shareholders and other security holders of the Company;
- To do all acts, deeds and things as may be required to be undertaken in terms of the provisions of Companies Act, 2013 and rules made there under.
- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/

Board/KMPs, as may be required and identifying actionable points for implementation.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2019, the composition of Stakeholders' Relationship and Share Transfer Committee has been as under:

- Mr. Kishore Biyani
- Mr. Adhiraj Harish
- Ms. Ashni Biyani

During the financial year 2018-19, one meeting of Stakeholders' Relationship and Share Transfer Committee was held on 6<sup>th</sup> February, 2019.

Attendance of the Directors at the Stakeholders' Relationship and Share Transfer Committee Meetings held during the financial year is as under:

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. Kishore Biyani	Chairman	Promoter, Vice-Chairman & Non-Executive Director	1
Mr. Adhiraj Harish	Member	Independent & Non-Executive Director	1
Ms. Ashni Biyani	Member	Managing Director	1

During the year under review, 4 (Four) complaints/ correspondences were received by the Company and Link Intime India Private Limited, Registrar and Share Transfer Agent. All shareholder's complaints / correspondences were resolved and there were no pending complaints or unattended correspondences as on 31<sup>st</sup> March, 2019.

### Name, Designation and Address of Compliance Officer

Mr. Manoj Gagvani - Company Secretary & Head-Legal  
Future Consumer Limited  
Knowledge House, Shyam Nagar,  
Off. Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai – 400 060

## RISK MANAGEMENT COMMITTEE

The Company has constituted Risk Management Committee to oversee and monitor risk management plan of the Company.

### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2019, the composition of Risk Management Committee has been as under:

- Mr. K K Rathi
- Ms. Ashni Biyani
- Mr. Ravin Mody

During the financial year 2018-19, two meetings of the Risk Management Committee were held on 22<sup>nd</sup> May, 2018 and 29<sup>th</sup> November, 2018.

Attendance of the Directors/Members at the Risk Management Committee meetings held during the financial year 2018-19 is as under:

Name of Directors/ Members	Designation	Category	No. of Meeting(s) Attended
Mr. K K Rathi	Chairman	Non-Executive Director	2
Ms. Ashni Biyani	Member	Managing Director	2
Mr. Ravin Mody	Member	Chief Financial Officer	2

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013. The Board has also adopted Corporate Social Responsibility Policy, the salient features of which *inter-alia* comprises of framing of guidelines to make Corporate Social Responsibility a key business process for sustainable development of the society to directly/indirectly undertake projects/programs which will enhance the quality of life and economic well-being of the communities in and around our operations and society and to generate goodwill and recognition among all stakeholders of the Company.

### Composition and Attendance at Meetings

As on 31<sup>st</sup> March, 2019, the composition of Corporate Social Responsibility Committee has been as under:

- Mr. Kishore Biyani
- Ms. Ashni Biyani
- Mr. Harminder Sahni

During the financial year 2018-19, no meeting of the Corporate Social Responsibility Committee was held. Since the Company has incurred loss during the last three preceding years, the Company was not required to make contribution to CSR initiatives.

## COMMITTEE OF DIRECTORS

The Company has constituted a Committee of Directors to undertake certain activities in the regular course of business and to further perform such other functions pursuant to the powers granted by the Board of Directors from time to time.

### Composition and Attendance at the Meetings

As on 31<sup>st</sup> March, 2019, the composition of Committee of Directors has been as under:

- Mr. Kishore Biyani
- Mr. G. N. Bajpai
- Ms. Ashni Biyani

During the financial year 2018-19, no meeting of the Committee of Directors was held. However, various matter(s) have been approved by the Committee of Directors by way of resolution passed through circulation during the financial year 2018-19.

During the financial year 2018-19, the Board of Directors have accepted all recommendation(s) made by Committee(s) as provided from time to time.

## GENERAL BODY MEETINGS

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

Year	Day, Date and Time	Venue
2015-16	Monday, 29 <sup>th</sup> August, 2016 at 2.30 p.m.	Rangswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2016-17	Tuesday, 29 <sup>th</sup> August, 2017 at 11.30 a.m.	Rangswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2017-18	Wednesday, 29 <sup>th</sup> August, 2018 at 11.30 a.m.	Rangswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021

**Special Resolution(s) passed at the last three Annual General Meeting ("AGM")**

AGM	AGM Date	Special Resolutions passed
20 <sup>th</sup>	29 <sup>th</sup> August, 2016	None
21 <sup>st</sup>	29 <sup>th</sup> August, 2017	a) Appointment of Mr. Narendra Baheti (DIN: 00057255) as an Executive Director of the Company and payment of remuneration. b) Re-appointment of Ms. Ashni Biyani (DIN: 00058775) as an Whole Time Director of the Company and payment of remuneration
22 <sup>nd</sup>	29 <sup>th</sup> August, 2018	a) Approval for continuation of Mr. G. N. Bajpai (DIN: 00946138) as a Non-Executive Director who has attained the prescribed age. b) Appointment of Ms. Ashni Biyani (DIN: 00058775) as a Managing Director of the Company and payment of remuneration c) Alteration of object clause of the Memorandum of Association of the Company d) Adoption of new set of Articles of Association of the Company e) Approval of the Scheme for Reduction of Capital of the Company.

**POSTAL BALLOT****Special Resolution(s) passed through Postal Ballot:**

During the financial year 2018-19, no Special Resolution(s) were approved by the Shareholders of the Company through postal ballot process.

No special resolution(s) are proposed to be passed by postal ballot at the 23<sup>rd</sup> Annual General Meeting.

**DISCLOSURES****Vigil Mechanism and Whistle Blower Policy**

The Company has framed and adopted 'Vigil Mechanism and Whistle Blower Policy' ("Policy") for its Directors, Employees and other stakeholders. The Policy promotes openness and encourages reporting of any sought of misconduct. While providing adequate protection to Employees and Other Stakeholders it encourages them to raise concerns and provides them opportunity to receive feedback in relation to the actions taken in that regard. It also plays a vital role in the investigation of cases pertaining to suspected misconduct, unethical behavior, misuse of power, violation of any legal or regulatory requirements.

The Company adheres to the highest standards of ethical, moral and legal conduct of business operations. In order to maintain these standards, the Company encourages its employees and other stakeholders who have concerns about suspected misconduct to come forward and express their concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the Employees, Directors and other stakeholders to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Policy. The Policy also provides for adequate safeguards against victimization of Employees, Directors and other stakeholders in availing the mechanism and also provide for direct access to the CEO / Chairman of the Audit Committee in exceptional cases. No personnel have been denied access to the Audit Committee under the Policy.

The Policy is in line with the vision and objectives of the Company and should be read in conjunction with applicable regulations and existing policies and procedures of the Company.

**Related Party Transactions**

Policy for dealing with related party transactions ("RPT Policy") is placed on the website of the Company - <http://futureconsumer.in/Investors.aspx#policies.html>

**Policy on Material Subsidiary**

The Company had adopted a Policy for determining material subsidiary in line with the requirements prescribed under the SEBI Listing Regulations, as amended from time to time. The Policy for determining material subsidiary is available on the website of the Company - <http://futureconsumer.in/Investors.aspx#policies.html>

**Statutory Compliance, Penalties and Strictures**

The Company has complied with requirements of Stock Exchanges, the Securities and Exchange Board of India and other statutory authorities to the extent applicable and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

**Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

a) Risk management policy of the Company with respect to commodities including through hedging:

The Company does not undertake material trading activities into commodity derivatives. The Company is generally exposed to commodity price risk since the agricultural products are open to frequent changes in the prices. The commodities are bought against business requirements of the Company. Few commodities are bought on the basis of projected annual requirement mainly to ensure quality consistency. Any variation in sales as compared with procurement is taken care by top up purchase or market disposal at spot prices. With respect to import of commodities, market rates of the commodities and dollar

prices are closely monitored and appropriate decisions are made to execute the transactions. Necessary steps are taken to mitigate the price risks in accordance with the policies of the Company.

- b) Exposure of the Company to commodity and commodity risks faced by the Company throughout the year under review:
- i) Total exposure of the Company to commodities in INR - 1,688 Cr plus
- ii) Exposure of the Company to various commodities:

Commodity Name	Exposures in INR towards the particulars commodity	Exposures in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Pulses	368 Cr	67,057 Tons	-	2.59%	-	-	2.59%
Rice	251 Cr	61,792 Tons	-	-	-	-	-
Sugar	171 Cr	50,909 Tons	-	-	-	-	-
Oil and Oil Seed	184 Cr	19,068 Tons	-	4.54%	-	-	4.54%
Spices	121 Cr	8,264 Tons	-	9.89%	-	-	9.89%
Dryfruit	400 Cr	8,262 Tons	-	-	-	-	-
Wheat	22 Cr	10,018 Tons	-	0.28%	-	-	0.28%

- iii) Commodity risks faced by the listed entity during the year and how they have been managed.

For select agricultural commodities primarily held for trading, futures contracts are used to hedge price risks till positions in the physical market are matched. Such hedges are generally for short time horizons and recognized in profit or loss account. The Company's net exposure to commodity price risk is not material.

The Company is exposed to foreign exchange risk arising from import of goods and services. The Company manages the foreign exchange risk with appropriate hedging activities. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31<sup>st</sup> March, 2019 are disclosed in Note No. 35.5 under notes to the Standalone Financial Statements.

**Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s. S R B C & CO LLP, Chartered Accountants, Statutory Auditors of the Company and all the entities in the network firm/network entity of which Statutory Auditor is a part is as under:

Company name	Relationship	Name of Auditor	(₹ In Lakhs)
Future Consumer Limited	-	S R B C & CO LLP Ernst & Young LLP	99.90 77.92
The Nilgiri Dairy Farm Private Limited	Subsidiary	S.R Batliboi and Associates LLP	34.07
FCL Tradevest Private Limited	Subsidiary	S R B C & CO LLP	7.5
<b>Total</b>			<b>219.39</b>

## CONFIRMATION AND AFFIRMATIONS

**Details of utilization of funds raised through preferential allotment or qualified institutions placement during the financial year 2018-19**

During the financial year 2018-19, the Company has not raised any funds through preferential allotment or Qualified Institutional Placement.

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Your Company has zero tolerance towards any kind of harassment, including sexual harassment, or discrimination. Your Company has constituted an Internal Complaints Committee (ICC) to investigate and resolve sexual harassment complaints. Employees are encouraged to speak up and report any such incidences to the ICC. Your Company has also implemented a Policy on Prevention of Sexual Harassment which is reviewed by the ICC at regular intervals. Any complaint made to the ICC is treated fairly and confidentially. The details as required in respect of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided below:

- a. number of complaints filed during the financial year : Nil
- b. number of complaints disposed of during the financial year : Nil
- c. number of complaints pending as on end of the financial year : Nil

**Disclosures of the compliance with Corporate Governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46**

Your Company has made adequate disclosures with respect to the compliance with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

**Certificate from Practising Company Secretary**

The Company has obtained a certificate from Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

**Insider Trading**

The Company has adopted 'The Code of Conduct for Regulating, Monitoring and Reporting of trading by Designated Persons' ("Code of Conduct") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time ("SEBI Insider Regulations"). The Code of Conduct is applicable to Designated Persons as defined therein.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ("the Code") in compliance with the SEBI Insider Regulations. This Code is uploaded on the website of the Company - [www.futureconsumer.in](http://www.futureconsumer.in). The Company has also formulated "Policy and Procedure for Dealing with leak of Unpublished Price Sensitive Information".

The Company's Code of Conduct *inter alia* prohibits dealing in securities of the Company by the designated persons defined therein, while in possession of unpublished price sensitive information.

**Code of Conduct**

The Company has framed and adopted the Code of Conduct for all its Board Members and Senior Management personnel. The Code of Conduct for the employees as well as the Board Members is posted on the website of the Company [www.futureconsumer.in](http://www.futureconsumer.in)

The Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2018-19. A declaration to this effect in terms of Regulation 26 of the SEBI Listing Regulations, forms part of the Annual Report.

**Management Discussion and Analysis Report**

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under Schedule V of SEBI Listing Regulations.

**MEANS OF COMMUNICATION AND SHAREHOLDER INFORMATION**

The financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations. The extract of financial results of the Company is published in newspapers viz. The Free Press Journal and Navshakti. The financial results are also uploaded on the website of the Company - [www.futureconsumer.in](http://www.futureconsumer.in).

The Official news releases and presentations made to institutional investors or analyst are also displayed on the website of the Company [www.futureconsumer.in](http://www.futureconsumer.in), from time to time.

**General Shareholder Information**

**Annual General Meeting**

Date and Time	30 <sup>th</sup> July, 2019, 9.30 a.m.
Venue	Rangswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai - 400 021
Financial Year	The financial year of the Company is from April 1 to March 31 of the following year.
First Quarter Results	By second week of August, 2019
Second Quarter Results	By second week of November, 2019
Third Quarter Results	By second week of February, 2020
Fourth Quarter / Annual Results	By end of May, 2020
Dividend Payment Date	Not Applicable

Corporate Identity Number (CIN):L52602MH1996PLC192090

**Listing on Stock Exchange**

The Company's Equity Shares are listed on the following Stock Exchange(s):

1. BSE Limited ("BSE") - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
2. National Stock Exchange of India Limited ("NSE") - Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051

**Stock Code**

BSE Limited : 533400  
 National Stock Exchange of India Limited : FCONSUMER  
 International Securities Identification : INE220J01025  
 Number ("ISIN")

**Listing Fees**

Listing fees for both the Stock Exchange(s) for the year 2018-19 has been paid.

**Debentures**

The Company had issued and allotted 5,000 Senior, Rated, Listed, Redeemable, Secured, Non-Convertible Debentures ("NCDs 1") in the form of Separately Transferable Redeemable Principal Parts ("STRPP"), having face value of ₹ 1,00,000/- each on 16<sup>th</sup> March, 2017. The NCDs 1 are listed on WDM of BSE Limited. The details of NCDs 1 redeemed during the financial year 2018-19 are as under:

Description of NCDs1	Date of Redemption
750 Series I NCDs STRPP 1 750 Series II NCDs STRPP 1	16 <sup>th</sup> September, 2018
750 Series I NCDs STRPP 2 750 Series II NCDs STRPP 2	16 <sup>th</sup> March, 2019

Further, the Company had issued and allotted 5,000 Senior, Rated, Listed, Redeemable, Secured, Non-Convertible Debentures ("NCDs 2") in the form of Separately Transferable Redeemable Principal Parts ("STRPP"), having face value of ₹ 1,00,000/- each on 5<sup>th</sup> September, 2017. The NCDs 2 are listed on WDM of BSE Limited. The details of NCDs 2 redeemed during the financial year 2018-19 are as under:

Description of NCDs2	Date of Redemption
1500 Series III NCDs STRPP 1	5 <sup>th</sup> March, 2019

The Company had also issued 1,500 Senior, Redeemable, Secured, Non-Convertible Debentures ("NCDs 3") having face value of ₹ 10,00,000/- each on 15<sup>th</sup> February, 2018. During the year under review, the Company has further issued and allotted 500 Senior, Redeemable, Secured, Non-Convertible Debentures ("NCDs 4") having face value of ₹ 10,00,000/- each on 12<sup>th</sup> October, 2018. NCDs 3 and NCDs 4 are redeemable in seventeen installments within seven years from the first date of allotment i.e. 15<sup>th</sup> February, 2018.

Security Code and ISIN for NCDs 1, NCDs 2, NCDs 3 and NCDs 4:

NCDs	Security Code	ISIN
NCDs 1	1000 Series I NCDs STRPP 3	955949
	1000 Series II NCDs STRPP 3	955953
NCDs 2	1500 Series III NCDs STRPP 2	956886
	2000 Series III NCDs STRPP 3	956887
NCDs 3	1500 NCDs	Unlisted
NCDs 4	500 NCDs	Unlisted

**CREDIT RATING**

The Credit Rating assigned to the Company by CARE Ratings Limited in respect of Bank Facilities, Non-Convertible Debentures and Commercial Paper are as under:

Facilities / Instrument	Amount (₹ In Crore)	Rating
Long-term Bank Facilities (Fund Based)	260.00	CARE A: Stable (Single A: Outlook: Stable)
Short-term Bank Facilities (Fund Based)	70.00	CARE A1 (A One)
Short-term Bank Facilities (Non-Fund Based)	25.00	CARE A1 (A One)
Long/ Short-term Bank Facilities (Fund Based)	95.00	CARE A: Stable / CARE AI (Single A: Outlook : Stable/ A One)
Long-term Bank Facilities (Term Loan)	50.00	CARE A: Stable (Single A: Outlook : Stable)
Non-Convertible Debentures	100.00	CARE A: Stable (Single A: Outlook : Stable)
Commercial Paper	100.00	CARE A1 (A One)

During the year under review, there has been no revision in credit rating obtained by the Company.

**Debenture Trustee(s)****For NCDs 1 and NCDs 2**

Visra ITCL (India) Limited  
 (Formerly IL & FS Trust Company Limited)  
 The IL & FS Financial Centre,  
 Plot No. C-22, G Block, Bandra Kurla Complex,  
 Bandra (East), Mumbai - 400 051  
 Tel.: + 91 22 2659 3535  
 Fax.: + 91 22 2653 3297

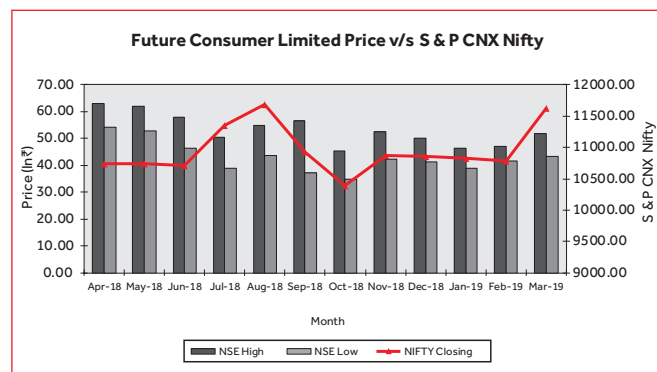
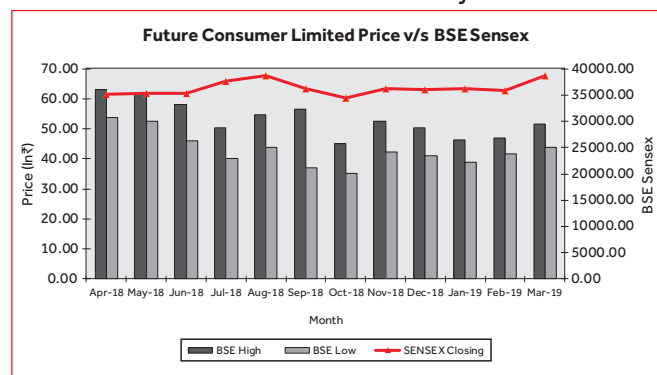
**For NCDs 3 and NCDs 4****Catalyst Trusteeship Limited**

GDA House, Plot No 85,  
 Bhusari Colony (Right),  
 Paud Road,  
 Pune – 411 038

**Market Price Data during Financial Year 2018-19:**

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2018	63.10	53.95	63.00	54.05
May, 2018	61.95	52.70	61.95	52.70
June, 2018	58.00	46.05	57.80	46.25
July, 2018	50.40	40.00	50.35	39.10
August, 2018	54.60	43.85	54.75	43.70
September, 2018	56.70	37.15	56.70	37.10
October, 2018	45.25	35.25	45.25	35.00
November, 2018	52.65	42.25	52.60	42.25
December, 2018	50.30	41.05	50.00	41.20
January, 2019	46.40	38.90	46.40	38.80
February, 2019	47.10	41.70	47.15	41.60
March, 2019	51.70	43.95	51.75	43.35

### Performance of share price in comparison with the board - based indices viz. BSE Sensex and NSE Nifty



#### Registrar and Share Transfer Agents

##### LINK INTIME INDIA PRIVATE LIMITED

C 101, Embassy 247, 1<sup>st</sup> Floor, L.B.S. Marg, Vikhroli (West), Mumbai – 400083.

Tel: + 91 22 4918 6000 Fax: +91 22 4918 6060

E mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

#### Share Transfer System

Shares held in physical form are processed by the Registrar and Share Transfer Agents in the prescribed manner and if the documents are complete in all respects, are transferred within the timeframe under the applicable provisions of law.

#### Distribution of Shareholding as on 31<sup>st</sup> March, 2019

Share holding (Number of Shares)	Number of Shareholders	% to total	No. of Shares	% to total
1 - 500	1,02,260	68.43	1,75,07,176	0.91
501 - 1000	20,120	13.46	1,66,64,380	0.87
1001 - 2000	11,663	7.81	1,82,13,700	0.95
2001 - 3000	4,428	2.96	1,15,56,861	0.60
3001 - 4000	2,066	1.38	75,27,698	0.39
4001 - 5000	2,274	1.52	1,08,82,272	0.57
5001 - 10000	3,391	2.27	2,60,35,689	1.35
10001 and above	3,242	2.17	1,81,20,74,904	94.36
<b>Total</b>	<b>1,49,444</b>	<b>100.00</b>	<b>1,92,04,62,680</b>	<b>100.00</b>

#### Categories of Shareholding as on 31<sup>st</sup> March, 2019

Category	No. of Shares	Shareholding %
Promoters and their relatives / Promoter Group Companies	88,91,83,098	46.30
Clearing Members	96,48,054	0.50
Indian Companies	17,56,70,545	9.15
Foreign Company	20,45,87,517	10.65
Financial Institutions	12,00,812	0.06
Hindu Undivided Family	1,01,83,857	0.53
Mutual Funds	3,67,29,252	1.91
Nationalised Banks	200	0.00
Non Nationalised Banks	3,33,192	0.02
Non Residents Indians	84,75,530	0.44
Non Residents Indians (Non Repatriable)	34,73,960	0.18
Office Bearers	62,90,963	0.33
Indian Public	23,57,19,388	12.27
Trusts	8,500	0.00
Directors/Relatives of Directors	52,39,405	0.28
Independent Director	2,50,000	0.01
Foreign Portfolio Investors (Corporate)	31,88,40,873	16.60
Employee Benefit Trust - under SEBI (Share Based Employee Benefits) Regulations, 2014	1,33,20,293	0.70
Alternate Investment Funds	2,25,000	0.01
NBFCs registered with RBI	10,82,241	0.06
<b>Total</b>	<b>1,92,04,62,680</b>	<b>100.00</b>

#### Dematerialization of Shares and Liquidity

As on 31<sup>st</sup> March, 2019, a total of 1,92,03,12,360 equity shares aggregating to 99.99% of the total issued, subscribed and paid-up equity share capital of the Company are in dematerialised form.

The Company's Equity Shares are regularly traded on BSE Limited and on National Stock Exchange of India Limited.

#### Outstanding GDRs/ADRs/Warrants or any Convertible Instruments : NIL.

#### Plant Location :

- India Food Park, Vasanthanarasapur Industrial Area, Phase - 3, Kora - Hobli Dist - Tumkur, Karnataka - 572 138
- Plot No. D 222/1A, TTC MIDC, Shirwane, Nerul, Navi Mumbai - 400 706
- Plot No. 1280, Sector-38, Ph-I, HSIIDC, Industrial Estate Rai, Haryana

#### Address for Correspondence:

##### Registrar and Share Transfer Agents

Link Intime India Private Limited  
C 101, Embassy 247, 1<sup>st</sup> Floor, L.B.S. Marg, Vikhroli (West), Mumbai - 400083

Tel: + 91 22 4918 6000

Fax: +91 22 4918 6060

E mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)



**Company**

Future Consumer Limited

**Registered Office:**

Knowledge House, Shyam Nagar,  
Off. Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060  
Tel: +91 22 6644 2200 Fax: + 91 22 6644 2201

**Corporate Office:**

Embassy 247, Tower C,  
L.B.S. Marg, Vikhroli (West),  
Mumbai – 400 083  
Tel.: +91 22 6119 0000  
Fax: +91 22 6199 5391  
Website: www.futureconsumer.in

**Designated Email ID:** [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in)

## **COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS OF THE SEBI LISTING REGULATIONS**

The Company has complied with mandatory requirements of the SEBI Listing Regulations to the extent applicable.

The status of compliance with the non-mandatory requirements is as under:

### **1. The Board**

No separate office for the Chairman is maintained and hence no reimbursement of expenses is made towards the same.

### **2. Shareholders' Rights**

Quarterly and Half Yearly financial results are furnished to the Stock Exchanges and published in prescribed newspaper and also uploaded on website of the Company. The

same are not separately sent to each household of the Shareholders. Significant events are posted on Company's website from time to time.

### **3. Modified Opinion(s) in Audit Report**

During the year under review, there are no modified opinion(s) on the financial statements of the Company for the financial year 2018-19. Standard practices and procedures are followed to ensure unmodified financial statements.

### **4. Separate Posts of Chairman and CEO / Managing Director**

The Company has held separate post for Chairman and CEO. Currently Chairman of the Board is an Independent Director. Ms. Ashni Biyani is the Managing Director of the Company.

### **5. Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

### **DECLARATION**

I, Ashni Biyani, Managing Director of Future Consumer Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March, 2019.

For Future Consumer Limited

Place : Mumbai  
Date: 22<sup>nd</sup> May, 2019

**Ashni Biyani**  
Managing Director

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,

**The Members of  
FUTURE CONSUMER LIMITED**

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of FUTURE CONSUMER LIMITED having CIN L52602MH1996PLC192090 and having registered office at Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400060 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1	KISHORE LAXMINARAYAN BIYANI	00005740	8/10/2007
2	NARENDRA BAHETI	00057255	30/08/2016
3	ASHNI KISHORE BIYANI	00058775	15/11/2014
4	NEHA ANURAG BAGARIA	00178703	20/03/2019
5	HARMINDER SAHNI	00576755	14/09/2018
6	DEEPAK MALIK	00662141	26/04/2016
7	GHYANENDRA NATH BAJPAI	00946138	20/02/2008
8	FREDERIC CHARLES JOSSE MUTIEN GHISLAIN DE MEVIUS BARON	03359921	9/11/2012
9	ADHIRAJ ANIL HARISH	03380459	1/9/2015

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

For **SANJAY DHOLAKIA & ASSOCIATES**

**(SANJAY DHOLAKIA)**

Practising Company Secretary  
Proprietor

Place: Mumbai

Date 22<sup>nd</sup> May, 2019

## **INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

### **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED FROM TIME TO TIME**

#### **TO THE MEMBERS OF FUTURE CONSUMER LIMITED**

Knowledge House, Shyam Nagar,  
Off. Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai – 400060.

1. The Corporate Governance Report prepared by Future Consumer Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

#### **MANAGEMENT'S RESPONSIBILITY**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### **AUDITOR'S RESPONSIBILITY**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include.
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2019 and verified that at least one women Independent Director was on the Board during the year;
  - iv. Obtained and read the minutes of the following meetings held from April 1, 2018 to March 31, 2019:
    - (a) Board of Directors Meeting;
    - (b) Audit Committee;
    - (c) Annual General Meeting;
    - (d) Nomination and Remuneration/ Compensation Committee;

- (e) Stakeholders Relationship and Share Transfer Committee;
  - (f) Independent Directors Meeting; and
  - (g) Risk Management Committee;
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### OPINION

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

#### OTHER MATTERS AND RESTRICTION ON USE

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

Per Pramod Kumar Bapna  
Partner  
Membership Number: 105497  
UDIN: 19105497AAAAAL5226

Place of Signature: Mumbai  
Date: May 22, 2019

# **STANDALONE FINANCIAL STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

To the Members of Future Consumer Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying Standalone Ind AS financial statements of Future Consumer Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>A. Impairment of Investments (as described in note 43 of the Standalone Ind AS financial statements)</b></p> <p>During the year, impairment indicators were identified by management on certain investments wherein net worth is negative or investment value is higher than the Company's share in net worth. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment loss was required to be recognized.</p> <p>For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows.</p> <p>Also, the determination of the recoverable amount of the investments involved judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.</p> <p>Accordingly, the impairment of investments was determined to be a key audit matter in our audit of the Standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding, evaluating the design and testing the operating effectiveness of controls that the Company has in relation to impairment review processes;</li> <li>• Assessing the appropriateness of Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluated the objectivity and independence of Company's specialists involved in the process;</li> <li>• Assessing the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used;</li> <li>• Assessing the recoverable value headroom by performing sensitivity testing of key assumptions used;</li> <li>• We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts;</li> </ul>

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>Involving experts to assess the Company's valuation methodology and assumptions around the key drivers of the cash flow forecasts, applied in determining the recoverable amount.</li> <li>We assessed the disclosures made in the Ind AS financial statements as per Ind AS 107.</li> </ul>
<b>B. Related Party Transactions</b>	
<p>The Company has significant transactions with Related Parties (see Note 37 of the Standalone Ind AS Financial Statements) including sale of products, services, rent, loans and advances given and interest income.</p> <p>Company's top customer which is a related party contributes about 83% of the total revenue.</p> <p>Considering the high volume of transactions with related parties and determination of arm's length price to be a key audit matter in our audit of the Standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Performing test of controls over related party transactions with respect to approval of transactions by the Board of Directors of the Company, entering into agreements/contracts and recording in books of account;</li> <li>Reading contracts and agreements with related parties to understand the nature of the transactions;</li> <li>Reading the transfer pricing report as prepared by third party consultant to assess whether the transactions are at arm's length;</li> <li>Reading the inputs used in the transfer pricing report as prepared by third party consultant.</li> <li>We assessed the disclosures made in the Ind AS financial statements as per Ind AS 24.</li> </ul>
<b>C. Recognition of Deferred Tax Assets (as described in note 8 of the Standalone Ind AS financial statements)</b>	
<p>The Company has recognized deferred tax asset related to tax losses to the extent that the setoff of the related tax balances through future taxable profits are probable. The estimate of future taxable profits is based on the future business plan. The recognition of deferred tax asset is therefore sensitive to changes in the business plan. The financial statements include deferred tax assets amounting to ₹ 1,868 lakhs that mainly result from unused tax losses carried forward. Management provides disclosures on these deferred tax assets in Note 2.12 "Accounting policies" section "Taxation" as well as in Note 8 "Deferred tax assets (net)" in the Standalone Ind AS financial statements.</p> <p>This area was important to our audit due to the amount of the tax losses as well as the judgment involved in management's assessment of the likelihood and magnitude of creating future taxable profits to offset the tax losses. This assessment requires the management to make assumptions to be used in the forecasts of future taxable profits, including expectations for future sales and margin developments and overall market and economic conditions.</p> <p>Accordingly, recognition of deferred tax asset was determined to be a key audit matter in an audit of the Standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Comparing the consistency of management's profit forecasts with those included in the budget approved by the Board of Directors. This included evaluation of management's assumptions on the projected profit forecasts, discount and terminal yield rates by comparing them against recent profit trends and externally available information.</li> <li>Assessing the historical accuracy of management's assumptions and estimation process by comparing the actual financials against previously forecasted financials.</li> <li>Testing the completeness and accuracy of the amounts recognised as deferred tax assets, including the review of correspondences with the tax authorities and other uncertain tax positions.</li> <li>Involving our tax experts in order to assess the Company's disclosures on deferred tax positions and assumptions used.</li> <li>We assessed the disclosures made in the financial statements.</li> </ul>
<b>D. Impairment of goodwill (as described in note 44 of the Standalone Ind AS financial statements)</b>	
<p>The Company is required to, at least annually, perform impairment assessments of goodwill recognized in books.</p> <p>The Company performs an annual impairment assessment of Goodwill to determine whether the recoverable value is below the carrying amount. We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding, evaluating the design and testing the operating effectiveness of controls that the Company has in relation to goodwill impairment review processes</li> <li>Assessing the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we also evaluated the objectivity and independence of Company's specialists involved in the process.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>The current economic climate also increases the complexity of forecasting.</p> <p>Accordingly, the impairment test of goodwill is considered to be a key audit matter in our audit of the Standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>Assessing the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used.</li> <li>Assessing the recoverable value headroom by performing sensitivity testing of key assumptions used.</li> <li>We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable.</li> <li>Testing the arithmetical accuracy of the models.</li> <li>We assessed the disclosures made in the Ind AS financial statements as per Ind AS 36.</li> </ul>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report, Director's Report and Management Discussion and Analysis, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

### Responsibilities of Management for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Ind AS 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 Ind AS 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS 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 Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS financial statements for the financial year ended March 31, 2019 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 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 the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 38 – to the Standalone Ind AS 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 S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Pramod Kumar Bapna  
Partner  
Membership Number: 105497

Place of Signature: Mumbai  
Date: May 22, 2019

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

### ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF FUTURE CONSUMER LIMITED

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (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 Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has given loans and advances, guarantees and securities and made investments in accordance with the provision of section 186 of the Companies Act 2013.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/ services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, cess and other statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales tax, goods and services tax, duty of custom and cess which have not been deposited on March 31, 2019 on account of any dispute, are as follows:

Statue	Nature of the dues	Amount (₹ In Lacs)*	Period to which the amount relates	Forum where the dispute is pending
Kerala - VAT	Sales Tax	1.16	2012-13	Deputy Commissioner of Commercial Tax (Appeals)
		22.80	2013-14	Deputy Commissioner of Commercial Tax (Appeals)
		25.33	2014-15	Deputy Commissioner of Commercial Tax (Appeals)
Madhya Pradesh Value Added Tax Amendment Act 2010 Maharashtra Value Added Tax Act, 2002	Sales Tax	2.62	2014-15	Deputy Commissioner of Commercial Tax (Appeals)
		9.94	2014-15	Joint Commissioner of Sales Tax (Appeals)
		10.71	2010-11	Joint Commissioner of Sales Tax (Appeals)
		19.22	2011-12	Joint Commissioner of Sales Tax (Appeals)
		38.87	2012-13	Joint Commissioner of Sales Tax (Appeals)
		54.00	2014-15	Joint Commissioner of Sales Tax (Appeals)
		109.89	2013-14	Joint Commissioner of Sales Tax (Appeals)

Statue	Nature of the dues	Amount (₹ In Lacs)*	Period to which the amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax Act, 2002 - CST Act	Sales Tax	6.77	2013-14	Joint Commissioner of Sales Tax (Appeals III)
The Central Excise Act, 1944	Central Excise	0.93	2013-14	Customs, Excise and Service Tax Appellate Tribunal
West Bengal Value Added Tax Act, 2003	Sales Tax	639.16	2015-16	Joint Commissioner of Commercial Tax

\*Net of deposits

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

For SRBC & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Pramod Kumar Bapna  
Partner  
Membership Number: 105497

Place of Signature: Mumbai  
Date: May 22, 2019

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

### ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF FUTURE CONSUMER LIMITED

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 Consumer Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these Standalone Ind AS financial statements 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 over financial reporting with reference to these Standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference

to these Standalone Ind AS financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements.

#### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable 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 financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements, 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 with reference to these Standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Ind AS financial statements 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, adequate internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements and such internal financial controls over financial reporting with

reference to these Standalone Ind AS financial statements 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 SRBC & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Pramod Kumar Bapna  
Partner  
Membership Number: 105497

Place of Signature: Mumbai  
Date: May 22, 2019

## BALANCE SHEET

as at 31st March 2019

Particulars	Note	(₹ In lakhs)	
		As at 31st March 2019	As at 31st March 2018
<b>ASSETS</b>			
<b>1 Non current assets</b>			
(a) Property, plant and equipment	4	16,143.30	10,148.33
(b) Capital work in progress	42	130.10	4,798.86
(c) Goodwill	4	2,951.82	3,566.32
(d) Other intangible assets	4	13,992.11	15,810.50
(e) Financial assets			
(i) Investments	5	70,620.35	67,054.32
(ii) Loans	6	2,125.67	2,915.90
(iii) Other financial assets	7	725.64	627.89
(f) Deferred tax assets (net)	8	1,867.50	-
(g) Other non-current assets	9	1,329.88	940.73
<b>Total non-current assets</b>		<b>109,886.37</b>	<b>105,862.85</b>
<b>2 Current assets</b>			
(a) Inventories	10	21,880.27	19,852.11
(b) Financial assets			
(i) Investments	11	-	892.80
(ii) Trade receivables	12	58,900.32	43,517.10
(iii) Cash and cash equivalents	13	913.45	2,741.51
(iv) Bank balances other than (iii) above	13	1,247.02	162.84
(v) Loans	6	35,956.22	30,033.00
(vi) Other financial assets	7	6,817.29	3,871.51
(c) Other current assets	9	1,601.19	1,668.49
		<b>127,315.76</b>	<b>102,739.36</b>
Asset held for Sale	43.2	1,626.00	-
<b>Total current assets</b>		<b>128,941.76</b>	<b>102,739.36</b>
<b>Total assets</b>		<b>238,828.13</b>	<b>208,602.21</b>
<b>EQUITY AND LIABILITY</b>			
<b>1 Equity</b>			
(a) Equity share capital	14	114,428.54	114,128.91
(b) Other equity	15	22,352.32	16,107.19
<b>Total equity</b>		<b>136,780.86</b>	<b>130,236.10</b>
<b>Liability</b>			
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	26,343.52	28,280.17
(ii) Other financial liabilities	17	568.10	56.77
(b) Provisions	18	559.74	514.25
<b>Total non-current liabilities</b>		<b>27,471.36</b>	<b>28,851.19</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	43,498.96	20,054.22
(ii) Trade payables	20		
(a) Total outstanding dues of micro enterprises and small enterprises		3,040.36	427.82
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises		21,628.45	19,396.35
(iii) Other financial liabilities	21	4,584.59	7,304.42
(b) Provisions	18	1,110.22	1,209.09
(c) Other current liabilities	22	713.33	1,123.02
<b>Total current liabilities</b>		<b>74,575.91</b>	<b>49,514.92</b>
<b>Total equity and liability</b>		<b>238,828.13</b>	<b>208,602.21</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements	1-48		

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**

Partner

Membership No : 105497

For and on behalf of the Board of Directors of Future Consumer Limited

**G.N.Bajpai**

Chairman

**Manoj Gagvani**

Company Secretary & Head - Legal

**Ashni Biyani**

Managing Director

**Ravin Mody**

Chief Financial Officer

Place : Mumbai

Date : 22 May 2019

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai

Date : 22 May 2019

## STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2019

Particulars	Note	₹ In lakhs)	
		Year ended 31st March 2019	Year ended 31st March 2018
<b>1 REVENUE</b>			
(a) Revenue from operations	23	298,996.39	243,110.96
(b) Other income	24	5,991.50	4,914.02
<b>Total income</b>		<b>304,987.89</b>	<b>248,024.98</b>
<b>2 EXPENSES</b>			
(a) Cost of materials consumed	25	6,223.09	4,960.08
(b) Purchases of stock-in-trade (traded goods)		252,352.87	210,770.97
(c) Changes in inventories of finished goods and stock-in-trade	26	(1,980.66)	(5,426.64)
(d) Employee benefits expense	27	9,995.16	9,235.29
(e) Finance costs	28	6,605.50	4,550.03
(f) Depreciation and Amortisation expense	29	3,486.60	2,523.60
(g) Other expenses	30	22,208.71	18,149.28
<b>Total expenses</b>		<b>298,891.27</b>	<b>244,762.61</b>
<b>3 Profit before exceptional items(1-2)</b>		<b>6,096.62</b>	<b>3,262.37</b>
<b>4 Exceptional items</b>	43	(1,923.14)	-
<b>5 Profit before tax (3+4)</b>		<b>4,173.48</b>	<b>3,262.37</b>
<b>6 Tax expense</b>			
(a) Current tax	8	-	-
(b) Deferred tax	8	(1,879.62)	27.69
<b>Net tax expense</b>		<b>(1,879.62)</b>	<b>27.69</b>
<b>7 Profit for the period (5-6)</b>		<b>6,053.10</b>	<b>3,234.68</b>
<b>8 Other comprehensive income (OCI)</b>			
(a) Items that will not be reclassified to statement of profit or loss			
Remeasurement of losses on defined benefit plans		34.70	(89.62)
(b) Income tax relating to items that will not be reclassified to statement of profit or loss		(12.12)	27.69
<b>Total other comprehensive income</b>		<b>22.58</b>	<b>(61.93)</b>
<b>9 Total comprehensive income for the year, net of tax (7+8)</b>		<b>6,075.68</b>	<b>3,172.75</b>
<b>Earnings per share (face value ₹ 6 each)</b>			
(a) Basic (₹)	32	<b>0.32</b>	<b>0.17</b>
(b) Diluted (₹)		<b>0.32</b>	<b>0.17</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements	1-48		

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**

Partner

Membership No : 105497

For and on behalf of the Board of Directors of Future Consumer Limited

**G.N.Bajpai**

Chairman

**Manoj Gagvani**

Company Secretary & Head - Legal

**Ashni Biyani**

Managing Director

**Ravin Mody**

Chief Financial Officer

Place : Mumbai

Date : 22 May 2019

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai

Date : 22 May 2019



## STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2019

### (a) Share Capital (Refer Note 14)

Particulars	(₹ In lakhs) Amount
<b>Balance as at 31st March 2017</b>	<b>98,836.24</b>
Changes in Equity Share capital during the Year :	
Equity shares issued and allotted during the year	14,759.91
Issue of Equity shares under employee share option plan (ESOP) (Refer Note 36)	296.58
Shares transferred to employees by ESOP trust during the year (net)	236.18
<b>As at 31st March 2018</b>	<b>114,128.91</b>
Changes in Equity Share capital during the Year :	
Equity shares issued and allotted during the year	-
Issue of Equity shares under employee share option plan (ESOP) (Refer note 36)	421.74
Shares purchased (net) by ESOP trust treated as treasury shares	(122.11)
<b>As at 31st March 2019</b>	<b>114,428.54</b>

### (b) Other Equity (Refer Note 15)

Particulars	(₹ In lakhs)									
	Equity Component of compound financial instruments	Capital Reserve for bargain purchase combinations	Reserves & Surplus Securities Premium Account	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings	Money received against share warrants	Other comprehensive income	Total Other Equity
<b>Balance at 31st March 2017</b>	<b>38,021.02</b>	<b>314.94</b>	<b>4,067.29</b>	<b>0.59</b>	<b>2,254.13</b>	<b>5.20</b>	<b>(31,527.30)</b>	<b>1,675.00</b>	<b>20.38</b>	<b>14,831.25</b>
Profit for the year	-	-	-	-	-	-	3,234.68	-	-	3,234.68
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(61.93)	(61.93)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,234.68</b>	<b>-</b>	<b>(61.93)</b>	<b>3,172.75</b>
Issue of Share Warrants	-	-	-	-	-	-	-	5,025.00	-	5,025.00
Recognition of share-based payments	-	-	-	-	1,376.95	-	-	-	-	1,376.95
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	453.83	-	-	453.83
Transfer to securities premium on exercise of ESOP	-	-	932.74	-	(932.74)	-	-	-	-	-
Transfer to retained earning on exercise of ESOP	-	-	-	-	(268.05)	-	268.05	-	-	-
Issue of Shares	(38,021.02)	-	35,968.43	-	-	-	-	(6,700.00)	-	(8,752.59)
<b>As at 31st March 2018</b>	<b>-</b>	<b>314.94</b>	<b>40,968.46</b>	<b>0.59</b>	<b>2,430.29</b>	<b>5.20</b>	<b>(27,570.74)</b>	<b>-</b>	<b>(41.55)</b>	<b>16,107.19</b>

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2019

Particulars	Equity			Reserves & Surplus				Retained Earnings	Money received against share warrants	Other comprehensive income	Total Other Equity
	Component of compound financial instruments	Capital Reserve for bargain purchase combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve					
Profit for the year	-	-	-	-	-	-	6,053.10	-	-	6,053.10	
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	22.58	22.58	
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>6,053.10</b>	-	<b>22.58</b>	<b>6,075.68</b>	
Recognition of share-based payments	-	-	-	-	1,263.33	-	-	-	-	1,263.33	
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(1,445.38)	-	-	(1,445.38)	
Transfer to securities premium on exercise of ESOP	-	-	1,318.66	-	(1,318.66)	-	-	-	-	-	
Transfer to retained earning on exercise of ESOP	-	-	-	-	(267.15)	-	267.15	-	-	-	
Issue of Shares	-	-	351.50	-	-	-	-	-	-	351.50	
<b>As at 31st March 2019</b>	-	<b>314.94</b>	<b>42,638.62</b>	<b>0.59</b>	<b>2,107.81</b>	<b>5.20</b>	<b>(22,695.87)</b>	-	<b>(18.97)</b>	<b>22,352.32</b>	
Summary of significant accounting policies						2					
The accompanying notes are an integral part of the financial statements						1-48					

As per our report of even date  
For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**  
Partner  
Membership No : 105497

Place : Mumbai  
Date : 22 May 2019  
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors of Future Consumer Limited

**G.N.Bajpai**  
Chairman  
  
**Manoj Gagvani**  
Company Secretary & Head - Legal

**Ashni Biyani**  
Managing Director  
  
**Ravin Mody**  
Chief Financial Officer

Place : Mumbai  
Date : 22 May 2019

## STATEMENT OF CASH FLOWS

for the year ended 31st March 2019

Particulars	(₹ in lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
<b>Cash flows from operating activities</b>		
Net profit before tax as per the Statement of Profit and Loss	4,173.48	3,262.37
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Exceptional items (Refer Note 43)	1,923.14	-
Finance costs (including fair value change in financial instruments)	6,605.50	4,550.03
Finance income (including fair value change in financial instruments)	(4,736.56)	(3,566.14)
Interest on income tax refund	(66.01)	(0.54)
Provision no longer required written back	(53.72)	-
Loss on disposal of property, plant and equipment	27.92	18.37
Net loss/ (gain) on financial assets measured at fair value through profit or loss	(241.23)	(936.00)
Loss on disposal of investments	-	5.60
Impairment of investments	-	880.00
Impairment Allowance on trade receivables	23.62	15.26
Amortisation of intangible assets	1,560.33	1,443.48
Depreciation of property, plant and equipment	1,926.27	1,080.12
Share-based payment expenses	392.46	476.71
Net gain on financial guarantees contract	(32.05)	(30.50)
	<b>11,503.15</b>	<b>7,198.76</b>
<b>Working capital adjustments:</b>		
Increase in trade and other receivables	(18,838.79)	(17,718.72)
Increase in inventories	(2,028.16)	(5,700.06)
Decrease in other assets	131.44	396.46
Increase in trade payables	4,844.64	7,198.05
(Decrease) / Increase in provisions	(18.68)	481.02
(Decrease) / Increase in other liabilities	(47.32)	263.18
	(15,956.87)	(15,080.07)
<b>Cash flow used in operations</b>	<b>(4,453.72)</b>	<b>(7,881.31)</b>
Income taxes (paid)/refund	(358.85)	(169.13)
<b>Net cash flow used in operating activities</b>	<b>(4,812.57)</b>	<b>(8,050.44)</b>
<b>Cash flows from investing activities</b>		
Investment in Subsidiaries/Joint Ventures	(4,346.13)	(1,238.11)
Disposal of Investment	5,332.07	0.19
Loans given	(40,536.32)	(32,923.09)
Loans refunded	30,442.24	22,132.03
Interest received	3,874.86	2,574.43
Purchase of property, plant and equipment including CWIP	(3,057.08)	(5,078.43)
Proceeds from sale of property, plant and equipment	16.11	302.87
Purchase of intangible assets	(144.95)	(51.34)
<b>Net cash flow used in investing activities</b>	<b>(8,419.20)</b>	<b>(14,281.45)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity instruments of the Company	791.96	458.53
Proceeds from issue of share warrants	-	5,025.00
Purchase of treasury shares	(2,292.68)	-
Proceeds on exercise of ESOP out of treasury shares	725.00	690.00
Proceeds from long term borrowings (Net of expenses)	4,987.50	24,725.77
Repayment of long term borrowings	(9,485.47)	(8,731.98)
Proceeds from short term borrowings (net)	23,444.74	4,352.67
Interest paid	(6,767.34)	(4,170.30)
<b>Net cash flow from financing activities</b>	<b>11,403.71</b>	<b>22,349.69</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,828.06)</b>	<b>17.80</b>
Cash and cash equivalents at the beginning of the year	2,741.51	2,723.71
<b>Cash and cash equivalents at the end of the year (Refer Note 13)</b>	<b>913.45</b>	<b>2,741.51</b>

## STATEMENT OF CASH FLOWS

for the year ended 31st March 2019

### Changes in liability due to financial activities

Particulars	(₹ in lakhs)			
	As at 1 April 2018	Cash flows	Changes in fair value of financial instruments	As at 31 March 2019
Current borrowings (Refer Note 19)	20,054.22	23,444.74	-	43,498.96
Non- current borrowings, including current maturities (Refer Note 16)	34,432.08	(4,497.97)	113.02	30,047.13
<b>Total</b>	<b>54,486.30</b>	<b>18,946.77</b>	<b>113.02</b>	<b>73,546.09</b>
Summary of significant accounting policies	2			
The accompanying notes are an integral part of the financial statements	1-48			

As per our report of even date  
For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**  
Partner  
Membership No : 105497

For and on behalf of the Board of Directors of Future Consumer Limited

**G.N.Bajpai**  
Chairman

**Manoj Gagvani**  
Company Secretary & Head - Legal

**Ashni Biyani**  
Managing Director

**Ravin Mody**  
Chief Financial Officer

Place : Mumbai  
Date : 22 May 2019  
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai  
Date : 22 May 2019

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 1. GENERAL INFORMATION ABOUT THE COMPANY

Future Consumer Limited (the "Company") is a Company incorporated in India on 10th July 1996, under the name "Subhikshith Finance and Investments Limited". The name of the Company was changed to "Future Ventures India Private Limited" with effect from 9th August 2007 and it became a Public Limited Company with effect from 7th September 2007 as "Future Ventures India Limited". The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited since 10th May 2011. The name of the Company was changed to "Future Consumer Enterprise Limited" w.e.f. 30th September 2013 and then to "Future Consumer Limited" effective from 13th October 2016. The Company is engaged in the business of sourcing, manufacturing, branding, marketing and distribution of fast moving consumer goods ("FMCG"), Food and Processed Food Products in Urban and Rural India. Earlier the Company was regulated by the Reserve Bank of India (the "RBI") as a non-deposit taking Non-Banking Financial Company ("NBFC"). The RBI in terms of application made by the Company has vide its order passed on 21st July 2015 cancelled the Certificate of Registration granted to the Company. Consequently, the Company ceased to be an NBFC.

The registered office of the Company is located at Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060 and the corporate office is located at Embassy 247, Tower 'C', LBS Marg, Vikhroli (West), Mumbai 400 083

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors passed on 22 May 2019.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit planned – plan assets measured at fair value

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

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.

The financial statements are presented in INR, which is the functional currency and all values are rounded up to two decimal points to the nearest lakh (₹ 00,000), except when otherwise indicated.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is 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

The Company classifies all other liabilities as non-current.

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

Based on the nature of services and the normal time between the acquisition of assets and their realisation into cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

### 2.3 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 statement of profit or 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 recognizing 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 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 recognizes 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 recognizes 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 or 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 or 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 115 "Revenue from contract with customers" ("Ind AS 115").

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 2.4 Goodwill and impairment of goodwill

Goodwill arising on acquisition of a business is carried at cost as established at date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash generating units (or groups of cash-generating units, "CGU") that are expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### 2.5 Revenue from contract with customers

With effect from 1st April 2018, Ind AS 115 – "Revenue from Contracts with Customers" (Ind AS 115) supersedes Ind AS 18 – "Revenue" and related Appendices. The Company has adopted Ind AS 115 using the modified retrospective approach, applied to all the contracts that were not completed as of 1st April 2018. Hence, the Company has not retrospectively restated the comparative information. The application of Ind AS 115 did not have any material impact on recognition and measurement principles related to revenue recognition of the Company. However, it results in additional presentation and disclosure requirements for the Company. The Company has updated presentation and disclosures in accordance with Ind AS 115 in the financial statements (also read with Note 23). Following is revised significant accounting policies related to revenue recognition.

The Company recognises revenue from the following major sources:

- Sale of consumer product
- Other operating revenue

#### Sale of consumer product

The Company sells fast moving consumer goods ("FMCG"), Food and Processed Food Products.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue was reduced for estimated customer returns, rebates and similar allowances, if any. Revenue from sale of goods was recognised when the goods were delivered and titles have passed. i.e. the Company had transferred to the buyer the significant risks and rewards of ownership of goods; the Company retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue could be measured reliably; it was probable that the economic benefits associated with the transaction would flow to the Company; and the costs incurred or to be incurred in respect of the transaction could be measured reliably.

The Company recognizes revenue on the sale of goods, net of discounts, sales incentives and rebates granted, if any, when control of the goods is transferred to the customer.

#### Nature, timing of satisfaction of performance obligation and transaction price (Fixed and variable)

The Company recognises revenue when it transfers control of a product or service to a customer.

The control of goods is transferred to the customer depending upon the terms or as agreed with customer or delivery basis (i.e. at the point in time when goods are delivered to the customer or when the customer purchases the goods from the Company warehouse). Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods.

At inception of the contract, Company assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:

- (a) a good or service that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Based on the terms of the contract and as per business practice, the Company determines the transaction price considering the amount it expects to be entitled in exchange of transferring promised goods or services to the customer. It excluded amount collected on behalf of third parties such as taxes.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

The Company provides volume discount and rebate schemes, to its customers on certain goods purchased by the customer once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Volume discount and rebate schemes give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Company considers that either the expected value method or the most likely amount method, depending on which of them better predicts the amount of variable consideration for the particular type of contract.

In case where the customer gives non-cash consideration for the goods and services transferred or where customer provides the Company certain materials, equipment, etc. for carrying out the scope of work and the Company obtains control of those contributed goods or service, the fair value of such non-cash consideration given /materials supplied by customer is considered as part of the transaction price.

For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

### Rendering of services

Revenue from rendering of services is recognised over time considering the time elapsed. The transaction price of these services is recognised as a contract liability upon receipt of advance from the customer, if any, and is released on a straight line basis over the period of service (monthly basis)

### Contract assets, contract liabilities and trade receivables

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues (which we refer to as unearned revenues) and advance from customers are classified as contract liabilities. A receivable is recognised by the Company when the control over the goods is transferred to the customer such as when goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The average credit period on sale of goods is 7 to 90 days.

### Dividend and Interest income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the

economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.6 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.

### 2.7 Foreign Currency Transactions and Translation

The management of the Company has determined Indian rupee ("INR") as the functional currency of the Company. In preparing the financial statements of the Company, transactions in currencies other than



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

the Company's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in statement of profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences for long term foreign currency monetary items existing as on previous year, the exchange difference arising on settlement/ restatement of long term foreign currency monetary items are capitalised as part of depreciable property, plant and equipment to which the monetary items relates and depreciated over the remaining useful life of such assets.

### 2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

The Company may incur borrowing costs during an extended period in which it suspends the activities necessary to prepare an asset for its intended use or sale. Such costs are costs of holding partially completed assets and do not qualify for capitalisation. However, an entity does not normally suspend capitalising borrowing costs during a period when it carries out substantial technical and administrative work. The Company also does not suspend capitalising borrowing costs when a

temporary delay is a necessary part of the process of getting an asset ready for its intended use or sale.

The Company shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

### 2.9 Employee benefits

#### Post-employment benefits

- Payments to defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement 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. Remeasurement, 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. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit or loss. Past service cost is recognised in statement of profit or 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:

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

- Net interest expense or income; and
- Re-measurement.

The Company presents the first two components of defined benefit costs in statement of 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.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer

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of the termination benefit and when the entity recognises any related restructuring costs.

### 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.

### 2.10 Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of the Company by the weighted average number of equity shares outstanding during the financial year (net of treasury shares).

Diluted earnings per share adjusts the figure used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 2.11 Share-based payment arrangements

#### Share-based payment transactions of the Company

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 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 or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

#### Share-based payment transactions among group entities

The cost of equity-settled transactions pertaining to group entities is recognised as debit to investment in those group companies, together with a corresponding increase in equity (Employee stock option reserve) over the vesting period. The cumulative amount recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Company does not recover the cost of employee stock options from its subsidiaries.

### 2.12 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 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. While preparing standalone financial statements, temporary differences are calculated using the carrying amount as per standalone financial statements and tax bases as determined by reference to the method of tax computation.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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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 or 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 2.13 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, for rental to others or for administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that incremental future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. 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 or loss during the reporting period in which they are incurred.

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 statement of profit or loss.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation on tangible property, plant and equipment has been provided on straight line method as per the useful life prescribed in Schedule II of the Company's Act, 2013, except in case of leasehold improvements and moulds.

Estimated useful lives of the assets are as follows:

Asset	Useful Life	Asset	Useful Life
Buildings	60 Years	Computers	3 Years
Plant and Equipment	15 Years	Furniture and Fixtures	10 Years
Leasehold improvements	Lease Term	Office Equipment	5 Years
Moulds*	2 Years	Vehicles*	10 Years

\*The Company, based on technical assessment, depreciates Moulds and Vehicles over estimated useful lives which are different from the useful life as prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset are likely to be used.

### Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Company has selected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

### 2.14 Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment

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losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in statement of profit or loss when the asset is derecognised.

### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset	Useful Life	Asset	Useful Life
Trademark	5 Years	Brand*	10 Years
Software	3 -6 Years	Brand Usage Rights	25 Years

\* Kara Brand has an indefinite useful life.

The Company has evaluated the estimated useful life of the intangible assets based on technical assessment. The management believes that the estimated useful life is realistic and reflect fair approximation of the period over which the asset is likely to be used.

### **Deemed cost on transition to Ind AS**

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of the transition date measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

### **2.15 Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any

such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

### **2.16 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.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

### 2.17 Provisions

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.

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).

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.

### 2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 or loss.

### 2.19 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or

sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in statement of profit or loss for fair value through other comprehensive income ("FVTOCI") debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to statement of profit or loss.

All other financial assets are subsequently measured at fair value.

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### 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 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.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement of profit or loss and is included in the "Other Income" line item.

### Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income for investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to statement of profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

### Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

### Investments in subsidiaries, associates and joint ventures

The Company has elected to account for its equity investments in subsidiaries, associates and joint ventures under IND AS 27 on Separate Financials Statements, at cost except Investment in Preference shares which is measured at FVTPL. At the end of each reporting period the Company assesses whether there are indicators of diminution in the value of its investments and provides for impairment loss, where necessary.

### Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset

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expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit or loss.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

### Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.20 Financial liabilities and equity instruments

### Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit or loss on the

purchase, sale, issue or cancellation of the Company's own equity instruments.

### Compound instruments

The component parts of compound instruments (convertible debentures) 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 or 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.

### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

However, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense are included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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 financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

When guarantee in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as cost of investment.

### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'/'Other expenses'.

### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

### 2.21 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit or loss immediately. Company does not designate the derivative instrument as a hedging instrument.

### 2.22 Treasury Shares

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

### 2.23 Contingent liabilities

A contingent liability is:-

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognised because:-
  - i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.



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

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 2.24 Operating segment

The management views the Company's operation as a single segment engaged in business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

### 3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the accounting policies, the Company is required to make judgements, 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 recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

#### Key sources of estimation uncertainty

#### 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. Refer note 4 for further disclosure.

#### 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. Refer note 4 for further disclosure.

#### c) Impairment of investments in subsidiaries, joint ventures and associate and impairment of goodwill

Determining whether the goodwill or investments in subsidiaries, joint ventures and associate are impaired requires an estimate in the value in use. In considering the value in use, the Management have anticipated the future cash flows, discount rates and other factors of the underlying businesses/ companies. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In certain cases, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Any subsequent changes to the cash flows could impact the carrying value of investments/goodwill. Refer note 4 and 5 for further disclosure.

#### d) Provisions, liabilities and contingencies

Provisions and liabilities are recognized 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 judgement 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 recognized. Refer note 38 for further disclosure.

#### e) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 8 for further disclosure.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### f) Employee benefit plans

The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Refer note 27 and 34 for further disclosure.

### g) Share based payments

The Company initially measures the cost of equity-settled transactions with employees using an appropriate valuation model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note no 36.

### 3.1 Change in Accounting policies and disclosures

#### Standards, amendments and interpretations effective in 2018

The Company applied Ind AS 115 for the first time (Refer note 2.5).

Several other amendments apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

#### Amendments to existing Ind AS

In addition to Ind AS 115, the following changes to Ind AS have also become applicable to the Company. However, their adoption did not have any impact as there are no such transactions or existing policies of the Company are already in compliance with the amendments.

Amendment to Ind AS 20 Government grants related to non-monetary asset, including consequential amendments to Ind AS 16 and Ind AS 38

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

Amendments to Ind AS 40 Transfers of Investment Property

Amendments to Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

Amendment to Ind AS 112 Disclosure of Interests in Other Entities

#### Amendments to Ind AS Schedule III to the Companies Act, 2013

The Ministry of Corporate Affairs (MCA), vide its notification dated 11 October 2018, amended Division II (Ind AS) of Schedule III to the Companies Act. The changes are applicable for the financial year ending 31 March 2019 and require the Company to make few additional disclosures/ reclassify certain items in the financial statements. The Company has made these changes in the relevant note. The application of these changes did not have material impact on the financial statements.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 4. PROPERTY, PLANT AND EQUIPMENT, GOODWILL AND OTHER INTANGIBLE ASSETS

Description of Assets	Gross Block (At cost / deemed cost)				Depreciation / Amortisation			Net Block	
	As at 1st April 2018	Additions	Deletions	As at 31st March 2019	For the Period 1st April 2018 to 31st March 2019	Deletions	Impairment (Refer note 43.6)	As at 31st March 2019	As at 31st March 2019
<b>A. Property, plant and equipment</b>									
Freehold land	443.13	-	-	443.13	-	-	-	-	443.13
Building	2,129.52	1,490.75	-	3,620.27	90.48	-	-	109.52	3,510.75
Office equipments	374.61	36.47	57.25	353.83	75.49	49.10	-	185.32	168.51
Computers	464.55	83.73	108.14	440.14	81.92	102.02	-	295.99	144.15
Furniture & fixtures	1,326.96	670.38	152.20	1,845.14	191.32	135.21	-	625.92	1,219.22
Vehicles	98.98	3.05	12.12	89.91	7.46	11.31	-	54.10	35.81
Plant & machinery	7,235.14	5,098.69	26.43	12,307.40	1,349.37	20.89	-	2,658.02	9,649.38
Leasehold improvements	516.51	411.71	26.19	902.03	90.36	22.78	-	233.66	668.37
Hydraulic works and pipelines	34.70	25.37	-	60.07	2.80	-	-	2.81	57.26
Roads	141.75	142.11	-	283.86	37.07	-	-	37.14	246.72
<b>Sub Total (A)</b>	<b>12,765.85</b>	<b>7,962.26</b>	<b>382.33</b>	<b>20,345.78</b>	<b>1,926.27</b>	<b>341.31</b>	<b>-</b>	<b>4,202.48</b>	<b>16,143.30</b>
<b>B. Other intangible assets</b>									
Brands, brand usage rights and trademarks (Refer note no. ii)	16,614.49	-	1.03	16,613.46	1,083.71	0.91	400.00	4,744.96	11,868.50
Software	2,811.03	144.95	6.05	2,949.93	476.62	3.16	-	826.32	2,123.61
<b>Sub Total (B)</b>	<b>19,425.52</b>	<b>144.95</b>	<b>7.08</b>	<b>19,563.39</b>	<b>1,560.33</b>	<b>4.07</b>	<b>400.00</b>	<b>5,571.28</b>	<b>13,992.11</b>
<b>C. Goodwill (Refer Notes 44.1)</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>614.50</b>	<b>614.50</b>	<b>2,951.82</b>
<b>Sub Total (C)</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>614.50</b>	<b>614.50</b>	<b>2,951.82</b>
<b>Total (A+B+C)</b>	<b>35,757.69</b>	<b>8,107.21</b>	<b>389.41</b>	<b>43,475.49</b>	<b>3,486.60</b>	<b>345.38</b>	<b>1,014.50</b>	<b>10,388.26</b>	<b>33,087.23</b>

Notes:

(i) For property, plant and equipment pledged as security (Refer note 16 & 19)

(ii) Includes Kara brand of ₹ 1,209 lakhs (Previous Year : ₹ 1,209 lakhs) with indefinite useful life (Refer note 44.2)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 4. PROPERTY, PLANT AND EQUIPMENT, GOODWILL AND OTHER INTANGIBLE ASSETS

Description of Assets	Gross Block (At cost / deemed cost)				Depreciation / Amortisation			Net Block	
	As at 1st April 2017	Additions	Deletions	As at 31st March 2018	For the Period	Deletions	As at 31st March 2018	As at 31st March 2018	
<b>A. Property, plant and equipment</b>									
Freehold land	423.83	19.30	-	443.13	-	-	-	443.13	
Building	384.47	1,745.05	-	2,129.52	6.57	-	19.04	2,110.48	
Office equipments	293.17	133.30	51.86	374.61	58.62	32.61	158.93	215.68	
Computers	421.79	93.31	50.55	464.55	70.43	47.03	316.09	148.46	
Furniture & fixtures	1,517.24	105.08	295.36	1,326.96	186.01	93.99	569.81	757.15	
Vehicles	100.48	0.51	2.01	98.98	7.54	0.72	57.95	41.03	
Plant & machinery	3,329.99	4,038.13	132.98	7,235.14	704.63	40.30	1,329.54	5,905.60	
Leasehold improvements	227.17	294.83	5.49	516.51	46.24	2.36	166.08	350.43	
Hydraulic works and pipelines	-	34.70	-	34.70	0.01	-	0.01	34.69	
Roads	-	141.75	-	141.75	0.07	-	0.07	141.68	
<b>Sub Total (A)</b>	<b>6,698.14</b>	<b>6,605.96</b>	<b>538.25</b>	<b>12,765.85</b>	<b>1,080.12</b>	<b>217.01</b>	<b>2,617.52</b>	<b>10,148.33</b>	
<b>B Other intangible assets</b>									
Brands, brand usage rights and trademarks (Refer note no. ii)	16,614.49	-	-	16,614.49	1,093.07	-	3,262.16	13,352.33	
Software	27.54	2,783.49	-	2,811.03	350.41	-	352.86	2,458.17	
<b>Sub Total (B)</b>	<b>16,642.03</b>	<b>2,783.49</b>	<b>-</b>	<b>19,425.52</b>	<b>1,443.48</b>	<b>-</b>	<b>3,615.02</b>	<b>15,810.50</b>	
<b>C. Goodwill (Refer Notes 44.1)</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,566.32</b>	
<b>Sub Total (C)</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>3,566.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,566.32</b>	
<b>Total (A+B+C)</b>	<b>26,906.49</b>	<b>9,389.45</b>	<b>538.25</b>	<b>35,757.69</b>	<b>2,523.60</b>	<b>217.01</b>	<b>6,232.54</b>	<b>29,525.15</b>	

#### Notes:

- (i) For property, plant and equipment pledged as security (Refer note 16 & 19)  
(ii) Includes Kara brand of ₹ 1,209 lakhs (Previous Year : ₹ 1,209 lakhs) with indefinite useful life (Refer note 44.2)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 5. NON CURRENT INVESTMENTS

#### Unquoted

Particulars	(₹ In lakhs)			
	Number of Units		Amount	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
<b>Investment in equity shares</b>				
<b>i) Subsidiaries (At cost, fully paid up)</b>				
Aadhaar Wholesale Trading and Distribution Limited	52,400,000	43,400,000	22,020.35	21,103.60
Future Consumer Products Limited (Refer note 43.5)	900,000	900,000	-	1,620.00
Future Food and Products Limited (Refer note 43.1)	-	31,300,000	-	2,696.73
Future Food Processing Limited (Refer note 43.1) (formerly known as Future Food Processing Private Limited)	-	2,010,000	-	240.76
The Nilgiri Dairy Farm Private Limited	241,435	241,435	25,300.58	25,279.93
APPU Nutritions Private Limited	240	240	210.60	210.60
Nilgiri's Mechanised Bakery Private Limited	21,600	21,600	262.83	249.76
Nilgiris Franchise Limited (formerly known as Nilgiris Franchise Private Limited)	-	-	194.35	61.04
Integrated Food Park Limited (Refer note 43.1) (formerly known as Integrated Food Park Private Limited)	-	37,428,100	-	3,834.09
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	1,000,000	1,000,000	447.08	234.06
FCEL Food Processors Limited (Partly paid up)	5,000,000	5,000,000	3.50	3.50
FCEL Overseas FZCO (A company incorporated in UAE, face value DHS 1000 each)	60	60	11.28	11.28
FCL Tradevest Private Limited (Refer note 43.1)	116,936,000	-	11,693.60	-
<b>ii) Joint Ventures (At cost, fully paid up)</b>				
Amar Chitra Katha Private Limited (Refer note 43.4)	-	369,940	-	6,463.23
Aussee Oats Milling (Private) Limited (Refer note 43.2) (a company incorporated in Sri Lanka, face value LKR 10 each)	24,569,920	24,569,920	-	1,206.00
Aussee Oats India Limited (Refer note 43.1) (formerly known as Aussee Oats India Private Limited)	-	500,001	-	50.91
Sublime Foods Limited (Refer note 43.1) (formerly known as Sublime Foods Private Limited)	-	1,500,000	-	187.96
MNS Foods Limited (Refer note 43.1) (formerly known as MNS Foods Private Limited)	-	450,001	-	78.25
Mibelle Future Consumer Products AG (a company incorporated in Switzerland, face value CHF 1000 each)	400	300	1,003.56	717.57
Genoa Rice Mills Private Limited (Refer note 43.1)	-	1,250,000	-	125.00
Hain Future Natural Products Private Limited	14,495,000	5,000	1,449.50	0.50
Fonterra Future Dairy Private Limited	2,500,000	-	250.00	-
<b>iii) Associate (At cost, fully paid up)</b>				
Sarjena Foods Private Limited	324,675	324,675	-	-
<b>iv) Others (At cost, fully paid up)</b>				
Saraswat Co-operative Bank Limited	50	50	0.01	0.01
<b>Investment in preference shares</b>				
<b>i) Subsidiaries (At FVTPL, fully paid up)</b>				
Future Consumer Products Limited (Refer note 43.5)	145,000	145,000	-	115.50
The Nilgiri Dairy Farm Private Limited	4,684,270	4,684,270	1,621.20	1,409.74
<b>ii) Joint venture (At FVTPL, fully paid up)</b>				
Aussee Oats Milling (Private) Limited (Refer note 43.2) (a company incorporated in Sri Lanka, face value LKR 10 each)	11,380,155	11,380,155	-	434.30
<b>Investment in debentures</b>				
<b>i) Associate (At cost, fully paid up)</b>				
0.001% Compulsory Convertible Debentures of Amar Chitra Katha Private Limited (Refer note 43.4)	4,977	-	4,976.91	-
<b>Total</b>	<b>234,603,782</b>	<b>166,480,747</b>	<b>69,445.35</b>	<b>66,334.32</b>
Share application money	-	-	1,175.00	720.00
<b>Total</b>	<b>234,603,782</b>	<b>166,480,747</b>	<b>70,620.35</b>	<b>67,054.32</b>

The list of subsidiaries, joint ventures and associates along with proportion of ownership interest held are disclosed in note 2.3 of consolidated financial statements.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 6. LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	₹ In lakhs	
	As at 31st March 2019	As at 31st March 2018
<b>Non-current</b>		
Loans to related parties (Refer Note 37)	2,125.67	2,915.90
<b>Total</b>	<b>2,125.67</b>	<b>2,915.90</b>
<b>Current</b>		
Loans to related parties (Refer Note 37)	35,956.22	29,910.92
Inter corporate deposits	-	122.08
<b>Total</b>	<b>35,956.22</b>	<b>30,033.00</b>

### 7. OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	₹ In lakhs	
	As at 31st March 2019	As at 31st March 2018
<b>Non-current</b>		
Security deposits	359.34	303.08
Interest accrued on deposits	301.30	292.39
Bank deposits with more than 12 months maturity	65.00	32.42
<b>Total</b>	<b>725.64</b>	<b>627.89</b>
<b>Current</b>		
Security deposits	103.90	215.43
Other deposits	2.00	-
Interest accrued on deposits	2,473.19	1,786.31
Other receivables (for related party, refer note 37)	4,238.20	1,869.77
<b>Total</b>	<b>6,817.29</b>	<b>3,871.51</b>

### 8. DEFERRED TAX BALANCES

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet:

Particulars	₹ In lakhs	
	As at 31st March 2019	As at 31st March 2018
Deferred tax assets	5,683.15	3,514.72
Deferred tax liabilities	(3,815.65)	(3,514.72)
<b>Net</b>	<b>1,867.50</b>	<b>-</b>

#### 8.1 Movement of Deferred Tax

##### Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2019

Particulars	₹ In lakhs			
	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
<b>Deferred tax assets:</b>				
Provision for doubtful debts	4.72	10.27	-	14.99
Provisions for employee benefits	504.91	135.01	(12.12)	627.80
Tax losses	3,005.09	2,035.27	-	5,040.36
<b>Total deferred tax assets</b>	<b>3,514.72</b>	<b>2,180.55</b>	<b>(12.12)</b>	<b>5,683.15</b>
<b>Deferred tax liabilities:</b>				
Property, plant, equipment and intangible assets	(3,425.89)	(291.26)	-	(3,717.15)
Taxable temporary differences on financial liability measured at amortised cost	(88.83)	(9.67)	-	(98.50)
<b>Total deferred tax liabilities</b>	<b>(3,514.72)</b>	<b>(300.93)</b>	<b>-</b>	<b>(3,815.65)</b>
<b>Total</b>	<b>-</b>	<b>1,879.62</b>	<b>(12.12)</b>	<b>1,867.50</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2018

(₹ In lakhs)				
Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
<b>Deferred tax assets:</b>				
Provision for doubtful debts	1.24	3.48	-	4.72
Provisions for employee benefits	222.04	255.18	27.69	504.91
Convertible instruments	808.01	(808.01)	-	-
Tax losses (to the extent of net deferred tax liability)	1,743.42	1,261.67	-	3,005.09
<b>Total deferred tax assets</b>	<b>2,774.71</b>	<b>712.32</b>	<b>27.69</b>	<b>3,514.72</b>
<b>Deferred tax liabilities:</b>				
Property, plant, equipment and intangible assets	(2,713.23)	(712.66)	-	(3,425.89)
Taxable temporary differences on financial liability measured at amortised cost	(61.48)	(27.35)	-	(88.83)
<b>Total deferred tax liabilities</b>	<b>(2,774.71)</b>	<b>(740.01)</b>	<b>-</b>	<b>(3,514.72)</b>
<b>Total</b>	<b>-</b>	<b>(27.69)</b>	<b>27.69</b>	<b>-</b>

8.2 Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

(₹ In lakhs)			
Particulars	As at 31st March 2019	As at 31st March 2018	
Tax losses (revenue in nature) (Refer note a)	21,399.11	31,063.21	
Tax losses (capital in nature) (Refer note b)	9,491.09	1,397.79	
<b>Total</b>	<b>30,890.20</b>	<b>32,461.00</b>	

a) Unused tax losses of revenue nature include losses of ₹ Nil (Previous year ₹ 9,885.97 lakhs) (as below) that are available for offsetting for eight years against future taxable profits of the Company in which the losses arose.

(₹ In lakhs)		
Financial Year	As at March 31, 2019	As at March 31, 2018
2010-11	-	276.86
2011-12	-	373.89
2012-13	-	571.92
2014-15	-	4,601.10
2015-16	-	3,655.82
2016-17	-	406.38
<b>Total</b>	<b>-</b>	<b>9,885.97</b>

Further, unutilised tax losses of revenue nature includes losses of ₹ 21,399.11 lakhs (Previous year ₹ 21,177.24 lakhs) which are available for offsetting against future taxable profits indefinitely.

b) Unused tax losses of capital nature will expire by March 2027.

### 8.3 The current tax expense for the year can be reconciled to the accounting profit as follows:

(₹ In lakhs)		
Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Profit before tax	4,173.48	3,262.37
Other Comprehensive Income before tax	34.70	(89.62)
<b>Total</b>	<b>4,208.18</b>	<b>3,172.75</b>
Income tax expense calculated at 34.944% (Previous year 30.9%)	1,470.50	980.38
Effect of expenses not allowed for income tax purposes	2,953.73	3,256.13
Effect of additional allowance for tax purpose, limited to net taxable income for the year	(4,424.23)	(4,236.51)
Effect of DTA on unabsorbed business loss recognised	1,867.50	-
<b>Total</b>	<b>1,867.50</b>	<b>-</b>
Income tax expense/ (income) relating to items that will not be reclassified to statement of profit or loss	12.12	(27.69)
Deferred tax expense recognised in statement of profit or loss	(1,879.62)	27.69
Current tax expense recognised in statement of profit or loss	-	-
<b>Total</b>	<b>(1,867.50)</b>	<b>-</b>

During the year the Company has reassessed the deferred tax asset recognised on unutilised tax losses based on probability of future taxable income and recognised net deferred tax assets of ₹ 1867.50 lakhs.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 9. OTHER ASSETS

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Non-current</b>		
Capital advance	49.38	85.09
Advance taxes (net)	1,280.50	855.64
<b>Total</b>	<b>1,329.88</b>	<b>940.73</b>
<b>Current</b>		
Advances to employees	24.45	103.22
Advances given to suppliers	717.86	550.64
Other advances	243.47	197.18
Balances with government authorities	615.41	817.45
<b>Total</b>	<b>1,601.19</b>	<b>1,668.49</b>

### 10. INVENTORIES

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Raw materials (at cost)	411.50	374.60
Finished goods (at lower of cost and net realisable value)	79.88	55.73
Stock - in - trade (at lower of cost and net realisable value)	21,248.56	19,292.05
Packing material (at cost)	140.33	129.73
<b>Total</b>	<b>21,880.27</b>	<b>19,852.11</b>

Notes:-

- For Inventory hypothecated as security, refer note 19
- The amount of write down of inventories recognised as an expense during the year is ₹ 172.03 lakhs (Previous year: ₹ 167.87 lakhs).

### 11. CURRENT INVESTMENTS

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Investment in debentures (unquoted, at FVTPL, fully paid up)</b>		
0% Optionally convertible debentures of Capital Foods Private Limited	-	892.80
<b>Total</b>	<b>-</b>	<b>892.80</b>

### 12. TRADE RECEIVABLES (UNSECURED)

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Considered good (For related party, refer note 37)	58,900.32	43,517.10
Receivables which have significant increase in credit risk	42.88	19.26
	58,943.20	43,536.36
Less: Credit impaired (Expected credit loss allowance)	(42.88)	(19.26)
<b>Total</b>	<b>58,900.32</b>	<b>43,517.10</b>

#### Movement in Credit impaired (Expected credit loss allowance)

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Opening balance	(19.26)	(4.00)
Changes in loss allowance:		
Impairment allowance based on expected credit loss	(23.62)	(15.26)
<b>Closing Balance</b>	<b>(42.88)</b>	<b>(19.26)</b>

Note:

- For trade receivables hypothecated as security (Refer note 19)



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 13. CASH AND CASH EQUIVALENTS

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Balances with banks</b>		
On current accounts	374.97	1,754.31
In fixed deposit accounts	460.00	465.22
Cheques on hand	39.74	492.70
Cash on hand	38.74	29.28
<b>Total</b>	<b>913.45</b>	<b>2,741.51</b>
<b>Other bank balance:</b>		
As margin money	1,247.02	162.84
<b>Total</b>	<b>1,247.02</b>	<b>162.84</b>

During the current year the Company entered into non-cash investment activity of converting inter corporate deposit amounting to ₹ 4,961.09 lakhs (previous year ₹ 1,984.17 lakhs) into investments. These are not reflected in the statement of cash flows.

### 14. EQUITY SHARE CAPITAL

#### a) Share capital

Particulars	As at 31st March 2019		As at 31st March 2018	
	No of shares	Amount	No of shares	Amount
<b>Authorised</b>				
Equity shares of ₹ 6 each	5,650,000,000	339,000.00	5,650,000,000	339,000.00
Unclassified shares of ₹ 10 each	1,670,000,000	167,000.00	1,670,000,000	167,000.00
<b>Total</b>		<b>506,000.00</b>		<b>506,000.00</b>
<b>Issued, subscribed and fully paid-up capital</b>				
Equity shares of ₹ 6 each	1,920,462,680	115,227.76	1,913,433,663	114,806.02
Less : Shares held by ESOP trust treated as treasury shares	(13,320,293)	(799.22)	(11,285,134)	(677.11)
<b>Total</b>	<b>1,907,142,387</b>	<b>114,428.54</b>	<b>1,902,148,529</b>	<b>114,128.91</b>

#### b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2019		As at 31st March 2018	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	1,902,148,529	114,128.91	1,647,270,604	98,836.24
Add : Equity shares issued and allotted during the year	-	-	245,998,442	14,759.91
Add : Allotment pursuant to exercise of stock options granted under FVIL - Employees Stock Option Plan - 2011	4,625,017	277.50	3,524,983	211.50
Add : Allotment pursuant to exercise of stock options granted under Future Consumer Enterprise Limited - Employees Stock Option Plan - 2014	2,404,000	144.24	1,418,000	85.08
Add/ (Less) : Shares purchased (net) by ESOP trust treated as treasury shares (Previous year : Shares transferred to employees during the year (net))	(2,035,159)	(122.11)	3,936,500	236.18
<b>Equity shares at the end of the year</b>	<b>1,907,142,387</b>	<b>114,428.54</b>	<b>1,902,148,529</b>	<b>114,128.91</b>

#### c) Details of shareholders holding more than 5% shares in the Company.

Particulars	As at 31st March 2019		As at 31st March 2018	
	No of shares	% of Holding	No of shares	% of Holding
Future Capital Investment Private Limited	845,212,246	44.01	791,302,624	41.36
Black River Food 2 Pte. Ltd	146,283,195	7.62	149,511,403	7.81
Verlinvest SA	140,513,969	7.32	140,513,969	7.34
Arisaig India Fund Limited	134,331,586	6.99	143,040,880	7.48

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

**d) Share options granted under the Company's employee share option plan:**

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note no. 36

**e) Rights, Preferences and Restrictions attached to equity shares:**

- i) The Company has one class of equity shares having a par value of ₹ 6 per share. Each holder of equity share is entitled to one vote per share.
  - ii) Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
  - iii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
  - iv) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to vote in proportion to his share of the paid-up capital of the Company.
- f) As at 31st March, 2019, 42,78,000 equity shares (FY 2018: 1,23,07,017 equity shares) were reserved for issuance towards outstanding employee stock options granted (Refer note 36).**
- g) Aggregate number of equity shares allotted as fully paid up without payment being received in cash for the period of 5 years immediately preceding the balance sheet date is 4,59,18,367 equity shares issued in 2014-15.**
- h) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.**

### 15. OTHER EQUITY

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Capital reserve for bargain purchase business combinations	314.94	314.94
Securities premium account	42,638.62	40,968.46
General reserve	0.59	0.59
Share options outstanding account	2,107.81	2,430.29
Capital redemption reserve	5.20	5.20
Retained earnings	(22,695.87)	(27,570.74)
Other comprehensive income	(18.97)	(41.55)
<b>Total</b>	<b>22,352.32</b>	<b>16,107.19</b>

**Description of reserves**

**Capital reserve for bargain purchase business combinations**

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years.

**Securities premium account**

Where the Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares was transferred to a "securities premium account" as per the provisions of the Companies Act, 2013.

**General reserve**

General reserve is created out of profit earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

**Share options outstanding account**

This reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 36.

**Capital redemption reserve**

As per the provisions of the Companies Act, 2013 capital redemption reserve is created out of the general reserve for the amount of share capital reduction in earlier years.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### Retained earnings

This represents the surplus/ (deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends 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.

### 16. NON CURRENT BORROWINGS

Particulars	(₹ In lakhs)			
	As at 31st March 2019		As at 31st March 2018	
	Non-Current	Current (Refer note 21)	Non-Current	Current (Refer note 21)
<b>Secured - at amortised cost</b>				
Term loans from banks	4,516.63	227.50	4,737.04	227.27
Term loans from financial institutions	-	-	3,333.33	1,111.11
Buyer's Credit	-	-	-	313.53
Debentures :				
10.55% Redeemable non convertible debentures of ₹ 1 lakh each	-	988.07	963.62	1,500.00
11.00% Redeemable non convertible debentures of ₹ 1 lakh each	-	988.04	963.55	1,500.00
9.95% Redeemable non convertible debentures of ₹ 1 lakh each	1,977.14	1,500.00	3,447.22	1,500.00
11.07% Redeemable non convertible debentures of ₹ 10 lakh each	19,849.75	-	14,835.41	-
<b>Total</b>	<b>26,343.52</b>	<b>3,703.61</b>	<b>28,280.17</b>	<b>6,151.91</b>

Details of security and repayment terms for secured Non Current borrowings

Sr. No.	Nature of security	Terms of Interest and Repayment	(₹ In lakhs)	
			As at 31st March 2019	As at 31st March 2018
1	<b>Term Loan from bank:</b> a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing. b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering facility amount. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Company.	The loan is repayable in 21 quarterly instalments starting from February 2020. Interest of 10.50% p.a.	4,744.13	4,964.31
2	<b>Term Loan from financial institution:</b> a) First ranking pari passu charge over (i) Land and Building owned by subsidiary The Nilgiri Dairy Farm Private Limited (NDF) located at Bangalore and (ii) Land and building owned by subsidiary of NDF, Appu Nutritions Private Limited (Appu) located at Bangalore. b) Irrevocable and unconditional guarantee of Mr. Kishore Biyani.	The Loan is prepaid in the month of October 2018. Interest of 10.90% p.a.	-	4,444.44
3	<b>Buyer's Credit from a bank is secured by:</b> a) First charge on Movable and Immovable property plant and equipment of the proposed Rice Unit and Flour/Spice processing units at Tumkur Bangalore b) Second charge on current assets of the proposed Rice unit and Flour/Spice processing units at Tumkur c) Personal Guarantee of Mr. Kishore Biyani d) DSRA FD for 3 months interest payment	The loan is repaid in the month of June 2018. Interest @ 8.95% - 9.15% p.a. payable annually.	-	313.53

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Sr. No.	Nature of security	Terms of Interest and Repayment	₹ In lakhs)	
			As at 31st March 2019	As at 31st March 2018
4	<p><b>10.55% NCD:</b></p> <p>a) Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing.</p> <p>b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon.</p> <p>c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee.</p>	Series C of ₹ 1,000 lakhs repayable in March 2020. Interest of 10.55% p.a. payable quarterly from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	988.07	2,463.62
5	<p><b>11% NCD:</b></p> <p>a) Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing.</p> <p>b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon.</p> <p>c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee</p>	Series C of ₹ 1,000 lakhs repayable in March 2020. Interest of 11.00% p.a. payable annually from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	988.04	2,463.55
6	<p><b>9.95% NCD:</b></p> <p>a) Secured by first pari passu charge on Rice / Combi mills assets of the Company to the extent of 1.25 times of outstanding borrowing.</p> <p>b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon.</p> <p>c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee</p>	Series B of ₹ 1,500 lakhs repayable in September 2019 & Series C of ₹ 2,000 lakhs repayable in September 2020. Interest of 9.95% p.a. payable annually from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	3,477.14	4,947.22
7	<p><b>11.07 % NCD:</b></p> <p>a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing.</p> <p>b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon.</p> <p>c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee.</p> <p>d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the company</p>	The NCDs is redeemable in 17 equal quarterly installments starting from February 2021. Interest on the facility will be charged @ 11.07% p.a. Interest will be paid in cash in arrear and on a quarterly basis, inclusive of a cash coupon as follows: year 1 @ 8.00% p.a., year 2 @10.00% p.a. & year 3 @ 11.07% p a. All accrued and unpaid Interest, on the facility will be capitalised quarterly and paid on the final maturity date, or the date on which the facility has been repaid in full.	19,849.75	14,835.41
			<b>30,047.13</b>	<b>34,432.08</b>
	Less: Current maturities of long term debt (Refer note 21)		(3,703.61)	(6,151.91)
	<b>Total</b>		<b>26,343.52</b>	<b>28,280.17</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 17. OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Non-current</b>		
Interest accrued but not due	568.10	56.77
<b>Total</b>	<b>568.10</b>	<b>56.77</b>

### 18. PROVISIONS

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Non-current</b>		
Provision for employee benefits:		
Provision for gratuity (Refer note 34.2)	559.74	514.25
<b>Total</b>	<b>559.74</b>	<b>514.25</b>
<b>Current</b>		
Provision for employee benefits:		
Provision for gratuity (Refer note 34.2)	124.22	127.70
Provision for compensated absences	373.97	436.87
Provision for Bonus	612.03	644.52
<b>Total</b>	<b>1,110.22</b>	<b>1,209.09</b>

### 19. CURRENT BORROWINGS

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Secured - at amortised cost</b>		
Loans repayable on demand from banks	18,740.43	2,967.81
Term Loans From a Bank	3,800.00	-
Other loans from bank	17,516.24	12,061.53
Buyer's credit	-	70.93
	40,056.67	15,100.27
Less :- Unamortised cost	(85.06)	-
	39,971.61	15,100.27
<b>Unsecured - at amortised cost</b>		
Commercial papers	3,527.35	4,953.95
<b>Total</b>	<b>43,498.96</b>	<b>20,054.22</b>

#### Details of security and repayment terms for secured current borrowings

Nature of Security	Terms of Interest and repayment
<b>Loans repayable on demand from banks (Cash Credit)</b>	
Loan is secured by	
a) First pari passu hypothecation charge on all existing and future current assets of the Company	The cash credit is repayable on demand and carries interest at rates varying from 9.40% to 12.00% p.a.
b) Second Charge on fixed assets of the Company	
c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	
<b>Other Loans from Bank (Bill Discounting, Working capital loan and Buyer's Credit)</b>	
Loan is secured by	
a) First and/or pari passu charge on all existing and future current assets of the Company	The other loans from Bank is repayable on due date and carries interest at rates varying from 8.20% to 12.50% p.a.
b) Second charge on fixed assets of the Company	
c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani.	
<b>Short Term Loans from Bank</b>	
Loan is secured by	
a) First pari passu charge on rice and combi mill of the Company with a minimum asset cover of 1.25 times of outstanding borrowings.	The loan is repayable in the month of September 2019. Interest @ 10.25% p.a. payable annually.
b) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	

Commercial Papers carry average interest rate @ 9.14 % per annum for the current year (Previous Year @9.43%). These are payable within 365 days from the date of drawdown.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 20. TRADE PAYABLES

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Total outstanding dues of micro enterprises and small enterprises (Refer note 41)	3,040.36	427.82
Total outstanding dues of trade payables other than micro enterprises and small enterprises (For related party, refer note 37)	21,628.45	19,396.35
<b>Total</b>	<b>24,668.81</b>	<b>19,824.17</b>

### 21. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Current maturities of long term debt (Refer Note 16)	3,703.61	6,151.91
Interest accrued but not due on borrowing	495.27	550.92
Security and other deposits	127.75	131.49
Payable on purchase of capital goods	257.96	445.06
Currency swap liability	-	25.04
<b>Total</b>	<b>4,584.59</b>	<b>7,304.42</b>

### 22. OTHER CURRENT LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Statutory dues payable (includes TDS, PF, GST etc)	560.60	934.91
Other liabilities	45.28	58.50
Advance received from customers	107.45	129.61
<b>Total</b>	<b>713.33</b>	<b>1,123.02</b>

### 23. REVENUE FROM OPERATIONS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from Contracts with Customers :		
Sale of products	298,528.14	242,596.06
Other operating revenue	468.25	514.90
<b>Total</b>	<b>298,996.39</b>	<b>243,110.96</b>

23.1 Details of revenue from contracts with customers recognised by the Company, net of indirect taxes, in its statement of Profit and loss. The table below presents disaggregated revenues from contracts with customers.

#### Type of Goods or Services

Particulars	(₹ In lakhs)
	Year ended 31st March 2019
Sale of consumer products	298,528.14
Franchisee fees	238.23
Royalty income	7.59
Scrap sales	32.29
Miscellaneous Income	190.14
<b>Total revenue from contracts with customers</b>	<b>298,996.39</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### Revenue based on Geography

Particulars	(₹ In lakhs)
	Year ended 31st March 2019
India	298,699.03
Outside India	297.36
<b>Total revenue from contracts with customers</b>	<b>298,996.39</b>

### Timing of revenue recognition

Particulars	(₹ In lakhs)
	Year ended 31st March 2019
Goods transferred at a point in time	298,563.75
Services transferred over time	432.64
<b>Total revenue from contracts with customers</b>	<b>298,996.39</b>

**23.2** The Company derives its revenue from the the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single service line. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108. (Refer Note 31 on Operating segment information.)

### 23.3 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	(₹ In lakhs)
	As at 31st March 2019
Trade receivables	58,900.32
Contract assets	-
Contract liabilities	107.45

Trade receivables are non interest bearing and are generally on terms of 7 to 90 days. The Company receives payments from customers based upon contractual billing schedules. Trade receivables are recorded when the right to consideration becomes unconditional.

Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

**Set out below is the amount of revenue recognised from:**

Particulars	(₹ In lakhs)
	As at 31st March 2019
Amounts included in contract liabilities at the beginning of the year	129.61
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	99.98
Revenue recognised from performance obligations satisfied in previous years	-

### 23.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	(₹ In lakhs)
	Year ended 31st March 2019
Revenue as per contracted price	305,438.97
Less: Discounts, rebates, refunds, credits, price concessions	(6,442.58)
<b>Revenue from contracts with customers</b>	<b>298,996.39</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 23.5 Performance Obligation

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Company has a material right but either not yet transferred control of a product or performing services over the period of time to customers. Transaction price includes the price agreed with customer, variable consideration and changes in transaction price. The transaction price of order related to unfilled, confirmed customer orders is estimated at each reporting date and payment is generally due within 7 to 90 days from delivery.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) is as follows:

Particulars	₹ In lakhs)	
	As at	
	<b>31st March 2019</b>	
Within one year	107.45	
More than one year	-	

Open sales order as on 31 March 2019 is ₹ 48.31 lakhs

### 24. OTHER INCOME

Particulars	₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Operating lease rent	516.18	302.50
Interest income		
Inter corporate deposits	4,648.55	3,550.05
Others	154.02	16.63
Provision no longer required written back	53.72	-
Net Profit on foreign currency transactions and translation (Refer note 1 below)	288.67	31.72
Net gain on financial assets measured at FVTPL	241.23	936.00
Net gain on financial guarantees contract	32.05	30.50
Miscellaneous income	57.08	46.62
<b>Total</b>	<b>5,991.50</b>	<b>4,914.02</b>

#### Note :

#### 1. Net profit on foreign currency transactions and translation includes

Particulars	₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Profit on derivative liability measured at FVTPL	23.50	6.89

### 25. COST OF MATERIALS CONSUMED

Particulars	₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Opening stock of raw materials and others	504.33	230.90
Add: Purchases	6,270.59	5,233.51
Closing stock of raw materials and others	(551.83)	(504.33)
<b>Total</b>	<b>6,223.09</b>	<b>4,960.08</b>

### 26. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

Particulars	₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Opening stock:		
Finished goods	55.73	30.28
Stock in trade	19,292.05	13,890.86
	<b>19,347.78</b>	<b>13,921.14</b>
Closing stock:		
Finished goods	79.88	55.73
Stock in trade	21,248.56	19,292.05
	<b>21,328.44</b>	<b>19,347.78</b>
	<b>(1,980.66)</b>	<b>(5,426.64)</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 27. EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Salaries wages & bonus	8,888.81	8,115.42
Contribution to provident and other funds (Refer note 34.1)	445.23	411.91
Expenses on employee stock option (ESOP) scheme (Refer note 36)	392.46	476.71
Staff welfare expenses	268.66	231.25
<b>Total</b>	<b>9,995.16</b>	<b>9,235.29</b>

### 28. FINANCE COSTS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Interest expense on:		
Loans	6,515.81	4,412.01
Others	4.15	4.36
Other borrowing costs	85.54	133.66
<b>Total</b>	<b>6,605.50</b>	<b>4,550.03</b>

### 29. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Depreciation of property, plant & equipment (Refer note 4)	1,926.27	1,080.12
Amortization of intangible assets (Refer note 4)	1,560.33	1,443.48
<b>Total</b>	<b>3,486.60</b>	<b>2,523.60</b>

### 30. OTHER EXPENSES

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Rent	2,804.09	2,078.49
Warehousing and distribution expenses	7,510.78	6,497.40
Labour Contract charges	2,783.61	2,194.27
Electricity expenses	400.96	327.74
Advertisement, publicity & selling expenses	2,823.85	2,121.36
Repairs & maintenance :		
On plant and machinery	72.19	44.97
On buildings	16.94	21.30
On others	77.13	128.16
Legal and professional charges	1,186.49	716.38
Consumables and Packing materials	84.01	0.22
Impairment allowance on trade receivables	23.62	15.26
Rates and taxes	652.81	307.27
Insurance	72.10	68.03
Auditor's remuneration (Refer note 1 below)	99.90	74.74
Directors sitting fees	19.75	19.00
Loss on sale/retirement of property, plant and equipment	27.92	18.37
Brand royalty	136.60	190.09
Loss on disposal of investments - non current	-	5.60
Impairment of investments - non current	-	880.00
Donation	2.12	0.93
Miscellaneous expenses	3,413.84	2,439.70
<b>Total</b>	<b>22,208.71</b>	<b>18,149.28</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### Note :

#### 1. Auditor's remuneration included in "Other Expenses"

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Audit fees	49.00	42.00
Tax audit	6.00	6.00
Other services	37.70	25.45
Out of pocket expenses	7.20	1.29
<b>Total</b>	<b>99.90</b>	<b>74.74</b>

### 31 SEGMENT INFORMATION

The Company is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single reporting segment. Hence there is no separate reportable segment under Indian Accounting Standard on Ind AS 108 'Operating Segment'.

#### 31.1 Geographic Information

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from operations from customers within India	298,699.03	243,097.18
Revenue from operations from customers outside India	297.36	13.78
<b>Total</b>	<b>298,996.39</b>	<b>243,110.96</b>

#### 31.2 Major Customer

Top customer which individually contributes more than 10% of Company's total revenue.

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Future Retail Limited	246,773.68	196,593.09

### 32 EARNINGS PER SHARE (EPS)

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Profit for the year attributable to equity holders of Company (₹ in lakhs)	6,053.10	3,234.68
Weighted average number of equity shares outstanding for Basic EPS	1,904,812,833	1,872,009,544
Add : Weighted average number of potential equity shares on account of employee stock options outstanding	4,396,038	14,282,440
Weighted average number of equity shares outstanding for diluted EPS	1,909,208,871	1,886,291,984
Earnings per share (₹)		
Basic	0.32	0.17
Diluted	0.32	0.17

### 33 LEASING ARRANGEMENT

The Company has entered into operating lease arrangement for its warehouse and office premises. Lease payments for the year 2018-2019 is ₹ 2,804.09 lakhs (Previous year: ₹ 2,078.49 lakhs) and lease income for the year 2018-19 is ₹ 516.18 lakhs (Previous year: ₹ 302.5 lakhs). There are no non -cancellable operating lease.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 34 EMPLOYEE BENEFIT

#### 34.1 Defined Contribution Plans

The Company's contribution to provident fund, employee state insurance are determined under the relevant schemes and / or statutes and charged to the statement of profit or loss.

The Company's contribution to Provident Fund for the year 2018-2019 aggregating to ₹ 373.17 lakhs (Previous Year: ₹ 347.92 lakhs) and ₹ 65.94 lakhs (Previous Year: ₹ 60.55 lakhs) for ESIC has been recognised in the Statement of profit or loss under the head employee benefits expense. (Refer Note 27)

#### 34.2 Defined Benefit Plans

##### 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 employees on retirement or on termination of employment. The gratuity benefits 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 benefits 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 which is not funded.

The plans typically expose 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 Universal Actuaries and Benefit 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.

##### Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
1. Discount rate	7.00%	7.20%
2. Salary escalation	8.00%	8.00%
3. Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
4. Withdrawal rate	20%	20%
5. Retirement age	58 years	58 years

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

### Balances of defined benefit plan

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Present value of unfunded defined benefit obligation	683.96	641.95
Fair value of plan assets	-	-
<b>Net liability arising from gratuity</b>	<b>(683.96)</b>	<b>(641.95)</b>

### Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in statement of profit or loss, other comprehensive income.

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
A. Components of expense recognised in the statement of profit or loss (in employee benefit expenses)		
Current service cost	99.16	74.92
Past service cost	-	69.13
Net interest expenses	41.62	25.55
<b>Total</b>	<b>140.78</b>	<b>169.60</b>

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
B. Components of defined benefit costs recognised in other comprehensive income		
Remeasurement on the net defined benefit liability:		
Actuarial gains and losses arising from changes in financial assumptions	5.71	(10.57)
Actuarial gains and losses arising from experience adjustments	(40.41)	100.19
<b>Total</b>	<b>(34.70)</b>	<b>89.62</b>

Following is movement in the present value of the defined benefit obligation

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Opening defined benefit obligation	641.95	418.02
Current service cost	99.16	74.92
Interest cost	41.62	25.55
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	5.71	(10.57)
Actuarial gains and losses arising from experience adjustments	(40.41)	100.19
Past service cost	-	69.13
Benefits paid	(64.07)	(35.29)
<b>Closing defined benefit obligation</b>	<b>683.96</b>	<b>641.95</b>

### Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

The result of Sensitivity Analysis on Defined Benefit Obligation due to increase or decrease in discount and salary escalation rate:

Assumptions	Year ended	
	31st March 2019	31st March 2018
Impact on discount rate for 100 basis points increase in defined benefit obligation of gratuity	656.73	616.99
Impact on discount rate for 100 basis points decrease in defined benefit obligation of gratuity	713.57	669.08
Impact on salary escalation rate for 100 basis points increase in defined benefit obligation of gratuity	709.40	664.88
Impact on salary escalation rate for 100 basis points decrease in defined benefit obligation of gratuity	659.47	620.40

The rate of mortality and attrition do not have a significant impact on the liability, and hence are not considered for the purpose of sensitivity analysis. The sensitivity analysis presented above may not be representative 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 assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in methods and assumptions used in preparing the sensitivity analysis from prior years. The weighted average duration of the gratuity plan is 4.86 years (Previous Year: 4.85 years).

### Expected Future Cash flows

Year	Year ended	
	31st March 2019	31st March 2018
Year 1	124.22	127.70
Year 2	112.50	103.26
Year 3	104.37	103.64
Year 4	97.69	88.15
Year 5	82.28	86.01
Year 6 to 10	269.32	241.93

34.3 The Company has recognised an income of ₹ 8.41 lakhs (Previous Year ₹ 227.26 lakhs expense) for long term compensated absences in the statement of profit and loss. Actuarial Assumption for long-term compensated absences are :

Particulars	Year ended	
	31st March 2019	31st March 2018
Discounted rate	7.00%	7.20%
Salary increase	8.00%	8.00%
Attrition rate	20%	20%
Retirement age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2006- 08) Ultimate	Indian Assured Lives Mortality (2006- 08) Ultimate

## 35 FINANCIAL INSTRUMENTS AND RISK REVIEW

### 35.1 Capital Management

The Company being in a working capital intensive industry, its objective is to maintain a strong credit rating, healthy ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity. The Company's capital requirement is mainly to fund its capex, working capital, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing capex, to capture market opportunities at minimum risk. The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### Gearing ratio

The gearing ratio at end of the reporting period was as follows:

Particulars	₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Debt (i)	73,546.09	54,486.30
Less:- Cash and bank balances (iii)	2,225.47	2,936.77
Net debt	71,320.62	51,549.53
Equity (ii)	136,780.86	130,236.10
Net debt to equity ratio	0.52	0.40

- (i) Debt is defined as long and short-term borrowings and includes current maturities of long term debt.
- (ii) Equity includes all capital and reserves of the Company that are managed as capital.
- (iii) Cash and Bank balances includes bank deposits with more than 12 months maturity shown under other financial assets.

### 35.2 Categories of financial instruments

Particulars	₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
<b>Financial assets</b>		
<b>Measured at Amortised Cost</b>		
Cash and bank balances	2,160.47	2,904.35
Trade receivables	58,900.32	43,517.10
Loans	38,081.89	32,948.90
Other financial assets	7,542.93	4,499.39
Investments in debentures	4,976.91	-
<b>Measured at fair value through profit and loss (FVTPL)</b>		
Investment in preference shares	1,621.20	1,959.54
Investments in debentures	-	892.80
<b>Financial liabilities</b>		
<b>Measured at Amortised Cost</b>		
Borrowing*	73,546.10	54,486.30
Trade payable	24,668.81	19,824.17
Other financial liabilities	1,449.08	1,184.24
<b>Measured at fair value through profit and loss (FVTPL)</b>		
Currency swap	-	25.04

\* includes current maturity of long term borrowings

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets measured at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such Financial assets.

### 35.3 Financial risk management objectives

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

### 35.4 Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, interest rates and other price risk.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide principles on foreign exchange risk and interest rate risk. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

### 35.5 Foreign Currency Risk Management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company has a Forex policy approved by the Board of Director.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The Year end foreign currency exposures are given below :-

Particulars	As at 31st March 2019		As at 31st March 2018		(₹ In lakhs)
	Foreign Currency	Amount (Foreign Currency)	Amount (INR)	Amount (Foreign Currency)	Amount (INR)
<b>Receivables :</b>					
Trade receivables & loans given (Unhedged)	USD	65.51	4,531.50	57.08	3,712.88
<b>Payables :</b>					
Trade payables	USD	1.10	75.96	-	-
Trade payables	EUR	-	-	4.16	330.09
Trade payables	CHF	2.92	203.28	3.28	220.50
Borrowings	USD	-	-	5.91	384.36
<b>Total Payables</b>			<b>279.23</b>		<b>934.95</b>
Of the above payables:					
Hedged by derivative contracts			-		313.53
Unhedged payables			279.23		621.43

#### Foreign exchange risk sensitivity:

10% is the sensitivity 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. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. 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:

Foreign currency	As at 31st March 2019		As at 31st March 2018		(₹ In lakhs)
	10% strengthen	10% weakening	10% strengthen	10% weakening	
USD	(445.55)	445.55	(364.21)	364.21	
CHF	20.33	(20.33)	22.05	(22.05)	
EURO	-	-	33.50	(33.50)	

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.

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### 35.6 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 exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in Rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like commercial paper and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides break-up of Company's fixed and floating rate borrowings:

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Variable interest rate borrowings	36,171.61	15,100.26
Fixed interest rate borrowings	37,374.48	39,386.04
<b>Total</b>	<b>73,546.09</b>	<b>54,486.30</b>
Of the above hedged by currency swaps	-	313.53

#### Interest rate risk sensitivity:

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit. A positive is increase in profit and negative is decrease in profit.

Particulars	₹ In lakhs)			
	As at 31st March 2019		As at 31st March 2018	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Impact on profit	(180.86)	180.86	(75.50)	75.50

### 35.7 Other price risks

The Company exposure to other risks arises from investments in preference shares and debentures amounting to ₹ 6,598.11 lakhs (Previous Year ₹ 2,852.34 lakhs). The investments are held for strategic rather than trading purpose.

The sensitivity analysis below have been determined based on the exposure to price risk at the end of the reporting period. If the prices of the above instruments had been 5% higher/lower, profit for the year ended 31st March 2019 would increase/decrease by ₹ 329.91 lakhs (Previous year by ₹ 142.62 lakhs)

### 35.8 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from entering into derivative financial instruments and from deposits with banks and financial institutions, as well as from credit exposures to customers, including outstanding receivables.

The Company has adopted a policy of only dealing with creditworthy counterparties. Detailed KYC documentation is done before the transaction is done with the customers. Also, majority of the Company's sales is to other Future Group Companies, hence the risk of realisation of sales money is minimised. The Company's exposures are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Also periodic reconciliation is being done with the customers. There is no history of bad debts suffered by the Company.

Apart from Future Retail Limited, being the largest customer of the company, the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to Future Retail Limited did not exceed 85% (Previous Year: 80%) of gross trade receivable as at the end of reporting period. No other single customer accounted for more



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for the year ended 31st March 2019

than 10% of total trade receivable. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The average credit period on sales of goods is 7 to 90 days. No interest is charged on trade receivables.

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables. It takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the past due receivables. There has been no significant change in the credit quality of receivables past due for more than 180 days.

### Age of receivables

Particulars	As at	
	31st March 2019	31st March 2018
less than 60 days	45,704.99	35,851.14
61 to 90 days	6,410.98	5,541.39
91 to 180 days	5,405.44	561.64
more than 180 days	1,378.91	1,562.93
<b>Total</b>	<b>58,900.32</b>	<b>43,517.10</b>

Credit risk from balances with banks is managed by Company's treasury in accordance with the Board approved policy.

### 35.9 Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure for capex. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate				Total	Carrying amount
		Less than 1 year	1 to 5 years	5 years and above		
<b>As at 31st March 2019</b>						
<b>Variable interest rate borrowings</b>	10.05%					
Principal		36,256.67	-	-	36,256.67	36,171.61
Interest		3,645.08	-	-	3,645.08	
<b>Fixed interest rate borrowings</b>	11.32%					
Principal		11,527.50	26,545.00	-	38,072.50	37,374.48
Interest		3,999.52	8,394.04	-	12,393.57	
Financial guarantee contracts		6,985.90	5,997.86	-	12,983.76	
Non interest bearing (Trade payable, deposits etc.)		25,054.52	-	-	25,054.52	25,054.52

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Particulars	Weighted average effective interest rate	Less than 1 year	1 to 5 years	5 years and above	Total	(₹ In lakhs)
						Carrying amount
<b>As at 31st March 2018</b>						
<u>Variable interest rate borrowings</u>	9.60%					
Principal		15,100.26	-	-	15,100.26	15,100.26
Interest		1,449.26	-	-	1,449.26	-
<u>Fixed interest rate borrowings</u>	10.98%					
Principal		11,105.87	24,167.52	4,438.51	39,711.90	39,386.04
Interest		3,194.91	9,239.95	1,508.49	13,943.35	-
Currency swap		313.53	-	-	313.53	-
Financial guarantee contracts		4,630.76	7,286.08	-	11,916.84	-
Non interest bearing (Trade payable, deposits etc.)		20,487.04	-	-	20,487.04	20,487.04

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Company has ₹ 6,243 lakhs (Previous Year ₹ 15,900 lakhs) undrawn facilities at its disposal to further reduce liquidity risks.

### 35.10 Fair Value Measurement and related disclosures

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Carrying Value / Fair value		Fair value hierarchy
	As at	As at	
	31st March 2019	31st March 2018	
<b>Financial assets at Fair Value Through Profit and Loss (FVTPL)</b>			
0% Optionally convertible debenture of Capital Foods Private Limited (Refer note no.11)	-	892.80	Level 2
1% non cumulative redeemable preference share of The Nilgiri Dairy Farm Private Limited (Refer note no.5)	1,621.20	1,409.74	Level 2
2% cumulative redeemable preference share of Future Consumer Products Limited (Refer note no.5)	-	115.50	Level 2
0% non cumulative redeemable preference share of Aussee Oats Milling (Private) Limited (Refer note no.5)	-	434.30	Level 2
<b>Financial liabilities at Fair Value Through Profit and Loss (FVTPL)</b>			
Currency swap (Refer note no.21)	-	25.04	Level 2

### Financial assets and financial liabilities that are not measured at fair values (but fair values disclosures are required)

The Company considers that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximates their fair values.

The management assessed that carrying values of financial assets and liabilities other than those disclosed above such as trade receivable, loans, finance lease obligations, cash and cash equivalents, other bank balances and trade payables are reasonable approximations of their fair values.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### 36 SHARE BASED PAYMENTS

#### 36.1 Details of the employee share based plan of the Company

- a) The ESOP scheme titled "FVIL Employees Stock Option Plan 2011" (ESOP 2011) was approved by the shareholders at the Annual General Meeting held on 10th August 2010. 5,00,00,000 options are covered under the ESOP 2011 for 5,00,00,000 shares. Post listing of equity shares on the stock exchanges, the Shareholders have ratified the pre-IPO scheme.

In the previous years, the Nomination and Remuneration / Compensation Committee of the Company has granted 3,45,35,000 options under ESOP 2011 to certain directors and employees of the Company and some of its Subsidiaries. The options allotted under ESOP 2011 are convertible into equal number of equity shares. The exercise price of each option is ₹ 6/-. The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

- b) The ESOP scheme titled "Future Consumer Enterprise Limited - Employee Stock Option Plan 2014" was approved by the Shareholders vide resolution passed at the Extra Ordinary General Meeting held on 12th January, 2015 and through postal ballot on 12th May 2015 in respect of grant of 3,19,50,000 options under primary route (ESOP 2014-Primary) and 7,98,00,000 options under secondary market route (ESOP 2014-Secondary). ESOP 2014 has been implemented through a trust route whereby Vistra ITCL India Limited (Formerly IL&FS Trust Company Limited) has been appointed as the Trustee who monitors and administers the operations of the Trust.

In the previous years, the Nomination and Remuneration / Compensation Committee has i) at its meeting held on 14th August 2017 and 8th November 2017, granted 35,00,000 options and 49,00,000 options respectively under secondary market route (ESOP 2014-Secondary) to certain Directors / employees of the Company and some of its Subsidiaries. The options allotted under ESOP 2014-Secondary are convertible into equal number of equity shares. The exercise price per Option for shares granted under the secondary market route shall not exceed market price of the Equity Share of the Company as on date of grant of Option or the cost of acquisition of such equity shares to the Trust applying FIFO basis, whichever is higher. The exercise price per Option for shares granted under the primary route shall not exceed market price of the Equity Share of the Company as on date of grant of Option, which may be decided by the Nomination and Remuneration / Compensation Committee.

The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

In the current year, there were no grants granted.

The following share-based payment arrangements were in existence during the current and prior years:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Share Price at Grant date	Fair value at grant date (₹)
ESOP 2011	15,000,000	26.12.2015		6.00	26.15	22.49
ESOP 2014-Secondary	15,950,000	15.05.2015		Note-2 below	11.20	7.05
ESOP 2014-Secondary	3,500,000	14.08.2017	Note-1 below	Note-2 below	41.25	17.71
ESOP 2014-Secondary	4,900,000	08.11.2017		Note-2 below	60.95	31.03
ESOP 2014-Primary	10,000,000	12.08.2016		21.40	21.50	11.42

Note-1 The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

Note-2 Market price of the Equity Share of the Company as on date of grant of Option or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher.

36.2 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 into the model	ESOP 2011	ESOP 2014-Secondary Grant 1	ESOP 2014-Primary	ESOP 2014-Secondary Grant 2	ESOP 2014-Secondary Grant 3
Expected volatility (%)	56.55%	64.18%	48.88%	38.68%	44.85%
Option life (Years)	4-6	4-6	4-6	4-6	4-6
Dividend yield (%)	0%	0%	0%	0%	0%
Risk-free interest rate (Average)	7.82% - 8.09%	7.55% - 7.91%	7.12%-7.25%	6.43% - 6.64%	6.67% - 6.88%

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 36.3 Movement in share options during the year

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

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period				
ESOP 2011	5,025,017	6.00	10,650,000	6.00
ESOP 2014 secondary	15,441,500	Refer Note-2 above	12,288,000	Refer Note-2 above
ESOP 2014 primary	7,282,000	21.40	9,500,000	21.40
Granted during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	-	-	8,400,000	Refer Note-2 above
ESOP 2014 primary	-	-	-	-
Forfeited during the period				
ESOP 2011	200,000	6.00	2,100,000	6.00
ESOP 2014 secondary	139,980	Refer Note-2 above	1,315,000	Refer Note-2 above
ESOP 2014 primary	800,000	21.40	800,000	21.40
Exercised during the period				
ESOP 2011	4,625,017	6.00	3,524,983	6.00
ESOP 2014 secondary	3,417,520	Refer Note-2 above	3,931,500	Refer Note-2 above
ESOP 2014 primary	2,404,000	21.40	1,418,000	21.40
Expired during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	-	-	-	-
ESOP 2014 primary	-	-	-	-
Balance at end of period				
ESOP 2011	200,000	6.00	5,025,017	6.00
ESOP 2014 secondary	11,884,000	Refer Note-2 above	15,441,500	Refer Note-2 above
ESOP 2014 primary	4,078,000	21.40	7,282,000	21.40

### 36.4 Share options exercised during the year

The following share options were exercised during the year:

Options scheme	Number exercised	Exercise date	Share price at exercise date (₹)
ESOP 2011	4,625,017	Various dates	Wt. Avg- 45.84
ESOP 2014 secondary	3,417,520	Various dates	Wt. Avg- 51.49
ESOP 2014 primary	2,404,000	Various dates	Wt. Avg- 47.08

### 36.5 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 1194 days (Previous year: 1331 days).

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

Particulars	As at	As at
	31st March 2019	31st March 2018
ESOP 2011	200,000	225,017
ESOP 2014 secondary	5,164,000	1,014,000
ESOP 2014 primary	328,000	482,000

### 36.6 The expense recognised for employee services received during the year is shown in the following table:

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Expenses arising from equity settled share based payment transactions	392.46	476.71
<b>Total expenses arising from share based transactions</b>	<b>392.46</b>	<b>476.71</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 37 RELATED PARTY TRANSACTION

#### 37.1 Name of Related Party and Nature of Relationship

##### a) Subsidiary Companies

Aadhaar Wholesale Trading and Distribution Limited  
 FCL Tradevest Private Limited (with effect from 24 December 2018)  
 Future Food and Products Limited  
 Future Consumer Products Limited  
 Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)  
 FCEL Overseas FZCO  
 FCEL Food Processors Limited  
 The Nilgiri Dairy Farm Private Limited  
 Appu Nutritions Private Limited  
 Nilgiri's Mechanised Bakery Private Limited  
 Nilgiris Franchise Limited (Formerly known as Nilgiris Franchise Private Limited)  
 Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)  
 Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)  
 Affluence Food Processors Private Limited (with effect from 6 November 2018)

##### b) Associate

Sarjena Foods Private Limited  
 Amar Chitra Katha Private Limited (with effect from 14 December 2018)

##### c) Joint Venture

Mibelle Future Consumer Products AG  
 Amar Chitra Katha Private Limited (upto 13 December 2018)  
 ACK Media Direct Limited (upto 13 December 2018)  
 IBH Books & Magazines Distributors Limited (upto 13 December 2018)  
 Ideas Box Entertainment Limited (upto 13 December 2018)  
 Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)  
 Aussee Oats Milling (Private) Limited  
 MNS Foods Limited (Formerly known as MNS Foods Private Limited)  
 Mibelle India Consumer Products Private Limited (with effect from 22 May 2018)  
 Genoa Rice Mills Private Limited  
 Avante Snack Foods Private Limited  
 Hain Future Natural Products Private Limited  
 Affluence Food Processors Private Limited (upto 5 November 2018)  
 Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)  
 Fonterra Future Dairy Private Limited (with effect from 1 December 2018)

##### d) Key Management Personnel (KMP) and their relatives

###### Executive Director

Mr. Narendra Baheti  
 Ms. Ashni Biyani

###### Non-Executive Director

Mr. Kishore Biyani  
 Mr. Ghyanendra Nath Bajpai  
 Mr. Adhiraj Harish  
 Ms. Vibha Rishi (Ceased to be director with effect from 14 September 2018)  
 Mr. Fredric De Mevius  
 Mr. K K Rathi  
 Mr. Harminder Sahni (Appointed with effected from 14 September 2018)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### Relatives of KMP

Mr. Rajendra Baheti  
Ms. Archana Baheti  
Ms. Sunder Devi Baheti  
Mr. Amulya Baheti

### e) Entities controlled / having significant influence by KMP and their relatives

Premium Harvest Limited  
Future Ideas Company Limited  
Future Enterprises Limited  
Greatway Agro Farms Private Limited (upto 26 October 2018)  
TDI Textiles Mills Private Limited  
Future Retail Limited  
Future Lifestyle Fashions Limited  
Future Supply Chain Solutions Limited

### 37.2 Transactions with Related Party

(₹ In lakhs)

Nature of transactions	Subsidiary	Associate	Joint Venture	Key Management Personnel (KMP) and their relatives	Entities controlled / having significant influence by KMP and their relatives
Purchase of property, plant and equipment	7.07 (13.67)	- (-)	- (-)	- (-)	38.58 (356.96)
Sale of property, plant and equipment	- (316.15)	- (-)	- (-)	- (-)	- (-)
Investment in Equity Shares	14,187.14 (2,483.87)	- (-)	1,651.81 (1,238.37)	- (-)	- (-)
Investment in Debentures	- (-)	- (-)	4,976.91 (-)	- (-)	- (-)
Inter corporate deposits given	32,082.94 (24,836.18)	- (-)	8,246.83 (8,011.91)	- (-)	- (-)
Inter corporate deposits received back	24,554.86 (19,132.64)	- (-)	10,997.43 (4,664.23)	- (-)	- (-)
Investment Sold	8,651.55 (-)	- (-)	- (-)	- (-)	- (-)
Security deposit given	- (86.58)	- (-)	- (-)	- (-)	- (-)
Advance Given	1.13 (5.00)	- (-)	- (11.90)	- (-)	75.45 (-)
Corporate guarantees given	4,255.93 (2,050.00)	- (-)	2,413.00 (1,500.88)	- (-)	- (-)
Share application	925.00 (-)	- (-)	250.00 (720.00)	- (-)	- (-)
Sale of products	19,929.89 (17,643.74)	- (-)	392.68 (138.79)	- (-)	250,800.79 (197,375.31)
Royalty income	- (-)	- (-)	- (-)	- (-)	7.59 (117.04)
Interest income	3,529.82 (2,596.54)	5.55 (-)	1,102.52 (918.31)	- (-)	- (-)
Loan Given	- (-)	- (-)	272.00 (-)	- (-)	- (-)
Rent income	90.00 (40.50)	- (-)	343.13 (262.00)	- (-)	- (-)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

(₹ In lakhs)

Nature of transactions	Subsidiary	Associate	Joint Venture	Key Management Personnel (KMP) and their relatives	Entities controlled / having significant influence by KMP and their relatives
Franchise fees income	-	-	-	-	238.23
	(-)	(-)	(-)	(-)	(202.78)
Recovery of expenses	47.13	-	506.85	-	-
	(51.55)	(-)	(331.88)	(-)	(-)
Purchase of goods	1,130.71	348.35	7,635.06	-	10,840.54
	(1,156.97)	(537.59)	(4,438.39)	(-)	(8,794.03)
Managerial remuneration*	-	-	-	1,083.79	-
	(-)	(-)	(-)	(980.09)	(-)
Rent expenses	921.77	-	-	23.69	947.23
	(880.41)	(-)	(-)	(17.62)	(652.68)
Royalty expenses	4.92	-	-	-	-
	(85.76)	(-)	(-)	(-)	(-)
Warehousing and distribution charges	-	-	-	-	2,184.61
	(-)	(-)	(-)	(-)	(1,664.74)
Sitting fees	-	-	-	19.75	-
	(-)	(-)	(-)	(19.00)	(-)
Marketing expenses	-	-	-	-	1,019.19
	(-)	(-)	(-)	(-)	(296.46)
Other expenses	59.84	-	-	-	10.80
	(144.70)	(-)	(-)	(-)	(90.98)

\*includes share based payments to managerial personnel

### Balance as at 31st March, 2019

(₹ In lakhs)

Nature of transactions	Subsidiary	Associate	Joint Venture	Key Management Personnel (KMP) and their relatives	Entities controlled / having significant influence by KMP and their relatives
Trade and other receivable	5,861.82	153.37	510.01	-	50,288.23
	(5,624.81)	(131.79)	(318.12)	(-)	(34,683.86)
Interest receivable	1,826.00	117.77	758.03	-	-
	(1,268.83)	(-)	(787.27)	(-)	(-)
Prepaid expenses	50.79	-	-	-	-
	(47.59)	(-)	(-)	(-)	(-)
Inter corporate deposits outstanding	31,643.43	150.00	6,016.46	-	-
	(23,639.03)	(-)	(9,187.79)	(-)	(-)
Security deposit given outstanding	157.32	-	-	-	-
	(157.32)	(-)	(-)	(-)	(-)
Loan given outstanding	-	-	272.00	-	-
	(-)	(-)	(-)	(-)	(-)
Advances given outstanding	1.13	-	-	-	-
	(-)	(-)	(11.90)	(-)	(-)
Security deposit received outstanding	-	-	125.00	-	-
	(-)	(-)	(125.00)	(-)	(-)
Trade payables outstanding	237.28	-	1,119.51	-	2,322.01
	(220.41)	(-)	(1,090.53)	(-)	(532.94)
Corporate guarantees outstanding	7,820.72	-	5,163.04	-	-
	(11,273.08)	(-)	(10,311.68)	(-)	(-)

Figures in bracket represent previous year's figures.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 37.3 Disclosure in respect of Material Transactions with Related Parties

Nature of transactions	₹ In lakhs)	
	2018-19	2017-18
<b>Purchase of property, plant and equipments</b>		
Future Retail Limited	38.58	6.96
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	7.07	13.67
Premium Harvest Limited	-	350.00
<b>Sale of property, plant and equipments</b>		
Aadhaar Wholesale Trading and Distribution Limited	-	316.15
<b>Investment in Equity Shares</b>		
Aadhaar Wholesale Trading and Distribution Limited	916.75	31.19
FCL Tradevest Private Limited	11,693.60	-
The Nilgiri Dairy Farm Private Limited	20.65	98.95
Future Food and Products Limited	191.00	470.26
Aussee Oats Milling (Private) Limited	18.84	555.66
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	970.15	1,638.61
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	10.60	470.26
Mibelle Future Consumer Products AG	285.99	480.54
<b>Sale of Investments</b>		
FCL Tradevest Private Limited	8,651.55	-
<b>Investment made in Debentures</b>		
Amar Chitra Katha Private Limited	4,976.91	-
<b>Loan Given</b>		
Mibelle India Consumer Products Private Limited	272.00	-
<b>Inter corporate deposits given</b>		
Aadhaar Wholesale Trading and Distribution Limited	9,207.50	7,090.00
Amar Chitra Katha Private Limited	3,838.50	4,253.32
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	11,347.70	8,485.77
The Nilgiri Dairy Farm Private Limited	5,029.00	4,229.90
<b>Inter corporate deposits received back</b>		
Aadhaar Wholesale Trading and Distribution Limited	6,920.00	4,638.81
Amar Chitra Katha Private Limited	7,941.82	3,149.98
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	8,171.91	7,446.12
The Nilgiri Dairy Farm Private Limited	4,229.90	2,536.93
<b>Security deposit given</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	-	86.58
<b>Advance Given</b>		
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	-	11.90
Future Enterprises Limited	75.45	-
Star & Sitara Wellness Limited	-	5.00
<b>Corporate guarantees given</b>		
Aussee Oats Milling (Private) Limited	-	1,300.88
The Nilgiri Dairy Farm Private Limited	-	1,500.00
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	825.00	-
Hain Future Natural Product Private Limited	1,588.00	-
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	3,805.93	-
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	450.00	550.00
<b>Share application</b>		
Hain Future Natural Product Private Limited	-	645.00
Affluence Food Processors Private Limited	-	75.00
FCL Tradevest Private Limited	925.00	-
Fonterra Future Dairy Private Limited	250.00	-



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

Nature of transactions	2018-19	2017-18
		(₹ In lakhs)
<b>Sale of products</b>		
Future Retail Limited	246,773.68	196,593.09
Aadhaar Wholesale Trading and Distribution Limited	10,268.17	9,859.56
The Nilgiri Dairy Farm Private Limited	9,249.84	7,777.18
<b>Royalty income</b>		
Future Lifestyle Fashions Limited	4.35	17.46
Future Retail Limited	3.24	99.57
<b>Interest income</b>		
Aadhaar Wholesale Trading and Distribution Limited	983.08	690.24
Amar Chitra Katha Private Limited	414.19	462.95
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	1,266.66	1,027.07
The Nilgiri Dairy Farm Private Limited	597.22	365.32
<b>Rent income</b>		
Aadhaar Wholesale Trading and Distribution Limited	18.00	40.50
Affluence Food Processors Private Limited	159.00	12.00
Genoa Rice Mills Private Limited	254.48	250.00
<b>Franchise fees income</b>		
Future Retail Limited	238.23	202.78
<b>Recovery of expenses</b>		
Fonterra Future Dairy Private Limited	220.01	-
Mibelle India Consumer Products Private Limited	211.75	-
Hain Future Natural Product Private Limited	1.21	48.82
FCEL Overseas FZCO	-	42.99
Mibelle Future Consumer Products AG	56.87	283.06
<b>Purchase of goods</b>		
Premium Harvest Limited	9,792.97	8,794.03
Genoa Rice Mills Private Limited	3,056.64	930.38
The Nilgiri Dairy Farm Private Limited	744.34	442.90
<b>Managerial remuneration</b>		
Ms. Ashni Biyani	170.51	84.89
Mr. Narendra Baheti *	806.43	788.65
Mr. Rajendra Baheti	94.20	90.83
<b>Rent expenses</b>		
Future Retail Limited	549.41	496.65
Future Supply Chain Solutions Limited	181.95	105.32
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	906.23	830.53
<b>Royalty expenses</b>		
Future Consumer Products Limited	4.92	85.76
<b>Warehousing and distribution charges</b>		
Future Supply Chain Solutions Limited	2,184.61	1,664.75
<b>Sitting fees</b>		
Mr. Ghyanendra Nath Bajpai	4.25	4.75
Mr. Kishore Biyani	3.25	3.00
Mr. Adhiraj Harish	3.50	4.25
Mr. K K Rathi	4.00	3.50
Ms. Vibha Rishi	2.00	3.00
<b>Marketing expenses</b>		
Future Retail Limited	887.85	282.06
Future Enterprises Limited	116.64	-
<b>Other expenses</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	59.50	144.43
Future Enterprises Limited	8.33	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### Balance as at 31st March 2019

Nature of transactions	₹ In lakhs)	
	2018-19	2017-18
<b>Trade and other receivable</b>		
Aadhaar Wholesale Trading and Distribution Limited	3,694.68	4,393.84
Future Retail Limited	49,762.73	34,423.63
The Nilgiri Dairy Farm Private Limited	1,464.70	1,230.77
<b>Interest receivable</b>		
Aadhaar Wholesale Trading and Distribution Limited	414.11	267.83
Amar Chitra Katha Private Limited	117.77	261.62
Aussee Oats Milling (Private) Limited	648.19	434.36
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	228.82	188.64
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	775.13	530.03
<b>Prepaid expenses</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	50.79	47.59
<b>Inter corporate deposits outstanding</b>		
Aadhaar Wholesale Trading and Distribution Limited	9,097.50	6,810.00
Amar Chitra Katha Private Limited	150.00	4,253.32
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	11,314.70	8,138.91
The Nilgiri Dairy Farm Private Limited	5,029.00	4,229.90
<b>Loan given Outstanding</b>		
Mibelle India Consumer Products Private Limited	272.00	-
<b>Security deposit given outstanding</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	157.32	157.32
<b>Advances given outstanding</b>		
Future Consumer Products Limited	1.13	-
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	-	11.90
<b>Security deposit received outstanding</b>		
Genoa Rice Mills Private Limited	125.00	125.00
<b>Trade payables</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	152.01	157.17
Future Supply Chain Solutions Limited	750.47	349.49
Mibelle Future Consumer Products AG	210.23	219.23
Premium Harvest Limited	1,496.08	167.19
The Nilgiri Dairy Farm Private Limited	85.27	45.91
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	236.76	263.45
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	100.81	349.44
<b>Corporate guarantees outstanding</b>		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	2,839.06	6,023.08
Aussee Oats Milling (Private) Limited	3,118.64	7,701.22
The Nilgiri Dairy Farm Private Limited	3,591.06	4,200.00
Hain Future Natural Product Private Limited	1,280.78	-
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	1,390.60	1,050.00
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	315.23	500.00

\*includes share based payments to managerial personnel

### 37.4 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 37.5 Loans & Corporate Guarantees to Related Parties

The Company has given loans and corporate guarantees to subsidiaries and relevant joint ventures in the ordinary course of business to meet the working capital requirements of subsidiaries and joint ventures. ( Refer Note 35)

### 37.6 Compensation of key management personnel

Particulars	₹ In lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Short term employee benefits	446.66	358.89
Share-based payment transactions	656.88	640.15
<b>Total compensation paid to key management personnel</b>	<b>1,103.54</b>	<b>999.04</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

This do not include the provision made for gratuity and expenses for Leave Encashment as they are determined on an actuarial basis for the Company as a whole.

#### Directors interest in ESOP

Grant Date	Expiry Date	Exercise Price (₹)	Nos o/s as on 31st March 19	Nos o/s as on 31st March 18
26.12.2015	26.12.2021	6.00	NIL	800,000
12.08.2016	12.08.2022	21.40	2,500,000	4,000,000

## 38 CONTINGENT LIABILITIES

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Claims against the company not acknowledged as debt*	35.45	45.76
Disputed income tax demands	-	1,910.04
Disputed sales tax and excise matters	736.22	840.41
Corporate guarantees issued to banks and financial institutions are against credit facilities issued to third parties (Loans outstanding as at 31st March 2019 ₹ 12,983.76 lakhs; Previous Year ₹ 11,916.84 lakhs)	21,270.54	21,584.76
<b>Total</b>	<b>22,042.20</b>	<b>24,380.98</b>

\* Does not include cases where liability is not ascertainable.

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

There are numerous interpretative issues relating to Supreme Court (SC) judgement on Provident Fund dated 28th February 2019. As a matter of caution, management has made assessment and is of the view that above ruling does not have significant impact on the Company.

## 39 CAPITAL COMMITMENT

The estimated amount of contracts remaining to be executed on capital account as at 31st March 2019 is ₹ 105.63 lakhs (Previous Year ₹ 321.30 lakhs)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 40 Disclosure Requirement of Loans and Advances/ Investments as per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Name of the Company	Outstanding Loan Amount		Maximum Loan Amount Outstanding	
	As at	As at	During the year	During the year
	31st March 2019	31st March 2018	ended	ended
			31st March 2019	31st March 2018
(₹ In lakhs)				
<b>Subsidiaries:</b>				
Aadhaar Wholesale Trading and Distribution Limited	9,097.50	6,810.00	10,347.50	7,640.00
The Nilgiri Dairy Farm Private Limited	5,029.00	4,229.90	6,054.90	4,964.58
Integrated Food Park Limited	11,314.70	8,138.91	12,437.35	9,437.42
Nilgiris Franchisee Limited	40.00	35.00	75.00	65.33
Star and Sitara Wellness Limited	-	-	-	72.08
Bloom Foods and Beverages Private Limited	565.50	606.00	1,046.00	920.00
Express Retail Private Limited	-	-	-	86.92
FCEL Food Processors Limited	5.60	5.00	10.60	10.00
Future Food Processing Limited	3,020.59	2,640.50	3,249.91	3,819.60
Future Food and Products Limited	1,245.00	848.50	1,443.00	961.38
FCEL Overseas FZCO	553.37	325.22	651.82	325.22
Affluence Food Processor Private Limited	772.17	-	980.00	-
<b>Joint ventures:</b>				
Amar Chitra Katha Private Limited (Upto December 13, 2018)*	-	4,253.32	5,319.00	4,666.11
Aussee Oats Milling (Private) Limited *	3,274.39	2,916.00	3,324.75	3,452.51
Aussee Oats India Limited *	381.00	165.00	411.00	165.00
Sublime Food Limited*	658.50	699.80	1,089.90	699.80
MNS Food Limited*	725.17	590.03	793.20	683.41
Geona Rice Mills Pvt Ltd	777.40	563.74	977.40	563.74
Mibelle India Consumer Products Private Limited*	272.00	-	272.00	-
Hain Future Natural Product Ltd	200.00	-	200.00	-
<b>Associates:</b>				
Amar Chitra Katha Private Limited (From December 14, 2018)	150.00	-	150.00	-
	<b>38,081.89</b>	<b>32,826.91</b>		

\* These Companies are treated as subsidiaries as per the provision of Section 2(87) of the Companies Act, 2013.

### 41 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.

Particulars	As at	
	31st March 2019	31st March 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end*	3,040.36	427.82
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	0.74	4.02
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED act, beyond the appointed day during the period	-	-
Interest paid under section 16 of MSMED Act to suppliers registered under the MSMED act, beyond the appointed day during the period	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	12.48	11.74
Further interest remaining due and payable for earlier periods	11.74	7.72

\*Out of this ₹ 793.09 lakhs is overdue

The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprise as on the basis of information available with the Company.

### 42 The amount of borrowing costs capitalised on Combi Mills during the year ended March 31, 2019 was ₹ 200.69 lakhs (March 31, 2018: ₹ 528.72 lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation was 10.90%, which is the effective interest rate of the specific borrowing.

Capital WIP includes Flour DC at Badiakima, Indore of ₹ 109.5 lakhs and salting equipment under development. Total amount of CWIP is ₹ 130.10 lakhs. Previous year (₹ 4,798.86) lakhs.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 43 EXCEPTIONAL ITEMS

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Net gain on sale of investments (Refer Note 43.1 and 43.2)	2,988.41	-
Impairment on investments (Refer Note 43.3, 43.4 and 43.5)	(3,897.05)	-
Impairment on intangibles and goodwill (Refer Note 43.6)	(1,014.50)	-
<b>Total</b>	<b>(1,923.14)</b>	<b>-</b>

**43.1** The Company, in the process of creating a culture of manufacturing excellence, reorganized the businesses and accordingly in continuation to the press release dated November 3, 2018, Investments in entities with manufacturing operations (4 subsidiaries and 5 Joint ventures, have been sold to a newly formed wholly owned subsidiary i.e. FCL Tradevest Private Limited (FTPL) of the Company at fair value and has received equity shares from FTPL equivalent to the fair value of the Investments sold to FTPL.

Fair value of each entity was determined by an independent valuer based on the management's cash flow projections for a period of five years, discounted at the respective Weighted Average Cost of Capital for each entity, ranging from 12-19% per annum. Cash flows beyond the period of five years have been extrapolated at a steady rate of 4%, which is the projected long term average growth rate for manufacturing entities in the industry. The resultant gain of ₹ 2,988.41 lakhs on sale of the said Investments have been included in exceptional items.

Further, the Company is also reorganizing its operational teams to channelize capex, research and new product development and financing to achieve operational efficiency.

**43.2** The Company has entered into a definitive agreement of sale with respect to its investments in equity and preference shares of Aussee Oats Milling Private Limited at fair value to FCL Tradevest Private Limited (Refer note 43.1). Since the same have not been transferred as on March 31, 2019, these investments have been classified as non-current assets held for sale, and a net impairment loss being the difference between the carrying value and fair value as per agreement of sale has been included in the exceptional items during the year ended March 31, 2019 in the Statement of Profit and Loss.

**43.3** The Company has recognized an impairment loss of ₹ 49.84 lakhs on its investment in Affluence Food Processors Private Limited, a wholly owned subsidiary based on the fair valuation. The Fair Value of the entity has been determined by an independent valuer based on management's projected cash flows over a five year period, discounted at a rate of 11.71% per annum, which is the weighted average cost of capital for the entity. Cash flows beyond the period of five years have been extrapolated at a steady rate of 3% per annum, based on the long term average growth rate for the entity's business. This loss has been included in the exceptional items during the year.

**43.4** The Company has sold its stake in Amar Chitra Katha Private Limited (ACK) during the year, at a fair value price of ₹ 4,439 lakhs, and an impairment loss of ₹ 2,101.35 lakhs on the same was included in exceptional items for the year in the Statement of Profit and Loss. The Fair Value has been determined by an independent valuer, based on management's projected cash flows over a five year period, discounted at a rate of 18.00% per annum, which is the weighted average cost of capital for the entity. Cash flows beyond the period of five years have been extrapolated at a steady rate of 5% per annum, based on the long term average growth rate for the entity's business. Further, pursuant to the contract of sale and the Shareholders and Debenture Holders Agreement, inter corporate deposits held in ACK were converted by issue of ₹ 4,977 lakhs 0.001% Compulsorily Convertible Debentures (CCDs), which are convertible into equity shares of ACK at the fair value of those shares on the date of conversion.

Due to the significant influence exercised by the Company on ACK as per the terms of the Shareholders and Debenture Holders agreement, the Company has identified ACK as an associate entity. Accordingly, the investment in CCDs of ACK are held at cost.

**43.5** The accumulated loss of Future Consumer Products Limited ('FCPL'), a subsidiary company, amounting to ₹ 169.60 lakhs at 31st March 2019 (2018: ₹ 131.74 lakhs) has substantially eroded its net worth. The Company does not foresee positive cash flows. Based on a business valuation the Company has fully impaired its investment of ₹ 1,745.86 lakhs (Investment in equity ₹ 1,620 lakhs, in preference shares of ₹ 125.86 lakhs), included in the exceptional items during the year in the Statement of Profit and Loss.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

**43.6** KBFP represents convenience store chain KB's Fair price and Big Apple. These stores were mainly operated in Delhi, Mumbai and Bangalore. Due to the decline in sales of these stores and based on an analysis of the recoverable value, the Company has fully impaired its Goodwill of ₹ 614.5 lakhs during the current year which is included in exceptional items in Statement of Profit and Loss.

The carrying value of Brand KBFP which was ₹ 1,288.83 lakhs as on March 31, 2019 (previous year ₹ 2,195.00 lakhs) is based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five year period, and a discount rate of 13.52% per annum. The cash flows beyond that five-year period have been extrapolated using a steady 0.25% per annum growth rate which is the expected growth rate for the convenience stores. Due to the decline in sales of these stores and based on an analysis of the recoverable value, the Company has recognized an impairment loss of ₹ 400 lakhs on this brand during the year, included in exceptional items for the year in the Statement of Profit and Loss.

### 44 CARRYING VALUE OF GOODWIL & BRAND

#### 44.1 Goodwill

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
a) KBFP (Refer Note 43.6 above)	-	614.50
b) Centre of Plate	2,951.82	2,951.82
<b>Total</b>	<b>2,951.82</b>	<b>3,566.32</b>

Centre of Plate (COP) is into the business of procuring, processing and supplying agricultural commodities in loose and packed form under various brands. The recoverable amount of Goodwill is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five year period, and a discount rate of 11.9% per annum. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate which is the projected long-term average growth rate for the industry. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

**44.2** Brand Kara is considered to have indefinite useful life based on the management assessment that the same will continue to generate future cash flows for the Company indefinitely. The carrying amount is ₹ 1,209 lakhs (Previous Year : ₹ 1,209 lakhs). The carrying value of brand "Kara" is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 11.9% per annum respectively. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate which is the projected long-term average growth rate for the industry. The Directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the brand.

**45** Particulars of loans given/ investments made/ guarantees given as required by clause (4) of Section 186 of the Companies Act, 2013

Nature	Amount	Period	Interest Rate	Purpose
Inter corporate deposits	40,601.76 (32,923.09)	365 - 1095 days	12% to 12.5%	General corporate purpose
Investment made*	20,710.73 (2,821.99)	Not applicable	Not applicable	Not applicable
Guarantees given	6,668.93 (3,550.88)	Not applicable	Not applicable	Availment of term loan / working capital

Figures in brackets relate to previous year

\* Investment made includes ₹ 11,693.60 lakhs (previous year ₹ Nil) transfer of investments to wholly owned subsidiary against consideration of equity shares (Refer note 43.1) and ₹ 5,127.00 lakhs (previous year ₹ 1,984.17 lakhs) Inter Corporate Deposits converted into investments.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 46 EVENTS AFTER THE REPORTING PERIOD

- (a) The Board of Directors of the Company have at their meeting held on April 7, 2019 considered and approved the acquisition of business undertaking (comprising of the marketing, selling and distribution business of Athena in relation to the portfolio products/ brands namely, 'Iraya', 'D'Free', "Hair for Sure", and 'Safe & Sure') of Athena Life Sciences Private Limited ("Athena") by way of demerger, pursuant to Scheme of Arrangement between the Company, Athena and their respective shareholders and creditors ("Scheme"), subject to such further consents and approvals that may be required.

Consideration would be discharged by the Company by issue of equity shares on a proportionate basis, in the ratio determined, to each Shareholder /Member of Athena, whose name is registered in the Register of Members as on the Appointed Date provided under the Scheme.

This shall be subject to approval of the Scheme from NCLT and other regulatory bodies as may be applicable.

- (b) The Shareholders of the Company have at an Extra Ordinary General Meeting held on May 8, 2019 granted their approval to allot upto 7,000 Compulsorily Convertible Debentures (CCDs) and 21,000 CCDs having face value of ₹ 1,00,000 each to Verlinvest SA ("Verlinvest") and International Finance Corporation ("IFC") respectively on preferential basis.

The CCDs to be issued to Verlinvest and IFC shall be convertible into equity shares of the Company on the earlier of following events (i) Verlinvest, IFC (as the case may be) electing to convert the CCDs into Equity Shares by issuing a conversion notice to the Company and (ii) the last date falling within 18 months from the date of allotment of CCDs.

Each CCDs shall entitle Verlinvest, IFC to such number of equity shares of the Company at a conversion price of ₹ 45.02 per equity share.

- (c) Approval has been granted by the Shareholders of the Company at the Extra Ordinary General Meeting held on May 8, 2019 for the allotment of 7,000 Warrants having face value of ₹ 1,00,000/- each to Illusie Produkt Private Limited ("Illusie"), a promoter group entity, on preferential basis.

The Warrants to be issued to Illusie shall be convertible into equity shares of the Company at any time before the expiry of 18 months from the date of allotment of the Warrants and each Warrant shall entitle Illusie to such number of equity shares of the Company at a conversion price of ₹ 45.02 per equity share.

### 47 INDIAN ACCOUNTING STANDARD ("IND AS") ISSUED BUT NOT EFFECTIVE

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases which shall be applicable to the Company from April 01, 2019.

#### Issue of Ind AS 116 - Leases

Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17- Leases. Management is in the process of assessing the impact due to application Ind AS 116.

The MCA has also carried out amendments of the following accounting standards

- i. Ind AS 101- First time adoption of Indian Accounting Standards
- ii. Ind AS 103 – Business Combinations
- iii. Ind AS 109 - Financial Instruments
- iv. Ind AS 111 – Joint Arrangements
- v. Ind AS 12 – Income Taxes
- vi. Ind AS 19 – Employee Benefits
- vii. Ind AS 23 – Borrowing Costs
- viii. Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company's financial statements.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 48 PREVIOUS YEAR NOTE

Previous year figures have been regrouped and re-classified where necessary to make them comparable.

The accompanying notes are an integral part of the financial statements 1-48

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**

Partner

Membership No : 105497

Place : Mumbai

Date : 22 May 2019

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors of Future Consumer Limited

**G.N.Bajpai**

Chairman

**Manoj Gagvani**

Company Secretary & Head - Legal

Place : Mumbai

Date : 22 May 2019

**Ashni Biyani**

Managing Director

**Ravin Mody**

Chief Financial Officer



# **CONSOLIDATED FINANCIAL STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

To the Members of Future Consumer Limited

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Future Consumer Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint ventures comprising of the Consolidated Balance sheet as at March 31 2019, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint ventures, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group, its associate and joint ventures as at March 31, 2019, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in

the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements..

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS Financial Statements.

#### Key audit matters

#### How our audit addressed the key audit matter

##### A. Impairment of Investments (as described in note 45 of the Consolidated Ind AS Financial Statements)

During the year, impairment indicators were identified by the management. In making this assessment, we evaluated the objectivity and on certain investments wherein net worth is negative or investment value independence of Group's specialists involved in the process;

is higher than the Group's share in net worth. As a result, an impairment assessment was required to be performed by the Group by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment loss was required to be recognized.

For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows.

Also, the determination of the recoverable amount of the investments involved judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.

- Assessing the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used;

- Assessing the recoverable value headroom by performing sensitivity testing of key assumptions used;

- We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts;

- Involving experts to assess the Group's valuation methodology and assumptions around the key drivers of the cash flow forecasts, applied in determining the recoverable amount.

Key audit matters	How our audit addressed the key audit matter
Accordingly, the impairment of investments was determined to be a key audit matter in our audit of the Consolidated Ind AS Financial Statements	<ul style="list-style-type: none"> <li>We assessed the disclosures made in the Consolidated Ind AS financial statements as per Ind AS 107.</li> </ul>
<b>B. Related Party Transactions</b>	
<p>The Group has significant transactions with Related Parties (see Note 38 of the Consolidated Ind AS Financial Statements) including sale of products, services, rent, loans and advances given and interest income.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Performing test of controls over related party transactions with respect to approval of transactions by the Board of Directors of the Holding company, entering into agreements/contracts and recording in books of account;</li> </ul>
<p>Group's top customer which is a related party contributes about 73 % of the total revenue.</p>	<ul style="list-style-type: none"> <li>Reading contracts and agreements with related parties to understand the nature of the transactions;</li> </ul>
<p>Considering the high volume of transactions with related parties and determination of arm's length price to be a key audit matter in our audit of the Consolidated Ind AS Financial Statements.</p>	<ul style="list-style-type: none"> <li>Reading the transfer pricing report as prepared by third party consultant to assess whether the transactions are at arm's length;</li> </ul>
	<ul style="list-style-type: none"> <li>Reading the inputs used in the transfer pricing report as prepared by third party consultant.</li> <li>We assessed the disclosures made in the Consolidated Ind AS financial statements as per Ind AS 24.</li> </ul>
<b>C. Recognition of Deferred Tax Assets (as described in note 8 of the Consolidated Ind AS Financial Statement)</b>	
<p>The Group has recognized deferred tax assets related to tax losses to the extent that the setoff of the related tax balances through future taxable profits are probable. The estimate of future taxable profits is based on the future business plan. The recognition of deferred tax asset is therefore sensitive to changes in the business plan. The financial statements include deferred tax assets amounting to ₹ 1899.75 lakhs that mainly result from unused tax losses carried forward. Management provides disclosures on these deferred tax assets in Note 2.15 "Accounting policies" section "Taxation" as well as in Note 8 "Deferred tax assets (Net)" in the Consolidated Ind AS Financial Statement".</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Comparing the consistency of management's profit forecasts with those included in the budget approved by the Board of Directors. This included evaluation of management's assumptions on the projected profit forecasts, discount and terminal yield rates by comparing them against recent profit trends and externally available information</li> <li>Assessing the historical accuracy of management's assumptions and estimation process by comparing the actual financials against previously forecasted financials.</li> </ul>
<p>This area was important to our audit due to the amount of the tax losses as well as the judgment involved in management's assessment of the likelihood and magnitude of creating future taxable profits to offset the tax losses. This assessment requires the management to make assumptions to be used in the forecasts of future taxable profits, including expectations for future sales and margin developments and overall market and economic conditions.</p>	<ul style="list-style-type: none"> <li>Testing the completeness and accuracy of the amounts recognised as deferred tax assets, including the review of correspondences with the tax authorities and other uncertain tax positions.</li> <li>Involving our tax experts in order to assess the Group's disclosures on deferred tax positions and assumptions used.</li> </ul>
<p>Accordingly, recognition of deferred tax asset was determined to be a key audit matter in an audit of the Consolidated Ind AS Financial Statement.</p>	<ul style="list-style-type: none"> <li>We assessed the disclosures made in the Consolidated Ind AS Financial Statement.</li> </ul>
<b>D. Impairment of goodwill (as described in note 41 of the Consolidated Ind AS Financial Statement)</b>	
<p>The Group is required to, at least annually, perform impairment assessments of goodwill recognized in books.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding, evaluating the design and testing the operating effectiveness of controls that the Group has in relation to goodwill impairment review processes.</li> </ul>
<p>The Group performs an annual impairment assessment of Goodwill to determine whether the recoverable value is below the carrying amount. We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied.</p>	<ul style="list-style-type: none"> <li>Assessing the Group's valuation methodology applied in determining the recoverable amount. In making this assessment, we also evaluated the objectivity and independence of Group's specialists involved in the process.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>The current economic climate also increases the complexity of forecasting.</p> <p>Accordingly, the impairment test of goodwill is considered to be a key audit matter in our audit of the Consolidated Ind AS Financial Statement.</p>	<ul style="list-style-type: none"> <li>• Assessing the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used.</li> <li>• Assessing the recoverable value headroom by performing sensitivity testing of key assumptions used.</li> <li>• We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts.</li> <li>• Testing the arithmetical accuracy of the models.</li> <li>• We assessed the disclosures made in the Consolidated Ind AS financial statements as per Ind AS 36.</li> </ul>

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report, Directors' Report and Management Discussion and Analysis, but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the 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.

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions

of the Act for safeguarding of the assets of the Group and of its associate and joint ventures 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Consolidated Ind AS 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 Consolidated Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls 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 ability of the Group and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures of which

we are the independent auditors, to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

We did not audit the financial statements and other financial information, in respect of 9 subsidiaries, whose Ind AS financial statements include total assets of ₹ 51,857.40 lakhs as at March 31, 2019, and total revenues of ₹ 87,297.64 lakhs and net cash inflows of ₹ 3,166.96 lakhs for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Consolidated Ind AS Financial Statements also include the Group's share of net loss of ₹ 2,630.92 lakhs for the year ended March 31, 2019, as considered in the Consolidated Ind AS Financial Statements, in respect of 15 associate and joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to

us by the Management. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associate, is based solely on the report(s) of such other auditors.

Our opinion above on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
- (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate company and joint ventures, none of the directors of the Group's companies, its associate and joint ventures incorporated in India 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 and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements of the Holding Company and its subsidiary companies, associate company and joint ventures incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associate and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries, associate and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associate and joint ventures, as noted in the 'Other matter' paragraph:
  - i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint ventures in its Consolidated Ind AS Financial Statements – Refer Note 39 to the Consolidated Ind AS Financial Statements;
  - ii. The Group, its associate and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associate and joint ventures incorporated in India during the year ended March 31, 2019.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Pramod Kumar Bapna  
Partner  
Membership Number: 105497

Place of Signature: Mumbai  
Date: May 22, 2019

## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

### ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF FUTURE CONSUMER LIMITED

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements of Future Consumer Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Future Consumer Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements 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 over financial reporting with reference to these

Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements.

#### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Consolidated Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Consolidated Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable 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 financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements, 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 with reference to these Consolidated Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Ind AS Financial Statements 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 Holding Company, its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements

were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding 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.

#### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements of the Holding Company, insofar as it relates to these 13 subsidiary companies and 5 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, associate and joint ventures incorporated in India.

For S R B C & C O L L P

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Pramod Kumar Bapna

Partner

Membership Number: 105497

Place of Signature: Mumbai

Date: May 22, 2019



## CONSOLIDATED BALANCE SHEET

as at 31st March 2019

Particulars	Note	₹ In lakhs	
		As at 31st March 2019	As at 31st March 2018
<b>ASSETS</b>			
<b>1 Non current assets</b>			
(a) Property, plant and equipment	4	58,170.52	50,469.32
(b) Capital work-in-progress		3,062.93	6,948.57
(c) Investment property	4	701.82	710.08
(d) Goodwill	4	14,234.65	16,389.35
(e) Other intangible assets	4	21,434.32	23,386.40
(f) Financial assets			
(i) Investments	5	7,284.62	3,405.11
(ii) Loans	6	2,125.67	2,915.90
(iii) Other financial assets	7	847.59	688.71
(g) Deferred tax assets (net)	8	1,899.75	29.10
(h) Other non-current assets	9	3,666.50	2,922.56
<b>Total non-current assets</b>		<b>113,428.37</b>	<b>107,865.10</b>
<b>2 Current assets</b>			
(a) Inventories	10	24,684.80	22,424.31
(b) Financial assets			
(i) Investments	11	3.56	895.69
(ii) Trade receivables	12	67,466.28	49,284.46
(iii) Cash and cash equivalents	13	5,582.98	4,306.69
(iv) Bank balances other than (iii) above	13	1,253.10	168.52
(v) Loans	6	4,735.48	8,821.43
(vi) Other financial assets	7	7,079.50	5,343.25
(c) Other current assets	9	2,693.81	3,133.94
<b>Total current assets</b>		<b>113,499.51</b>	<b>94,378.29</b>
<b>Total assets</b>		<b>226,927.88</b>	<b>202,243.39</b>
<b>EQUITY AND LIABILITY</b>			
<b>1 Equity</b>			
(a) Equity share capital	14	114,428.54	114,128.91
(b) Other equity	15	(15,407.47)	(14,603.76)
<b>Equity attributable to owners of the Group</b>		<b>99,021.07</b>	<b>99,525.15</b>
(c) Non-controlling interests	16	(240.02)	423.24
<b>Total equity</b>		<b>98,781.05</b>	<b>99,948.39</b>
<b>Liability</b>			
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	27,770.87	31,014.16
(ii) Other financial liabilities	18	645.58	77.57
(b) Provisions	19	678.07	627.52
(c) Deferred tax liabilities (net)	8	4,133.47	4,133.47
(d) Other non-current liabilities	20	3,753.71	4,075.33
<b>Total non-current liabilities</b>		<b>36,981.70</b>	<b>39,928.05</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	48,172.92	23,035.48
(ii) Trade payables	22	30,034.84	24,029.75
(iii) Other financial liabilities	18	8,952.98	11,912.42
(b) Provisions	19	1,340.55	1,445.81
(c) Other current liabilities	20	2,663.84	1,943.49
<b>Total current liabilities</b>		<b>91,165.13</b>	<b>62,366.95</b>
<b>Total equity and liability</b>		<b>226,927.88</b>	<b>202,243.39</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements	1-48		

As per our report of even date  
For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**  
Partner  
Membership No : 105497

Place : Mumbai  
Date : 22 May 2019  
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors of Future Consumer Limited

**G.N.Bajpai**  
Chairman  
  
**Manoj Gagvani**  
Company Secretary & Head - Legal

Place : Mumbai  
Date : 22 May 2019

**Ashni Biyani**  
Managing Director  
  
**Ravin Mody**  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2019

Particulars	Note	₹ In lakhs)	
		Year ended 31st March 2019	Year ended 31st March 2018
<b>1 REVENUE</b>			
(a) Revenue from operations	23	388,064.97	300,746.50
(b) Other income	24	3,138.18	3,225.21
<b>Total income</b>		<b>391,203.15</b>	<b>303,971.71</b>
<b>2 EXPENSES</b>			
(a) Cost of materials consumed	25	16,553.98	14,493.15
(b) Purchases of stock-in-trade (traded goods)		321,066.80	248,679.01
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(2,013.00)	(4,663.17)
(d) Employee benefits expense	27	13,117.77	12,536.74
(e) Finance costs	28	7,347.73	5,256.79
(f) Depreciation and Amortisation expense	29	5,315.49	4,547.84
(g) Other expenses	30	29,262.42	24,273.12
<b>Total expenses</b>		<b>390,651.19</b>	<b>305,123.48</b>
<b>3 Profit / (Loss) before share of profit / (Loss) of an Associate/ Joint Ventures and exceptional items (1-2)</b>		<b>551.96</b>	<b>(1,151.77)</b>
<b>4 Share of Loss in Associate Company and Joint Ventures</b>		<b>(2,949.42)</b>	<b>(2,162.30)</b>
<b>5 Loss before exceptional items and Tax (3+4)</b>		<b>(2,397.46)</b>	<b>(3,314.07)</b>
<b>6 Exceptional items</b>	45	22.41	-
<b>7 Loss before tax (5+6)</b>		<b>(2,375.05)</b>	<b>(3,314.07)</b>
<b>8 Tax expense</b>			
(a) Current tax	8	226.03	17.99
(b) Deferred tax (credit) / expense	8	(1,882.77)	(267.71)
<b>Net tax expense</b>		<b>(1,656.74)</b>	<b>(249.72)</b>
<b>9 Loss for the period (7-8)</b>		<b>(718.31)</b>	<b>(3,064.35)</b>
<b>10 Other comprehensive income (OCI)</b>			
(i) (a) Items that will not be reclassified to statement of profit and loss			
Remeasurement of the defined benefit plans		24.64	(134.30)
Share of other comprehensive income in Associate Company and Joint Ventures		0.67	8.43
(b) Income tax relating to items that will not be reclassified to statement of profit or loss		(12.12)	27.69
(ii) Items that may be reclassified to statement of profit and loss			
Exchange differences in translating the financial statements of foreign operations		(26.85)	-
<b>Total other comprehensive income</b>		<b>(13.66)</b>	<b>(98.18)</b>
<b>11 Total comprehensive income (9+10)</b>		<b>(731.97)</b>	<b>(3,162.53)</b>
<b>12 Loss for the year attributable to:</b>			
Owners of the Company		(638.75)	(2,598.42)
Non-controlling interests		(79.56)	(465.93)
		<b>(718.31)</b>	<b>(3,064.35)</b>
<b>Other comprehensive income for the year attributable to:</b>			
Owners of the Company		(2.92)	(98.18)
Non-controlling interests		(10.74)	-
		<b>(13.66)</b>	<b>(98.18)</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		(641.67)	(2,696.60)
Non-controlling interests		(90.30)	(465.93)
		<b>(731.97)</b>	<b>(3,162.53)</b>
Earnings per share (Face Value ₹ 6 each)	32		
Basic (₹)		<b>(0.03)</b>	<b>(0.14)</b>
Diluted (₹)		<b>(0.03)</b>	<b>(0.14)</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements	1-48		

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**

Partner

Membership No : 105497

For and on behalf of the Board of Directors of Future Consumer Limited

**G.N.Bajpai**

Chairman

**Manoj Gagvani**

Company Secretary & Head - Legal

**Ashni Biyani**

Managing Director

**Ravin Mody**

Chief Financial Officer

Place : Mumbai

Date : 22 May 2019

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai

Date : 22 May 2019

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2019

Particulars	₹ (in lakhs)	
	Amount	Amount
<b>Balance as at 31st March 2017</b>		<b>98,836.24</b>
Changes in Equity Share capital during the Year :		
Equity shares issued and allotted during the year	14,759.91	
Issue of Equity shares under employee share option plan (ESOP) (Refer Note 37)	296.58	
Shares transferred to employees by ESOP trust during the year (net)	236.18	
<b>Balance as at 31st March 2018</b>		<b>114,128.91</b>
Changes in Equity Share capital during the Year :		
Equity shares issued and allotted during the year	-	
Issue of Equity shares under employee share option plan (ESOP) (Refer note 37)	421.74	
Shares purchased (net) by ESOP trust treated as treasury shares	(122.11)	
<b>Balance as at 31st March 2019</b>		<b>114,428.54</b>

Particulars	₹ (in lakhs)												
	Equity Component of compound financial instruments	Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Capital redemption reserve	Retained Earnings	Money received against share warrants	Foreign Currency translation reserve	Other Comprehensive Income	Attributable to owners of the Group	Non-controlling interests ("NCI")	Total Other Equity
<b>Balance at 31st March 2017</b>	<b>38,021.02</b>	<b>314.94</b>	<b>4,067.29</b>	<b>0.59</b>	<b>2,254.13</b>	<b>5.20</b>	<b>(56,192.23)</b>	<b>1,675.00</b>	-	<b>(132.09)</b>	<b>(9,986.15)</b>	<b>779.65</b>	<b>(9,206.50)</b>
Loss for the year	-	-	-	-	-	-	(2,598.42)	-	-	-	(2,598.42)	(465.93)	(3,064.35)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	(98.18)	(98.18)	-	(98.18)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>(2,598.42)</b>	-	-	<b>(98.18)</b>	<b>(2,696.60)</b>	<b>(465.93)</b>	<b>(3,162.53)</b>
Additional NCI on subsidiary	-	-	-	-	-	-	-	-	-	-	-	(2.99)	(2.99)
Recognition of share-based payments	-	-	-	-	1,376.95	-	-	-	-	-	1,376.95	-	1,376.95
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	453.83	-	-	-	453.83	-	453.83
Transfer to securities premium on exercise of ESOP	-	-	932.74	-	(932.74)	-	-	-	-	-	-	-	-
Transfer to retained earning on exercise of ESOP	-	-	-	-	(268.05)	-	268.05	-	-	-	-	-	-
Adjustments for Amortisation of Lease Deposits (net)	-	-	-	-	-	-	88.25	-	-	-	88.25	-	88.25
Issue of Share Warrants	-	-	-	-	-	-	-	5,025.00	-	-	5,025.00	-	5,025.00
Issue of Shares	(38,021.02)	-	35,968.43	-	-	-	(6,700.00)	-	-	-	(8,752.59)	-	(8,752.59)
On account of acquisition additional stake in subsidiary	-	-	-	-	-	-	(112.51)	-	-	-	(112.51)	112.51	-
Others	-	-	-	-	-	-	0.06	-	-	-	0.06	-	0.06
<b>Balance at 31st March 2018</b>	-	<b>314.94</b>	<b>40,968.46</b>	<b>0.59</b>	<b>2,430.29</b>	<b>5.20</b>	<b>(58,092.97)</b>	-	-	<b>(230.27)</b>	<b>(14,603.76)</b>	<b>423.24</b>	<b>(14,180.52)</b>

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2019

Particulars	Reserves & Surplus					Share Options Outstanding Account	Capital redemption reserve	Retained Earnings	Money received against share warrants	Foreign Currency translation reserve	Other Comprehensive Income	Attributable to owners of the Group	Non-controlling interests ("NCI")	Total Other Equity
	Equity Component of compound financial instruments	Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options									
Loss for the year	-	-	-	-	-	-	(638.75)	-	-	-	-	(638.75)	(79.56)	(718.31)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	(2.92)	(2.92)	(2.92)	(10.74)	(13.66)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>(638.75)</b>	-	-	<b>(2.92)</b>	<b>(2.92)</b>	<b>(641.67)</b>	<b>(90.30)</b>	<b>(731.97)</b>
NCI for Comprehensive income on subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	1.64	1.64
Recognition of share-based payments	-	-	-	-	1,263.33	-	-	-	-	-	-	1,263.33	-	1,263.33
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(1,445.38)	-	-	-	-	(1,445.38)	-	(1,445.38)
Transfer to securities premium on exercise of ESOP	-	-	1,318.66	-	(1,318.66)	-	-	-	-	-	-	-	-	-
Transfer to retained earning on exercise of ESOP	-	-	-	-	(267.15)	-	267.15	-	-	-	-	-	-	-
Exchange differences in translating the financial statements of foreign operations	-	-	-	-	-	-	26.85	-	-	(16.27)	(10.74)	(0.16)	-	(0.16)
Issue of Shares	-	-	351.50	-	-	-	-	-	-	-	-	351.50	-	351.50
On account of acquisition additional stake in subsidiary	-	-	-	-	-	-	(330.20)	-	-	-	-	(330.20)	(574.60)	(904.80)
Others	-	-	-	-	-	-	(1.13)	-	-	-	-	(1.13)	-	(1.13)
<b>Balance at 31st March 2019</b>	-	<b>314.94</b>	<b>42,638.62</b>	<b>0.59</b>	<b>2,107.81</b>	<b>5.20</b>	<b>(60,214.43)</b>	-	-	<b>(16.27)</b>	<b>(243.93)</b>	<b>(15,407.47)</b>	<b>(240.02)</b>	<b>(15,647.49)</b>

Summary of significant accounting policies

The accompanying notes are an integral part of the consolidated financial statements

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1-48

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**

Partner

Membership No : 105497

For and on behalf of the Board of Directors of Future Consumer Limited

**G.N.Bajpai**  
Chairman

**Ashni Biyani**  
Managing Director

**Manoj Gagvani**  
Company Secretary & Head - Legal

**Ravin Mody**  
Chief Financial Officer

Place : Mumbai

Date : 22 May 2019

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai

Date : 22 May 2019

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2019

Particulars	(₹ in lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
<b>Cash flows from operating activities</b>		
Net loss before tax as per the Statement of Profit and Loss	(2,375.05)	(3,314.07)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Exceptional items (Refer note 45)	(22.41)	-
Finance costs (including fair value change in financial instruments)	7,347.73	5,268.20
Finance income (including fair value change in financial instruments)	(1,530.81)	(1,279.01)
Interest on income tax refund	(140.78)	(0.90)
Share of loss of associate and joint ventures	2,949.42	2,162.30
Provision no longer required written back	(79.28)	-
Net Loss / (Gain) on disposal of property, plant and equipment	39.49	(33.81)
Net loss / (gain) on financial assets measured at fair value through profit or loss	(21.39)	(768.04)
Net gain on disposal of investments in subsidiaries	-	(22.76)
Unrealised gains on change in exchange rate	(26.85)	(2.94)
Impairment allowance on trade receivable and advances written off	253.66	188.03
Depreciation and amortisation expenses	5,315.49	4,547.84
Share-based payment expenses	576.49	647.57
	<b>12,285.71</b>	<b>7,392.41</b>
<b>Working capital adjustments:</b>		
Increase in trade and other receivables	(21,439.01)	(16,787.17)
Increase in inventories	(1,919.76)	(4,850.95)
Decrease / (Increase) in other assets	956.62	(3,132.26)
Increase in trade payables	5,805.92	7,116.10
(Decrease) / Increase in provisions	(30.69)	458.08
Increase in other liabilities	(562.69)	1,194.44
	<b>(17,189.61)</b>	<b>(16,001.76)</b>
<b>Cash flow used in operations</b>	<b>(4,903.90)</b>	<b>(8,609.35)</b>
Income taxes (paid) / refund	(634.43)	(769.23)
<b>Net cash flow used in operating activities</b>	<b>(5,538.33)</b>	<b>(9,378.58)</b>
<b>Cash flows from investing activities</b>		
Purchase of investments in financial assets	(3,476.05)	(1,146.73)
Disposal of investments in financial assets	5,332.07	21.19
Loans given	(8,514.07)	(8,086.91)
Loans refunded	7,974.15	4,168.02
Interest received	1,555.87	828.43
Purchase of property, plant and equipment	(7,172.54)	(8,881.53)
Proceeds from sale of property, plant and equipment	75.82	496.69
Purchase of intangible assets	(179.05)	(70.53)
<b>Net cash flow used in investing activities</b>	<b>(4,403.80)</b>	<b>(12,671.37)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity instruments	791.96	458.53
Proceeds from issue of share warrants	-	5,025.00
Purchase of treasury shares	(2,292.68)	-
Proceeds on exercise of ESOP out of treasury shares	725.00	690.00
Proceeds from long term borrowings (Net of expenses)	4,987.50	25,125.77
Repayment of long term borrowings	(10,676.40)	(9,769.48)
Proceeds from short term borrowings (net)	25,137.44	4,614.69
Interest paid	(7,516.27)	(4,468.75)
<b>Net cash flow from financing activities</b>	<b>11,156.55</b>	<b>21,675.76</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,214.42</b>	<b>(374.19)</b>
Cash and cash equivalents at the beginning of the year	4,306.69	4,680.88
Add: Upon addition of Subsidiary	61.87	-
<b>Cash and cash equivalents at the end of the year (Refer Note 13)</b>	<b>5,582.98</b>	<b>4,306.69</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2019

### Changes in liability due to financial activities

Particulars	(₹ in lakhs)			
	As at 1 April 2018	Cash flows	Changes in fair value of financial instruments	As at 31 March 2019
Current Borrowings (Refer Note 21)	23,035.48	25,137.44	-	48,172.92
Non- current borrowings, including current maturities (Refer Note 17)	38,730.29	(5,688.90)	152.50	33,193.89
<b>Total</b>	<b>61,765.77</b>	<b>19,448.54</b>	<b>152.50</b>	<b>81,366.81</b>
Summary of significant accounting policies		2		
The accompanying notes are an integral part of the consolidated financial statements		1-48		

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**

Partner

Membership No : 105497

For and on behalf of the Board of Directors of Future Consumer Limited

**G.N.Bajpai**

Chairman

**Manoj Gagvani**

Company Secretary & Head - Legal

**Ashni Biyani**

Managing Director

**Ravin Mody**

Chief Financial Officer

Place : Mumbai

Date : 22 May 2019

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai

Date : 22 May 2019

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 1. GENERAL INFORMATION ABOUT THE COMPANY

The consolidated financial statements comprise financial statements of the parent Future Consumer Limited ("the Company") and its subsidiaries (collectively, the Group) for the year ended March 31, 2019. The Company was incorporated in India on 10th July 1996, under the name "Subhikshith Finance and Investments Limited". The name of the Company was changed to "Future Ventures India Private Limited" with effect from 9th August 2007 and it became a Public Limited Company with effect from 7th September 2007 as "Future Ventures India Limited". The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited since 10th May 2011. The name of the Company was changed to "Future Consumer Enterprise Limited" w.e.f. 30th September 2013 and then to "Future Consumer Limited" effective from 13th October 2016.

The registered office of the Company is located at Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060 and the corporate office is located at Embassy 247, Tower 'C', LBS Marg, Vikhroli (West), Mumbai 400 083.

The Group is engaged in the business of sourcing, manufacturing, branding, marketing and distribution of fast moving consumer goods ("FMCG"), Food and Processed Food Products in Urban and Rural India. Earlier, the Company was regulated by the Reserve Bank of India (the "RBI") as a non-deposit taking Non-Banking Financial Company ("NBFC"). The RBI in terms of application made by the Company has vide its order passed on 21st July 2015 cancelled the Certificate of Registration granted to the Company. Consequently, the Company ceased to be an NBFC.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 22 May 2019.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on the historical cost basis except for certain financial

instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit planned – plan assets measured at fair value

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

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.

The financial statements are presented in INR, which is the functional currency of the Company and all values

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

are rounded up to two decimal points to the nearest lakh (₹ 00,000), except when otherwise indicated.

### 2.2 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is 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

The Group classifies all other liabilities as non-current.

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

Based on the nature of services and the normal time between the acquisition of assets and their realisation into cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### 2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

### Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective

evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The consolidated financial statement of the Group comprises financial statement of Future Consumer Limited and the following companies:

Name of the Company	Relationship	Proportion of ownership interest and voting power held by the Group	
		As at 31st March 2019	As at 31st March 2018
Aadhaar Wholesale Trading and Distribution Limited	Subsidiary	100.00%	100.00%
Future Food and Products Limited	Subsidiary	100.00%	100.00%
Future Consumer Products Limited	Subsidiary	90.00%	90.00%
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	Subsidiary	100.00%	100.00%
FCEL Overseas FZCO	Subsidiary	60.00%	60.00%
FCEL Food Processors Limited	Subsidiary	100.00%	100.00%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

Name of the Company	Relationship	Proportion of ownership interest and voting power held by the Group	
		As at 31st March 2019	As at 31st March 2018
FCL Tradevest Private Limited (with effect from 24 December 2018)	Subsidiary	100.00%	NA
Affluence Food Processors Private Limited (with effect from 6 November 2018)	Subsidiary	100.00%	NA
The Nilgiri Dairy Farm Private Limited ("NDF")	Subsidiary	100.00%	100.00%
Appu Nutritions Private Limited	NDF Subsidiary	100.00%	100.00%
Nilgiri's Mechanised Bakery Private Limited	NDF Subsidiary	100.00%	100.00%
Nilgiris Franchise Limited (Formerly known as Nilgiris Franchise Private Limited)	NDF Subsidiary	100.00%	100.00%
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	Subsidiary	99.93%	83.17%
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	Subsidiary	100.00%	100.00%
Mibelle Future Consumer Products AG	Joint Venture	50%	50%
Amar Chitra Katha Private Limited ("ACK")(upto 13 December 2018)	Joint Venture	-	73.99%
ACK Media Direct Limited (upto 13 December 2018)	ACK Subsidiary	-	100%
IBH Books & Magazines Distributors Limited (upto 13 December 2018)	ACK Subsidiary	-	100%
Ideas Box Entertainment Limited (upto 13 December 2018)	ACK Subsidiary	-	100%
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	Joint Venture	50% + 1 Share	50% + 1 Share
Aussee Oats Milling (Private) Limited	Joint Venture	50% + 1 Share	50% + 1 Share
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	Joint Venture	50.01%	50.01%
Genoa Rice Mills Private Limited	Joint Venture	50%	50%
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited) ("SFPL")	Joint Venture	51%	51%
Avante Snack Foods Private Limited	SFPL Subsidiary	67.03%	67.03%

Name of the Company	Relationship	Proportion of ownership interest and voting power held by the Group	
		As at 31st March 2019	As at 31st March 2018
Hain Future Natural Products Private Limited	Joint Venture	50%	50%
Fontera Future Dairy Private Limited (with effect from 1 December 2018)	Joint Venture	50%	-
Amar Chitra Katha Private Limited (with effect from 14 December 2018) ("ACK") (Refer note 43.4)	Associate	-	NA
Sarjena Foods Private Limited	Associate	19.59%	19.59%

### 2.4 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 Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in consolidated 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 recognizing a gain in respect thereof, the Group determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group 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 Group 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

review, the Group recognizes 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 Group recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Group'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 consolidated 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 consolidated 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 115 'Revenue' ("Ind AS 115").

### 2.5 Goodwill and impairment of goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash-generating units, "CGU") that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### 2.6 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 'Property, Plant and Equipment' ("Ind AS 16") requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit and loss in the period in which the property is derecognised.

#### Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying values of its investment properties measured as per the previous GAAP and use that carrying value as their deemed cost at transition date.

### 2.7 Revenue from contract with customers

With effect from 1st April 2018, Ind AS 115 – "Revenue from Contracts with Customers" (Ind AS 115) supersedes Ind AS 18 – "Revenue" and related Appendices. The Group has adopted Ind AS 115 using the modified retrospective approach, applied to all the contracts that were not completed as of 1st April 2018. Hence, the Group has not retrospectively restated the comparative information. The application of Ind AS 115 did not have any material impact on recognition and measurement principles related to revenue recognition of the Group. However, it results in additional presentation and disclosure requirements for the Group. The Group has updated presentation and disclosures in accordance with Ind AS 115 in the financial statements (also read with Note 23). Following is revised significant accounting policies related to revenue recognition.

The group recognises revenue from the following major sources:

- Sale of consumer product
- Other operating revenue

#### **Sale of consumer product**

The group sells fast moving consumer goods ("FMCG"), Food and Processed Food Products.

In the comparative period, revenue was measured at the fair value of the consideration received or

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

receivable. Revenue was reduced for estimated customer returns, rebates and similar allowances, if any. Revenue from sale of goods was recognised when the goods were delivered and titles have passed. i.e. the group had transferred to the buyer the significant risks and rewards of ownership of goods; the group retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue could be measured reliably; it was probable that the economic benefits associated with the transaction would flow to the group; and the costs incurred or to be incurred in respect of the transaction could be measured reliably.

The group recognizes revenue on the sale of goods, net of discounts, sales incentives and rebates granted, if any, when control of the goods is transferred to the customer.

### **Nature, timing of satisfaction of performance obligation and transaction price (Fixed and variable)**

The group recognises revenue when it transfers control of a product or service to a customer.

The control of goods is transferred to the customer depending upon the terms or as agreed with customer or delivery basis (i.e. at the point in time when goods are delivered to the customer or when the customer purchases the goods from the group warehouse). Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtains substantially all the benefits from it such as following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

At inception of the contract, group assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:

- (a) a good or service that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Based on the terms of the contract and as per business practice, the group determines the transaction price considering the amount it expects to be entitled in exchange of transferring promised goods or services to the customer. It excluded amount collected on behalf of third parties such as taxes.

The group provides volume discount and rebate schemes to its customers on certain goods purchased by the customer once the quantity of goods purchased

during the period exceeds a threshold specified in the contract. Volume discount and rebate schemes give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the group considers that either the expected value method or the most likely amount method, depending on which of them better predicts the amount of variable consideration for the particular type of contract.

In case where the customer gives non-cash consideration for the goods and services transferred or where customer provides the group certain materials, equipment, etc. for carrying out the scope of work and the group obtains control of those contributed goods or service, the fair value of such non-cash consideration given / materials supplied by customer is considered as part of the transaction price.

For allocating the transaction price, the group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

### **Rendering of services**

Revenue from rendering of services is recognised over time considering the time elapsed. The transaction price of these services is recognised as a contract liability upon receipt of advance from the customer, if any, and is released on a straight line basis over the period of service (monthly basis).

### **Contract assets, contract liabilities and trade receivables**

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues (which we refer to as unearned revenues) and advance from customers are classified as contract liabilities. A receivable is recognised by the group when the control over the goods is transferred to the customer such as when goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The average credit period on sale of goods is 7 to 90 days.

### **Dividend and Interest income**

Dividend income from investments is recognised when the group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow

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to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.8 Government grants

Government Grants are recognised where there is reasonable assurance that the grants will be received and all attached conditions will be complied with. When the grants relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants related to assets are accounted in the consolidated balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in the consolidated statement of profit and loss on a systematic basis over the average useful life of the asset.

### 2.9 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 Group 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 Group'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 Group 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.

### 2.10 Foreign currency transactions and translation

The management of the Group has determined Indian rupee ("INR") as the functional currency of the Group. In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in consolidated statement of profit and loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- Exchange differences for long term foreign currency monetary items existing as on previous year, the exchange difference arising on settlement / restatement of long term foreign currency monetary items are capitalised as part of depreciable property plant and equipment to which the monetary items relates and depreciated over the remaining useful life of such assets.

### 2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in consolidated statement of profit and loss in the period in which they are incurred.

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The Group may incur borrowing costs during an extended period in which it suspends the activities necessary to prepare an asset for its intended use or sale. Such costs are costs of holding partially completed assets and do not qualify for capitalisation. However, an entity does not normally suspend capitalising borrowing costs during a period when it carries out substantial technical and administrative work. The Group also does not suspend capitalising borrowing costs when a temporary delay is a necessary part of the process of getting an asset ready for its intended use or sale.

The Group shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

### 2.12 Employee benefits

#### Post-employment benefits

- Payments to defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement 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. Remeasurement, 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 consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to consolidated statement of profit and loss. Past service cost is recognised in consolidated 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:
  - Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
  - Net interest expense or income; and
  - Remeasurement.

The Group presents the first two components of defined benefit costs in consolidated statement of profit and 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 consolidated balance sheet represents the actual deficit or surplus in the Group'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.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### 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 Group in respect of services provided by employees up to the reporting date.

### 2.13 Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of the Group by the weighted average number of equity shares outstanding during the financial year (net of treasury shares).

Diluted earnings per share adjusts the figure used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 2.14 Share-based payment arrangements

#### Share-based payment transactions of the Group

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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of

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each reporting period, the Group 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 consolidated 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.

### 2.15 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 consolidated 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 Group's current tax is calculated using tax rates that have been 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 consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. While preparing consolidated financial statements, temporary differences are calculated using the carrying amount as per consolidated financial statements and tax bases as determined by reference to the method of tax computation (i.e. taken from individual entities in the group).

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be 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 Group 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 consolidated 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 2.16 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, for rental to others or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that incremental future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to consolidated statement of profit and loss during the reporting period in which they are incurred.

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

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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 consolidated statement of profit and loss.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation on property, plant and equipment has been provided on straight line method using the rates arrived at based on the useful lives estimated by the management, which are equal to or lower than lives as prescribed under Schedule II of the Companies Act, 2013. The Group's has used the following useful life to provide depreciation on its Property, Plant & Equipment:

Asset	Useful Life	Asset	Useful Life
Buildings	10 to 60 years	Vehicles	8 to 10 years
Plant and equipment	1 to 15 years	Signage's	3 years
Leasehold improvements	lease term	Road	3 to 10 years
Moulds	2 years	Electrical installations	10 years
Computers	1 to 5 years	Hydraulic Works and pipelines	15 years
Furniture and fixture	1 to 10 years	General Lab Equipment	10 years
Office equipment	1 to 5 years		

The Group, based on technical assessment, depreciates certain items of Property, Plant & Equipment over estimated useful lives which are different from the useful life as prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset are likely to be used.

### Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Group has elected to measure

certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

### 2.17 Intangible assets

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

#### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in consolidated statement of profit and loss when the asset is derecognised.

#### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset	Useful Life	Asset	Useful Life
Trademark	5 Years	Brand*	10 Years
Software	3 – 6 Years	Brand Usage Rights	25 Years

\* Brands Kara and Nilgiris have an indefinite useful life.

The Group has evaluated the estimated useful life of the intangible assets based on technical assessment. The management believes that the estimated useful life is realistic and reflect fair approximation of the period over which the asset is likely to be used.



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### Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Group has selected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

### **2.18 Impairment of non - financial assets assets other than goodwill**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in consolidated statement of profit and loss.

### **2.19 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.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

### **2.20 Provisions**

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

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).

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.

### **2.21 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Group 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

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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 consolidated statement of profit and loss.

### 2.22 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in consolidated statement of profit and loss for fair value through other comprehensive income ("FVTOCI") debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured

at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to consolidated statement of profit and loss.

All other financial assets are subsequently measured at fair value.

#### 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 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.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in consolidated statement of profit and loss and is included in the "Other Income" line item.

#### Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income for investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to consolidated statement of profit and loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group

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manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

### Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in consolidated statement of profit and loss. The net gain or loss recognised in consolidated statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

### Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly

since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

### Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in consolidated statement of profit and loss.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

### Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.23 Financial liabilities and equity instruments

### Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual

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arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

### Compound instruments

The component parts of compound instruments (convertible debentures) issued by the Group 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 Group'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 consolidated 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.

### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

However, financial guarantee contracts issued by the Group are measured in accordance with the specific accounting policies set out below.

### Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense are included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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 financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income/' 'Other expenses'.

### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

### 2.24 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit and loss immediately. Group does not designate the derivative instrument as a hedging instrument.

### 2.25 Treasury Shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The Group treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

### 2.26 Contingent liabilities

A contingent liability is:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognised because:-
  - i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 2.27 Operating segment

The management views the Group's operation as a single segment engaged in business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

## 3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the accounting policies, the Group is required to make judgements, 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 recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

### Key sources of estimation uncertainty

#### 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. Refer Note 4 for further disclosure.

#### 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

- the actual cash flows are less than expected, a material impairment loss may arise. Refer Note 4 for further disclosure.
- c) **Impairment of investments in joint ventures and associate and impairment of goodwill**
- Determining whether the goodwill or investments in joint ventures and associate are impaired requires an estimate in the value in use. In considering the value in use, the Management have anticipated the future cash flows, discount rates and other factors of the underlying businesses/companies. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. In certain cases, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Any subsequent changes to the cash flows could impact the carrying value of investments/goodwill. Refer Note 4 and 5 for further disclosure.
- d) **Provisions, liabilities and contingencies**
- Provisions and liabilities are recognized 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 judgement 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 Group. 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 recognized. Refer Note 39 for further disclosure.
- e) **Taxes**
- Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 8 for further disclosure.
- f) **Share based payments**
- The Group initially measures the cost of equity-settled transactions with employees using an appropriate valuation model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Refer Note 37 for further disclosure.
- g) **Employee benefit plans**
- The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.
- The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Refer Note 35 for further disclosure.
- Critical accounting judgements**
- Refer note 33 for the judgement exercised by the Group in establishing control over Integrated Food Park Limited and significant influence over Sarjena Foods Private Limited.
- The group own and operates an integrated food park. Group earns rental income by way of leasing the underlying land at food-park to various food processors. Business model of the food park is to develop and maintain the infrastructure and common facilities related to food processing at a single place and provide it to food processor along with space in the food park.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

Considering the business model of the food park, it is not classified as an investment property.

### 3.1 Change in Accounting policies and disclosures Standards, amendments and interpretations effective in 2018

The Group applied Ind AS 115 for the first time. (Refer note 2.7).

Several other amendments apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

#### Ind AS 115 "Revenue from contracts with customers"

Applicable as of 1st April, 2018, this new standard sets general accounting principles relating to revenue recognition. Ind AS 115 supersedes the current standards on revenue recognition, particularly Ind AS 115 "Revenue" and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

#### Amendments to existing Ind AS

In addition to Ind AS 115, the following changes to Ind AS have also become applicable to the Group. However, their adoption did not have any impact as there are no such transactions or existing policies of the Group are already in compliance with the amendments.

Amendment to Ind AS 20 Government grants related to non-monetary asset, including consequential amendments to Ind AS 16 and Ind AS 38

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

Amendments to Ind AS 40 Transfers of Investment Property

Amendments to Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

Amendment to Ind AS 112 Disclosure of Interests in Other Entities

#### Amendments to Ind AS Schedule III to the Companies Act, 2013

The Ministry of Corporate Affairs (MCA), vide its notification dated 11 October 2018, amended Division II (Ind AS) of Schedule III to the Companies Act. The changes are applicable for the financial year ending 31 March 2019 and require the Group to make few additional disclosures/reclassify certain items in the financial statements. The Group has made these changes in the relevant note. The application of these changes did not have material impact on the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 4. PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS AND INVESTMENT PROPERTY

Description of Assets	Gross Block (At cost / deemed cost)					Depreciation / Amortisation					Net Block (₹ In lakhs)		
	As at 1st April 2018	Acquisition through Business Combination	Additions	Deletions	Effect of foreign currency exchange differences	As at 31st March 2019	As at 1st April 2018	Acquisition through Business Combination	For the Period	Deletions (Refer note-45)		Impairment (Refer note-45)	As at 31st March 2019
<b>A. Property, plant and equipment</b>													
Freehold land	14,787.44	-	-	-	-	14,787.44	-	-	-	-	-	-	14,787.44
Leasehold land	6,461.22	-	-	-	-	6,461.22	-	-	-	-	-	-	6,461.22
Building	13,766.20	-	2,172.15	(134.35)	-	16,072.70	991.19	-	410.76	-	-	1,401.95	14,670.75
Office equipments	1,184.01	1.80	309.46	76.49	-	1,418.78	566.43	0.02	204.15	62.07	-	708.53	710.25
Computers	1,520.05	0.77	226.87	124.24	-	1,623.45	1,131.78	0.13	207.56	115.50	-	1,223.97	399.48
Furniture & fixtures	3,189.29	0.98	1,268.69	202.85	(0.58)	4,256.69	1,422.91	0.05	346.33	151.87	-	1,617.42	2,639.27
Vehicles	151.07	0.05	3.05	12.12	-	142.05	104.88	-	8.00	11.31	-	101.57	40.48
Plant & machinery	15,377.53	0.30	5,881.56	49.88	(104.90)	21,314.41	4,430.49	0.01	1,960.27	26.82	-	6,363.95	14,950.46
Leasehold improvements	2,137.19	-	1,018.53	36.98	-	3,118.74	440.82	-	202.96	31.25	-	612.53	2,506.21
Signage	231.36	-	46.80	-	-	278.16	205.32	-	16.23	-	-	221.55	56.61
Hydraulic works and pipelines	648.84	-	27.88	-	(14.81)	691.53	120.06	-	44.81	-	-	164.87	526.66
Roads	855.76	-	166.89	-	(11.74)	1,034.39	426.76	-	185.94	-	-	612.70	421.69
<b>Subtotal (A)</b>	<b>60,309.96</b>	<b>3.90</b>	<b>11,121.88</b>	<b>502.56</b>	<b>(266.38)</b>	<b>71,199.56</b>	<b>9,840.64</b>	<b>0.21</b>	<b>3,587.01</b>	<b>398.82</b>	<b>-</b>	<b>13,029.04</b>	<b>58,170.52</b>
<b>B. Other intangible assets</b>													
Brands, brand usage rights and trademarks (Refer note no. ii)	23,652.49	-	-	1.03	-	23,651.46	3,262.16	-	1,083.71	0.91	400.00	4,744.96	18,906.50
Software	3,654.83	0.20	179.63	21.58	-	3,813.08	658.76	0.04	636.51	10.05	-	1,285.26	2,527.82
<b>Subtotal (B)</b>	<b>27,307.32</b>	<b>0.20</b>	<b>179.63</b>	<b>22.61</b>	<b>-</b>	<b>27,464.54</b>	<b>3,920.92</b>	<b>0.04</b>	<b>1,720.22</b>	<b>10.96</b>	<b>400.00</b>	<b>6,030.22</b>	<b>21,434.32</b>
<b>C. Goodwill (Refer Notes 41 &amp; 45)</b>	<b>16,769.35</b>	<b>-</b>	<b>135.78</b>	<b>-</b>	<b>-</b>	<b>16,905.13</b>	<b>380.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,290.48</b>	<b>2,670.48</b>	<b>14,234.65</b>
<b>Subtotal (C)</b>	<b>16,769.35</b>	<b>-</b>	<b>135.78</b>	<b>-</b>	<b>-</b>	<b>16,905.13</b>	<b>380.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,290.48</b>	<b>2,670.48</b>	<b>14,234.65</b>
<b>D. Investment property</b>													
Freehold land	236.36	-	-	-	-	236.36	-	-	-	-	-	-	236.36
Building	490.16	-	-	-	-	490.16	16.44	-	8.26	-	-	24.70	465.46
<b>Subtotal (D)</b>	<b>726.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>726.52</b>	<b>16.44</b>	<b>-</b>	<b>8.26</b>	<b>-</b>	<b>-</b>	<b>24.70</b>	<b>701.82</b>
<b>Total (A+B+C+D)</b>	<b>105,113.15</b>	<b>4.10</b>	<b>11,437.29</b>	<b>525.17</b>	<b>(266.38)</b>	<b>116,295.75</b>	<b>14,158.00</b>	<b>0.25</b>	<b>5,315.49</b>	<b>409.78</b>	<b>2,690.48</b>	<b>21,754.44</b>	<b>94,541.31</b>

#### Notes:

- (i) For property, plant and equipment pledged as security (Refer note 17 & 21)  
(ii) Includes Kara brand of ₹ 1,209 lakhs (Previous Year: ₹ 1,209 lakhs) and Nilgiris brand of ₹ 7,038 lakhs (Previous Year: ₹ 7,038 lakhs) with indefinite useful life (Refer note 43)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 4. PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS AND INVESTMENT PROPERTY

Description of Assets	Gross Block (At cost / deemed cost)				Depreciation / Amortisation				Net Block		
	As at 1st April 2017	Additions	Deletions	Effect of foreign currency exchange differences	As at 31st March 2018	As at 1st April 2017	For the Period	Deletions	Impairment (Refer note 45)	As at 31st March 2018	As at 31st March 2018
<b>A. Property, plant and equipment</b>											
Freehold land	14,883.20	19.30	115.06	-	14,787.44	-	-	-	-	-	14,787.44
Leasehold land	6,461.22	-	-	-	6,461.22	-	-	-	-	-	6,461.22
Building	11,867.86	1,891.34	-	(7.00)	13,766.20	677.69	313.50	-	-	991.19	12,775.01
Office equipments	859.26	394.69	69.94	-	1,184.01	478.91	136.19	48.67	-	566.43	617.58
Computers	1,359.00	239.87	78.82	-	1,520.05	1,029.60	176.59	74.41	-	1,131.78	388.27
Furniture & fixtures	2,829.55	655.07	295.36	(0.03)	3,189.29	1,223.81	293.13	94.03	-	1,422.91	1,766.38
Vehicles	164.66	1.72	15.31	-	151.07	103.36	9.57	8.05	-	104.88	46.19
Plant & machinery	10,986.75	4,704.88	319.57	(5.47)	15,377.53	3,314.11	1,328.34	211.96	-	4,430.49	10,947.04
Leasehold improvements	1,713.94	428.74	5.49	-	2,137.19	335.72	107.47	2.37	-	440.82	1,696.37
Signage	209.67	21.69	-	-	231.36	198.30	7.02	-	-	205.32	26.04
Hydraulic works and pipelines	612.58	35.49	-	(0.77)	648.84	79.32	40.74	-	-	120.06	528.78
Roads	713.40	141.75	-	(0.61)	855.76	283.30	143.46	-	-	426.76	429.00
<b>Subtotal (A)</b>	<b>52,661.09</b>	<b>8,534.54</b>	<b>899.55</b>	<b>(13.88)</b>	<b>60,309.96</b>	<b>7,724.12</b>	<b>2,556.01</b>	<b>439.49</b>	-	<b>9,840.64</b>	<b>50,469.32</b>
<b>B. Other intangible assets</b>											
Brands, brand usage rights and trademarks (Refer note no. ii)	23,652.49	-	-	-	23,652.49	2,169.09	1,093.07	-	-	3,262.16	20,390.33
Software	651.31	3,003.52	-	-	3,654.83	148.27	510.49	-	-	658.76	2,996.07
<b>Subtotal (B)</b>	<b>24,303.80</b>	<b>3,003.52</b>	-	-	<b>27,307.32</b>	<b>2,317.36</b>	<b>1,603.56</b>	-	-	<b>3,920.92</b>	<b>23,386.40</b>
<b>C. Goodwill (Refer Notes 41 &amp; 45)</b>	<b>16,769.35</b>	-	-	-	<b>16,769.35</b>	-	-	-	<b>380.00</b>	<b>380.00</b>	<b>16,389.35</b>
<b>Subtotal (C)</b>	<b>16,769.35</b>	-	-	-	<b>16,769.35</b>	-	-	-	<b>380.00</b>	<b>380.00</b>	<b>16,389.35</b>
<b>D. Investment property</b>											
Freehold land	236.36	-	-	-	236.36	-	-	-	-	-	236.36
Building	490.16	-	-	-	490.16	8.17	8.27	-	-	16.44	473.72
<b>Subtotal (D)</b>	<b>726.52</b>	-	-	-	<b>726.52</b>	<b>8.17</b>	<b>8.27</b>	-	-	<b>16.44</b>	<b>710.08</b>
<b>Total (A+B+C+D)</b>	<b>94,460.76</b>	<b>11,538.06</b>	<b>899.55</b>	<b>(13.88)</b>	<b>105,113.15</b>	<b>10,049.65</b>	<b>4,167.84</b>	<b>439.49</b>	<b>380.00</b>	<b>14,158.00</b>	<b>90,955.15</b>

#### Notes:

- (i) For property, plant and equipment pledged as security (Refer note 17 & 21)  
(ii) Includes Kara brand of ₹ 1,209 lakhs (Previous Year: ₹ 1,209 lakhs) and Nilgiris brand of ₹ 7,038 lakhs (Previous Year: ₹ 7,038 lakhs) with indefinite useful life (Refer note 43)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 5. NON CURRENT INVESTMENTS

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>(a) Investment in Associate</b>		
(i) Investment in debentures (unquoted, fully paid up, at cost) 0.001% Compulsorily Convertible Debentures of Amar Chitra katha Private Limited (Refer note 45.1)	4,976.91	-
<b>(b) Investment in Joint Ventures</b>		
(i) Investment in equity shares - (unquoted, fully paid up, accounted for using the equity method) Amar Chitra Katha Private Limited (Refer note 45.1)	-	2,114.74
Aussee Oats India Limited (formerly known as Aussee Oats India Private Limited)	15.52	2.46
Mibelle Future Consumer Products AG (a company incorporated in Switzerland, face value CHF 1000 each)	7.18	133.61
Hain Future Natural Products Private Limited	1,131.21	-
(ii) Investment in preference shares - (unquoted, fully paid up, at FVTPL) Aussee Oats Milling (Private) Limited (a company incorporated in Sri Lanka, face value LKR 10 each)	453.79	434.29
(iii) Investment in preference shares - (unquoted, fully paid up, at cost) Sublime Foods Limited (formerly known as Sublime Foods Private Limited)	300.00	-
<b>(c) Other investments</b>		
(i) Investment in equity shares - (unquoted, fully paid up, at cost) Saraswat Co-Operative Bank Limited	0.01	0.01
<b>Total</b>	<b>6,884.62</b>	<b>2,685.11</b>
Share application money	400.00	720.00
<b>Total</b>	<b>7,284.62</b>	<b>3,405.11</b>

### 6. LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Non-current</b>		
Loans to related parties (Refer Note 38)	2,125.67	2,915.90
<b>Total</b>	<b>2,125.67</b>	<b>2,915.90</b>
<b>Current</b>		
Loans to related parties (Refer Note 38)	4,310.48	6,274.35
Inter corporate deposits	425.00	2,547.08
<b>Total</b>	<b>4,735.48</b>	<b>8,821.43</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 7. OTHER FINANCIAL ASSETS (UNSECURED)

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Non-current</b>		
Considered good:		
Security deposits	394.64	301.67
Other deposits	65.01	41.92
Interest accrued on deposits	301.30	292.39
Bank deposits with more than 12 months maturity	86.64	52.73
Considered doubtful:		
Security and other deposits	23.46	23.46
Less: Provision for doubtful deposits	(23.46)	(23.46)
<b>Total</b>	<b>847.59</b>	<b>688.71</b>
<b>Current</b>		
Considered good:		
Security deposits	1,024.73	1,192.58
Other deposits	9.17	8.15
Interest accrued on deposits and others	737.44	937.37
Others receivables (for related party, refer note 38)	5,308.16	3,205.15
Considered doubtful:		
Other receivables	-	52.32
Less: Provision for doubtful deposits / debts	-	(52.32)
<b>Total</b>	<b>7,079.50</b>	<b>5,343.25</b>

### 8. DEFERRED TAX BALANCES

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet:

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Deferred tax assets	1,899.75	29.10
Deferred tax liabilities	(4,133.47)	(4,133.47)
<b>Net</b>	<b>(2,233.72)</b>	<b>(4,104.37)</b>

#### 8.1 Movement of Deferred Tax

##### Deferred tax assets/(liabilities) in relation to the year ended 31st March 2019

Particulars	(₹ In lakhs)				
	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Others	Closing balance
Minimum Alternate Tax	26.25	3.53	-	-	29.78
Property, plant, equipment and intangible assets	(6,704.05)	(291.69)	-	-	(6,995.74)
Government Grant	(855.30)	-	-	-	(855.30)
Provision for doubtful debts	4.72	10.27	-	-	14.99
Provisions for employee benefits	507.77	135.06	(12.12)	-	630.71
Taxable temporary differences on financial liability measured at amortised cost	(88.83)	(9.67)	-	-	(98.50)
	(7,109.44)	(152.50)	(12.12)	-	(7,274.06)
Tax losses	3,005.07	2,035.27	-	-	5,040.34
<b>Total</b>	<b>(4,104.37)</b>	<b>1,882.77</b>	<b>(12.12)</b>	<b>-</b>	<b>(2,233.72)</b>

During the year, the Holding Company has reassessed the deferred tax asset recognised on unutilised tax losses based on probability of future taxable income and recognised net deferred tax assets of ₹ 1,867.50 lakhs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 8.2 Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2018

Particulars	(₹ In lakhs)				
	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Others	Closing balance
Minimum Alternate Tax	9.79	17.88	-	(1.42)	26.25
Property, plant, equipment and intangible assets	(6,105.87)	(598.18)	-	-	(6,704.05)
Government Grant	(1,016.49)	161.19	-	-	(855.30)
Provision for doubtful debts	1.24	3.48	-	-	4.72
Provisions for employee benefits	223.02	257.06	27.69	-	507.77
Convertible instruments	808.01	(808.01)	-	-	-
Taxable temporary differences on financial liability measured at amortised cost	(61.48)	(27.35)	-	-	(88.83)
	(6,141.78)	(993.93)	27.69	(1.42)	(7,109.44)
Tax losses	1,743.43	1,261.64	-	-	3,005.07
<b>Total</b>	<b>(4,398.35)</b>	<b>267.71</b>	<b>27.69</b>	<b>(1.42)</b>	<b>(4,104.37)</b>

### 8.3 Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Tax losses (revenue in nature)	47,660.41	56,919.27
Tax losses (capital in nature)	11,174.64	3,081.34
<b>Total</b>	<b>58,835.05</b>	<b>60,000.61</b>

## 9. OTHER ASSETS

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Non-current</b>		
Capital advances	398.72	260.01
Less: provision for doubtful advance	(6.34)	(6.34)
	392.38	253.67
Deferred lease asset	43.52	29.58
Balances with government authorities	46.70	0.67
Advance taxes (net)	3,179.05	2,629.87
Other advances	4.85	8.77
<b>Total</b>	<b>3,666.50</b>	<b>2,922.56</b>
<b>Current</b>		
Advances to employees	39.28	126.05
Advances given to suppliers	1,073.83	920.73
Balances with government authorities	1,324.70	1,897.87
Deferred lease asset	0.65	1.93
Other advances	255.35	194.76
Less: Provision for doubtful loans & advances	-	(7.40)
<b>Total</b>	<b>2,693.81</b>	<b>3,133.94</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 10. INVENTORIES

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Raw materials (at cost)	534.09	494.69
Finished goods (at lower of cost and net realisable value)	273.69	205.35
Stock - in - trade (at lower of cost and net realisable value)	23,425.53	21,372.84
Packing material (at cost)	372.82	269.13
Stores, spares and Others (at cost)	78.67	82.30
<b>Total</b>	<b>24,684.80</b>	<b>22,424.31</b>

Notes:-

- For Inventory hypothecated as security, refer note 21
- The amount of write down of inventories recognised as an expense during the year is ₹ 504.52 lakhs (Previous year: ₹ 178.97 lakhs)

### 11. CURRENT INVESTMENTS

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Investment in debentures (unquoted, fully paid up, at FVTPL)</b>		
0% Optionally convertible debentures of Capital Foods Private Limited	-	892.80
<b>Investment in Government Security</b>		
National savings certificate (lodged with Sales Tax Authorities)	0.55	0.30
<b>Investments in equity shares (quoted, fully paid up, At FVTPL)</b>		
Karnataka Bank Limited	3.01	2.59
<b>Total</b>	<b>3.56</b>	<b>895.69</b>

### 12. TRADE RECEIVABLES (UNSECURED)

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Considered good (for related party, refer note 38)	67,466.28	49,284.46
Receivables which have significant increase in credit risk	489.17	321.34
	67,955.45	49,605.80
Less: Credit impaired (expected credit loss allowance)	(489.17)	(321.34)
<b>Total</b>	<b>67,466.28</b>	<b>49,284.46</b>

Note:

For trade receivables hypothecated as security (Refer note 17 & 21)

### 13. CASH AND CASH EQUIVALENTS

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Cash and cash equivalents</b>		
On current accounts	1,350.32	3,298.93
In fixed deposit accounts	462.55	467.86
Cash and cheques on hand	3,770.11	539.90
<b>Total</b>	<b>5,582.98</b>	<b>4,306.69</b>
<b>Other bank balances</b>		
As margin money	1,253.10	168.52
<b>Total</b>	<b>1,253.10</b>	<b>168.52</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 14. EQUITY SHARE CAPITAL

#### a) Share capital

Particulars	(₹ In lakhs)			
	As at 31st March 2019		As at 31st March 2018	
	No of shares	Amount	No of shares	Amount
<b>Authorised</b>				
Equity shares of ₹ 6 each	5,650,000,000	339,000.00	5,650,000,000	339,000.00
Unclassified shares of ₹ 10 each	1,670,000,000	167,000.00	1,670,000,000	167,000.00
<b>Total</b>		<b>506,000.00</b>		<b>506,000.00</b>
<b>Issued, subscribed &amp; fully paid-up capital</b>				
Equity shares of ₹ 6 each	1,920,462,680	115,227.76	1,913,433,663	114,806.02
Less: Shares held by ESOP trust treated as treasury shares	(13,320,293)	(799.22)	(11,285,134)	(677.11)
<b>Total</b>	<b>1,907,142,387</b>	<b>114,428.54</b>	<b>1,902,148,529</b>	<b>114,128.91</b>

#### b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	(₹ In lakhs)			
	As at 31st March 2019		As at 31st March 2018	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	1,902,148,529	114,128.91	1,647,270,604	98,836.24
Add: Equity shares issued and allotted during the year	-	-	245,998,442	14,759.91
Add: Allotment pursuant to exercise of stock options granted under FVIL Employees Stock Option Plan - 2011	4,625,017	277.50	3,524,983	211.50
Add: Allotment pursuant to exercise of stock options granted under Future Consumer Enterprise Limited - Employees Stock Option Plan - 2014	2,404,000	144.24	1,418,000	85.08
Add/ (Less) : Shares purchased (net) by ESOP trust treated as treasury shares (Previous year : Shares transferred to employees by ESOP trust during the year (net))	(2,035,159)	(122.11)	3,936,500	236.18
<b>Equity shares at the end of the year</b>	<b>1,907,142,387</b>	<b>114,428.54</b>	<b>1,902,148,529</b>	<b>114,128.91</b>

#### c) Details of Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2019		As at 31st March 2018	
	No of shares	% of Holding	No of shares	% of Holding
	Future Capital Investment Private Limited	845,212,246	44.01	791,302,624
Black River Food 2 Pte. Ltd	146,283,195	7.62	149,511,403	7.81
Verlinvest SA	140,513,969	7.32	140,513,969	7.34
Arisaig India Fund Limited	134,331,586	6.99	143,040,880	7.48

#### d) Share options granted under the Company's employee share option plan

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note no. 37

#### e) Rights, Preferences and Restrictions attached to equity shares:

- The Company has one class of equity shares having a par value of ₹ 6 per share. Each holder of equity share is entitled to one vote per share.
- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to vote in proportion to his share of the paid-up capital of the Company.

#### f) As at 31st March, 2019, 42,78,000 equity shares (FY 2018: 1,23,07,017 equity shares) were reserved for issuance towards outstanding employee stock options granted (Refer note 37).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

- g) Aggregate number of equity shares allotted as fully paid up without payment being received in cash for the period of 5 years immediately preceding the balance sheet date is 4,59,18,367 equity shares issued in 2014-15.
- h) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 15. OTHER EQUITY (EXCLUDING NON-CONTROLLING INTERESTS)

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Capital reserve for bargain purchase business combinations	314.94	314.94
Securities premium account	42,638.62	40,968.46
General reserve	0.59	0.59
Share options outstanding account	2,107.81	2,430.29
Capital redemption reserve	5.20	5.20
Retained earnings	(60,214.43)	(58,092.97)
Foreign Currency Translation reserve	(16.27)	-
Other comprehensive income	(243.93)	(230.27)
<b>Total</b>	<b>(15,407.47)</b>	<b>(14,603.76)</b>

#### Description of reserves

##### Capital reserve for bargain purchase business combinations

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years.

##### Securities premium account

Where the Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares was transferred to a "securities premium account" as per the provisions of The Companies Act, 2013.

##### General reserve

General Reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

##### Share options outstanding account

This reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 37.

##### Capital redemption reserve

As per the provisions of the Companies Act, 2013, Capital redemption reserve is created out of the general reserve for the amount of share capital reduction in earlier years.

##### Retained earnings

This represents the surplus/ (deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends 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.

##### Foreign Currency Translation reserve

When preparing Consolidated Ind AS Financial Statements, differences arising on translation of the financial statements of foreign operations (with a functional currency different from that of the consolidating entity) is transferred to the Foreign Currency Translation Reserve (FCTR), which forms part of Other Comprehensive Income.

### 16. NON-CONTROLLING INTERESTS ("NCI")

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Balance at the end of the year*	(240.02)	423.24
<b>Total</b>	<b>(240.02)</b>	<b>423.24</b>

\* Refer statement of changes in equity

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 17. NON CURRENT BORROWINGS

Particulars	(₹ In lakhs)			
	As at 31st March 2019		As at 31st March 2018	
	Non-Current	Current (Refer note 18)	Non-Current	Current (Refer note 18)
<b>Secured - at amortised cost</b>				
Term loans from banks	5,943.98	1,946.91	7,471.03	1,791.49
Term loans from financial institution	-	-	3,333.33	1,111.11
Buyer's Credit	-	-	-	313.53
Debentures:				
10.55% redeemable non convertible debentures of ₹ 1 lakh each	-	988.07	963.62	1,500.00
11.00% redeemable non convertible debentures of ₹ 1 lakh each	-	988.04	963.55	1,500.00
9.95% redeemable non convertible debentures of ₹ 1 lakh each	1,977.14	1,500.00	3,447.22	1,500.00
11.07% redeemable non convertible debentures of ₹ 10 lakh each	19,849.75	-	14,835.41	-
<b>Total</b>	<b>27,770.87</b>	<b>5,423.02</b>	<b>31,014.16</b>	<b>7,716.13</b>

Details of security and repayment terms for secured Non Current borrowings

Sr. No.	Nature of security	Terms of Interest and Repayment	(₹ In lakhs)	
			As at 31st March 2019	As at 31st March 2018
1	<b>Term loan from banks:</b>			
(i)	a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing.	The loan is repayable in 21 quarterly instalments starting from February 2020. Interest of 10.50% p.a.		
	b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon.		4,744.13	4,964.31
	c) Post dated cheques covering facility amount.			
	d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Company.			
(ii)	a) Secured by first executive charge on all the movable and immovable assets of the food park, existing as well as future.	The loan is repayable in 20 quarterly instalments (next instalment due in June 2019). Interest: 3 M LIBOR + 3.00%		
	b) Exclusive first mortgage charge as also lease hold rights on all land and building to be acquired or to be acquired for the project including already acquired land on lease from Karnataka Industrial Development Board.		2,839.07	3,898.21
	c) Corporate Guarantee of Future Consumer Limited			
(iii)	a) Secured by first exclusive Charge on the current assets of and all the movable assets of the Nilgiris Dairy Farm Pvt Ltd (including capex for cookie project & other capex), existing as well as future.	The Loan is repayable in 13 quarterly instalment (next instalment due in June 2019) . Interest: 1 year MCLR + 2.05% i.e. presently 12.10% p.a.		
	b) Unconditional and irrevocable Personal Guarantee of Mr. Kishore Biyani			
	c) Unconditional and irrevocable Corporate Guarantee of Future Consumer Limited		307.69	400.00
	d) Subordination of preference share capital and undertaking from Future Consumer Limited that unsecured loan of ₹ 5069 lakhs as on 31st March 2019 (previous year ₹ 4264.90 lakhs) would be retained in the Company's business till the facilities are availed from the bank			



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

(₹ In lakhs)				
Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2019	As at 31st March 2018
2	<b>Term Loan from financial institution:</b> a) First ranking pari passu charge over (i) Land and Building owned by subsidiary The Nilgiri Dairy Farm Private Limited (NDF) located at Bangalore and (ii) Land and building owned by subsidiary of NDF, Appu Nutritions Private Limited (Appu) located at Bangalore. b) Irrevocable and unconditional guarantee of Mr. Kishore Biyani.	The Loan is repaid in the month of October 2018. Interest of 10.90% p.a.	-	4,444.44
3	<b>Buyer's Credit from a bank is secured by:</b> a) First charge on Movable and Immovable property plant and equipment of the proposed Rice Unit and Flour/Spice processing units at Tumkur Bangalore b) Second charge on current assets of the proposed Rice unit and Flour/Spice processing units at Tumkur c) Personal Guarantee of Mr. Kishore Biyani d) DSRA FD for 3 months interest payment	The loan is repaid in the month of June 2018. Interest @ 8.95% - 9.15% p.a. payable annually.	-	313.53
4	<b>10.55% NCD:</b> a) Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee.	Series C of ₹ 1,000 lakhs repayable in March 2020. Interest of 10.55% p.a. payable quarterly from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	988.07	2,463.62
5	<b>11% NCD:</b> a) Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee	Series C of ₹ 1,000 lakhs repayable in March 2020. Interest of 11.00% p.a. payable annually from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	988.04	2,463.55
6	<b>9.95% NCD:</b> a) Secured by first pari passu charge on Rice / Combi mills assets of the Company to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee	Series B of ₹ 1,500 lakhs repayable in September 2019 & Series C of ₹ 2,000 lakhs repayable in September 2020. Interest of 9.95% p.a. payable annually from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	3,477.14	4,947.22

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

Sr. No.	Nature of security	Terms of Interest and Repayment	(₹ In lakhs)	
			As at 31st March 2019	As at 31st March 2018
7	<b>11.07 % NCD:</b>	The NCDs is redeemable in 17 equal quarterly instalments starting from February 2021. Interest on the facility will be charged @ 11.07% p.a. Interest will be paid in cash in arrear and on a quarterly basis, inclusive of a cash coupon as follows: year 1 @ 8.00% p.a., year 2 @10.00% p.a. & year 3 @ 11.07% p a. All accrued and unpaid Interest, on the facility will be capitalised quarterly and paid on the final maturity date, or the date on which the facility has been repaid in full.		
a)	Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing.			
b)	Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon.		19,849.75	14,835.41
c)	Post dated cheques covering Interest as well as principal in favour of Debenture Trustee.			
d)	Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the company			
		<b>33,193.89</b>	<b>38,730.29</b>	
	Less: Current maturities of long term debt (Refer note 18)	(5,423.02)	(7,716.13)	
	<b>Total</b>	<b>27,770.87</b>	<b>31,014.16</b>	

### 18. OTHER FINANCIAL LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Non-current</b>		
Interest accrued but not due	568.10	56.77
Deposits received from customers	17.98	17.97
Security deposits received	59.50	2.83
<b>Total</b>	<b>645.58</b>	<b>77.57</b>
<b>Current</b>		
Current maturities of long term debt (refer note 17)	5,423.02	7,716.13
Interest accrued but not due & due	496.84	550.92
Book overdraft	-	18.29
Security and other deposits received	980.17	950.69
Payable on purchase of capital goods	2,052.95	2,651.35
Currency swap liability	-	25.04
<b>Total</b>	<b>8,952.98</b>	<b>11,912.42</b>

### 19. PROVISIONS

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Non-current</b>		
Provision for employee benefits:		
Provision for gratuity (Refer note 35)	678.07	627.52
<b>Total</b>	<b>678.07</b>	<b>627.52</b>
<b>Current</b>		
Provision for employee benefits:		
Provision for gratuity (Refer note 35)	127.09	128.32
Provision for compensated absences	480.52	533.32
Provision for bonus, incentives and others	657.94	702.17
Provision for claims and contingencies	75.00	82.00
<b>Total</b>	<b>1,340.55</b>	<b>1,445.81</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### Movement in Provision for claims and contingencies

Particulars	(₹ In lakhs)	
	Amount	
<b>Balance as at 31st March 2017</b>	<b>82.00</b>	
Provisions utilized / written back during the year	-	
<b>Balance as at 31st March 2018</b>	<b>82.00</b>	
Provisions utilised during the year year	(7.00)	
<b>Balance as at 31st March 2019</b>	<b>75.00</b>	

The provision for claims and contingencies relates to the estimated amount to be paid for claims raised on the Group by various tax authorities under indirect tax laws. These amounts have not been discounted for the purposes of measuring the provision because the effect is not material.

## 20. OTHER LIABILITIES

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Other non-current liabilities</b>		
Advances from employees	-	0.19
Advance received from customers	303.37	340.78
Deferred lease payables	19.97	22.51
Deferred revenue arising from government grant	3,430.37	3,711.85
<b>Total</b>	<b>3,753.71</b>	<b>4,075.33</b>
<b>Other current liabilities</b>		
Statutory dues payable	934.86	1,169.34
Deferred lease payables	2.54	2.90
Deferred revenue arising from government grant	281.49	281.49
Advance received from customers	495.05	489.76
Other liabilities	949.90	-
<b>Total</b>	<b>2,663.84</b>	<b>1,943.49</b>

## 21. CURRENT BORROWINGS

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Secured - at amortised cost</b>		
Loans repayable on demand from banks	21,916.06	4,852.38
Term Loans from a bank	3,800.00	-
Other Loans from bank	17,516.24	12,561.53
Buyer's credit	1,498.33	667.62
	44,730.63	18,081.53
Less :- Unamortised cost	(85.06)	-
	44,645.57	18,081.53
<b>Unsecured - at amortised cost</b>		
Commercial papers	3,527.35	4,953.95
<b>Total</b>	<b>48,172.92</b>	<b>23,035.48</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### Details of security and repayment terms for secured current borrowings

Nature of Security	Terms of Interest and repayment
<b>Loans repayable on demand from banks (Cash Credit)</b>	
Loan is secured by	
a) First pari passu hypothecation charge on all existing and future current assets of the Company	The cash credit is repayable on demand and carries interest at rates varying from 9.40% to 12.00% p.a.
b) Second Charge on fixed assets of the Company	
c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	
<b>Short Term Loans from Bank</b>	
Loan is secured by	
a) First pari passu charge on rice and combi mill of the Company with a minimum asset cover of 1.25 times of outstanding borrowings.	The loan is repayable in the month of September 2019. Interest @ 10.25% p.a. payable annually.
b) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	
<b>Other Loans from Bank (Bill Discounting, Working capital loan and Buyer's Credit)</b>	
Loan is secured by	
a) First and/or pari passu charge on all existing and future current assets of the Company	The other loans from Bank is repayable on due date and carries interest at rates varying from 8.20% to 12.50% p.a.
b) Second charge on fixed assets of the Company	
c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani.	

Commercial Papers carry average interest rate @ 9.14% per annum for the current year (Previous Year @9.43%). These are payable within 365 days from the date of drawdown.

## 22. TRADE PAYABLES

Particulars	₹ In lakhs	
	As at 31st March 2019	As at 31st March 2018
Trade payables (for related party, refer note 38)	30,034.84	24,029.75
<b>Total</b>	<b>30,034.84</b>	<b>24,029.75</b>

## 23. REVENUE FROM OPERATIONS

Particulars	₹ In lakhs	
	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from Contracts with Customers :		
Sales of products	384,651.97	297,689.47
Sales of services	1,456.88	1,227.13
Other operating revenue	1,956.12	1,829.90
<b>Total</b>	<b>388,064.97</b>	<b>300,746.50</b>

23.1 Details of revenue from contracts with customers recognised by the Group, net of indirect taxes, in its statement of Profit and loss. The table below presents disaggregated revenues from contracts with customers.

### Type of Goods or Services

Particulars	₹ In lakhs
	Year ended 31st March 2019
Sale of consumer products	384,651.97
Leasing Income	1,458.98
Franchisee fees	1,437.12
Royalty income	247.59
Scrap sales	42.85
Miscellaneous Income	226.46
<b>Total revenue from contracts with customers</b>	<b>388,064.97</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### Revenue based on Geography

Particulars	(₹ In lakhs)
	Year ended 31st March 2019
India	387,767.61
Outside India	297.36
<b>Total revenue from contracts with customers</b>	<b>388,064.97</b>

### Timing of revenue recognition

Particulars	(₹ In lakhs)
	Year ended 31st March 2019
Goods transferred at a point in time	384,921.28
Services transferred over time	3,143.69
<b>Total revenue from contracts with customers</b>	<b>388,064.97</b>

23.2 The Group derives its revenue from the the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single service line. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108. (Refer Note 31 on Operating segment information.)

### 23.3 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	(₹ In lakhs)
	As at 31st March 2019
Trade receivables	67,466.28
Contract assets	166.95
Contract liabilities	798.42

Trade receivables are non interest bearing and are generally on terms of 7 to 90 days. The Group receives payments from customers based upon contractual billing schedules. Trade receivables are recorded when the right to consideration becomes unconditional.

Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

Set out below is the amount of revenue recognised from:

Particulars	(₹ In lakhs)
	As at 31st March 2019
Amounts included in contract liabilities at the beginning of the year	464.20
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	397.60
Revenue recognised from performance obligations satisfied in previous years	-

### 23.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	(₹ In lakhs)
	Year ended 31st March 2019
Revenue as per contracted price	394,949.09
Less: Discounts, rebates, refunds, credits, price concessions	(6,884.12)
<b>Revenue from contracts with customers</b>	<b>388,064.97</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 23.5 Performance Obligation

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Group has a material right but either not yet transferred control of a product or performing services over the period of time to customers. Transaction price includes the price agreed with customer, variable consideration and changes in transaction price. The transaction price of order related to unfilled, confirmed customer orders is estimated at each reporting date and payment is generally due within 7 to 90 days from delivery.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) is as follows:

Particulars	(₹ In lakhs)
	As at 31st March 2019
Within one year	798.42
More than one year	-

Open sales order as on 31 March 2019 is ₹ 123.71 lakhs.

### 24. OTHER INCOME

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Amortisation of government grant	281.49	281.49
Fair Value gain on acquisition of subsidiary	50.53	-
Operating lease rent income	458.10	307.23
Gain on sale of investment - non current	-	192.77
Interest income on:		
Inter corporate deposits	1,439.64	1,250.07
Others	231.95	29.84
Gain on disposal of property, plant and equipment	-	50.51
Provision no longer required written back (net)	79.28	-
Net Profit on foreign currency transactions and translation	293.10	38.85
Net gain on financial assets measured at FVTPL	21.39	766.96
Miscellaneous income	282.70	307.49
<b>Total</b>	<b>3,138.18</b>	<b>3,225.21</b>

### 25. COST OF MATERIALS CONSUMED

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Opening stock of raw materials and others	846.12	658.35
Add: Adjustment on acquisition of subsidiary	231.61	-
Add: Purchases	16,461.83	14,680.92
Less: Closing stock of raw materials and others	(985.58)	(846.12)
<b>Total</b>	<b>16,553.98</b>	<b>14,493.15</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Opening stock of finished goods	205.35	428.26
Add: Adjustment on acquisition of subsidiary	108.03	-
Less: Closing stock of finished goods	(273.69)	(205.35)
	<b>39.69</b>	<b>222.91</b>
Opening stock of traded goods	21,372.84	16,486.76
Less: Closing stock of traded goods	(23,425.53)	(21,372.84)
	<b>(2,052.69)</b>	<b>(4,886.08)</b>
<b>Total</b>	<b>(2,013.00)</b>	<b>(4,663.17)</b>

### 27. EMPLOYEE BENEFITS EXPENSES

Particulars	₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Salaries wages & bonus	11,566.29	10,957.41
Contribution to provident and other funds	601.62	597.85
Expenses on Employee Stock Option (ESOP) scheme (Refer note no. 37)	576.49	625.64
Staff welfare expenses	373.37	355.84
<b>Total</b>	<b>13,117.77</b>	<b>12,536.74</b>

### 28. FINANCE COSTS

Particulars	₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Interest expense on:		
Loans	7,249.20	5,106.63
Others	4.15	4.36
Other borrowing costs	94.38	145.80
<b>Total</b>	<b>7,347.73</b>	<b>5,256.79</b>

### 29. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Depreciation of property, plant and equipment (Refer note 4)	3,587.01	2,556.01
Depreciation of investment property (Refer note 4)	8.26	8.27
Amortisation of intangible assets (Refer note 4)	1,720.22	1,983.56
<b>Total</b>	<b>5,315.49</b>	<b>4,547.84</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 30. OTHER EXPENSES

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Rent	2,420.37	1,782.19
Consumables and packing material	180.26	167.11
Warehousing and distribution expenses	9,553.86	7,949.92
Electricity expenses	1,256.78	1,021.01
Advertisement, publicity and selling expenses	2,995.78	2,157.28
Commission and brokerage	30.74	528.35
Labour contract charges	3,938.95	3,563.70
Repairs and maintenance		
Plant and Machinery	277.25	294.39
Buildings	22.93	31.26
Others	132.39	210.79
Legal and professional charges	1,888.38	1,759.26
Rates & taxes	976.93	432.10
Insurance	135.50	99.62
Auditor's remuneration	165.20	122.27
Directors sitting fees	30.88	34.67
Loss on sale/retirement of property plant and equipment	39.49	16.70
Loss on sale/write off of investment	-	170.01
Donation	2.12	0.93
Brand royalty	136.53	189.12
Impairment allowance on trade receivable and advances written off	253.66	188.03
Miscellaneous expenses	4,824.42	3,554.41
<b>Total</b>	<b>29,262.42</b>	<b>24,273.12</b>

### 31 SEGMENT INFORMATION

The Group is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single reporting segment. Hence there is no separate reportable segment under Indian Accounting Standard on Ind AS 108 'Operating Segment'.

#### 31.1 Geographic Information

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from operations from customers within India	387,767.62	300,732.72
Revenue from operations from customers outside India	297.36	13.78
<b>Total</b>	<b>388,064.97</b>	<b>300,746.50</b>

#### 31.2 Major Customer

Top customer which individually contribute more than 10% of Group's total revenue.

Particulars	(₹ In lakhs)	
	Year ended 31st March 2019	Year ended 31st March 2018
Future Retail Limited	284,658.97	212,574.37



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 32 EARNINGS PER SHARE (EPS)

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	Year ended	Year ended
	31st March 2019	31st March 2018
Profit/(Loss) for the year after adjusting non-controlling interest (₹ in lakhs)	(638.75)	(2,598.42)
Weighted average number of equity shares outstanding for basic EPS	1,904,812,833	1,872,009,544
Add : Weighted average number of potential equity shares on account of Employee Stock Options Outstanding	4,182,797	13,684,741
Weighted average number of equity shares outstanding for diluted EPS	1,908,995,629	1,885,694,284
Earnings per share (₹)		
Basic	(0.03)	(0.14)
Diluted	(0.03)	(0.14)

### 33.1 DETAILS OF THE SUBSIDIARIES

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of the subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at	As at
			31st March 2019	31st March 2018
Aadhaar Wholesale Trading and Distribution Limited	Rural retailing	India	100.00%	100.00%
Future Food and Products Limited	Food processing	India	100.00%	100.00%
Future Consumer Products Limited	Branding	India	90.00%	90.00%
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	Food processing	India	100.00%	100.00%
FCEL Overseas FZCO	Distribution	UAE	60.00%	60.00%
FCEL Food Processors Limited	Food processing	India	100.00%	100.00%
The Nilgiri Dairy Farm Private Limited	Manufacturing and distribution	India	100.00%	100.00%
Appu Nutritions Private Limited	Manufacturing and distribution	India	100.00%	100.00%
Nilgiri's Mechanised Bakery Private Limited	Distribution	India	100.00%	100.00%
Nilgiris Franchise Limited (Formerly known as Nilgiris Franchise Private Limited)	Back end Support	India	100.00%	100.00%
FCL Tradevest Private Limited (with effect from 24 December 2018)	Manufacturing and distribution	India	100.00%	NA
Affluence Food Processors Private Limited (upto 5 November 2018)	Manufacturing and distribution	India	100.00%	NA
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	Operation and maintenance of food park	India	99.93%	83.17%
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	Distribution	India	100.00%	100.00%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 33.2 Investments in associate

#### Aggregate information of associate that is not individually material

Particulars	As at	
	31st March 2019	31st March 2018
The Group's share of loss from continuing operations	-	(73.02)
The Group's share of other comprehensive income	-	-
The Group's share of total comprehensive income	-	(73.02)

(₹ In lakhs)

Particulars	As at	
	31st March 2019	31st March 2018
Aggregate carrying amount of the Group's interests in the associate	-	170.01
Less: Impairment of investment	-	170.01
Aggregate carrying amount of the Group's interests in the associate	-	-

(₹ In lakhs)

Sarjena Foods Private Limited ("SFPL") is an associate of the Group although the Group owns a 19.59% ownership interest. The Group has significant influence over SFPL by virtue of its contractual right to appoint one out of three directors to the Board of Directors of that company.

Due to the significant influence exercised by the Group on Amar Chitra Katha Private Limited (ACK) as per the terms of the Shareholders and Debenture Holders agreement (Refer note 45), the Group has identified ACK as an associate entity. Accordingly, the investment in CCDs of ACK are held at cost. Further, since the Group does not currently hold any equity shares of ACK, the Group has not recognized any share of profit or loss of ACK under the equity method.

### 33.3 Investments in Joint Ventures

#### Aggregate information of Joint Ventures that are not individually material

Particulars	As at	
	31st March 2019	31st March 2018
The Group's share of loss from continuing operations	(2,863.41)	(2,301.05)
The Group's share of other comprehensive income	0.67	8.43
The Group's share of total comprehensive income	(2,862.75)	(2,292.62)

(₹ In lakhs)

Particulars	As at	
	31st March 2019	31st March 2018
Aggregate carrying amount of the Group's interests in these Joint Ventures (excluding preference shares held)	1,153.87	2,250.81

(₹ In lakhs)

Apart from change in group's ownership interest in Amar Chitra Katha (Refer note 45.1) and Fonterra Future Dairy Private Limited, there were no changes in the group's ownership interest in Joint Ventures during the year. There are no significant restrictions on the ability of Joint Ventures to transfer funds to the Group in the form of cash, dividends, or to repay loans or advances made by the Group.

## 34 LEASING ARRANGEMENTS

### Operating Lease

The Group has entered into operating lease arrangements for its warehouses, office premises etc. These leasing arrangements are cancellable except during the lock in period, and are renewable on a periodic basis by mutual consent on mutually acceptable terms. Lease payments recognised in the Consolidated Statement of Profit and Loss for the year 2018-2019 is ₹ 2,420.37 lakhs (Previous Year: ₹ 1,782.19 lakhs).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

The total of future minimum lease payments during lock in period of operating leases for each of the following periods:

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Not later than one year	162.34	165.77
Later than one year and not later than five years	260.32	397.11
Later than five years	-	17.87

### Finance Lease

One of the subsidiaries of the Group has acquired land allotted by Government of Karnataka on lease Cum sale basis for construction of Mega Food Park wherein the land would be transferred to the subsidiary during the period of the agreement or on completion of the conditions mentioned in the agreement or at the end of 25 years or extended period. The said land has been disclosed in note 4 - Property, plant and equipment as lease hold land, the amount of lease cost incurred during the year is ₹ 3.84 lakhs ( Previous Year: ₹ 3.39 lakhs).

The disclosure for minimum lease payment are given below :-

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Not later than one year	3.39	3.39
Later than one year and not later than five years	13.56	13.56
Later than five years	48.59	1.13

### Operating Lease - As Lessor

One of the subsidiaries of the Group has entered into agreements with customers in respect of lease of infrastructure wherein the leases are non-cancellable as per the terms mentioned in the agreement during the lockin period. The future minimum lease payments receivable under non-cancellable period of operating leases in the aggregate and for each of the following periods.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Not later than one year	431.39	174.89
Later than one year and not later than five years	1,402.68	481.44
Later than five years	992.47	815.37

Lease income for the year 2018-19 is ₹ 458.10 lakhs (Previous Year: ₹ 307.23 lakhs)

## 35 EMPLOYEE BENEFIT PLANS

### Defined Contribution Plan

The Group's contribution to provident fund, employee state insurance are determined under the relevant schemes and / or statute and charged to the Consolidated Statement of Profit and Loss.

### Defined Benefit Plans

#### Gratuity

The Group 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 Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits 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 benefits are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting. The Group's obligation towards Gratuity is a Defined Benefit Plan which is not funded except for few subsidiaries where it is funded.

The plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

### Interest risk

A decrease in the bond interest rate will increase the plan liability; however this will be partially offset by an increase in the return on the plan's debt investments.

### 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.

### Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at	As at
	31st March 2019	31st March 2018
1. Discount rate	7% - 7.75%	7.20% - 7.70%
2. Salary escalation	5% - 10%	5% - 10%
3. Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
4. Withdrawal rate	20% to 2% Age based	20% to 1% Age based
5. Retirement age	58 years	58 years

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

### Balances of defined benefit plan

Particulars	₹ In lakhs	
	As at 31st March 2019	As at 31st March 2018
Present value of defined benefit obligation	976.60	924.33
Fair value of plan assets	(100.52)	(95.55)
<b>Net liability arising from gratuity</b>	<b>876.08</b>	<b>828.78</b>

Effective 1st January, 2018, The Nilgiri Dairy Farm Private Limited ('NDFPL') has transferred the operations to a third party. Pursuant to this arrangement, employees of NDFPL as on the date of transfer and the related liabilities post transfer has also been transferred to the third party, amounting to ₹ 70.92 lakhs (Previous Year ₹ 72.94 lakhs). Hence, the Group has performed the valuation of liability as on 31st December, 2017 which is shown under Other financial liabilities as "Other payables".

### Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in Consolidated Statement of profit and loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>A. Components of expense recognised in the Consolidated Statement of Profit and Loss (in employee benefit expenses)</b>		
Current service cost	142.02	123.20
Past service cost and (gain)/loss from settlements	(4.69)	68.61
Net interest expenses	53.92	38.52
<b>Total (A)</b>	<b>191.25</b>	<b>230.33</b>
<b>B. Components of defined benefit costs recognised in other comprehensive income</b>		
Remeasurement on the net defined benefit liability:	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	(0.51)
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(0.44)	(17.17)
Actuarial gains and losses arising from experience adjustments	(9.90)	152.31
Adjustments for restrictions on the defined benefit asset	-	-
<b>Total (B)</b>	<b>(10.34)</b>	<b>134.63</b>
<b>C. Movements in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	924.33	636.96
Current service cost	142.02	123.20
Interest cost	53.92	38.52
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	5.08	-
Actuarial gains and losses arising from changes in financial assumptions	5.27	(17.28)
Actuarial gains and losses arising from experience adjustments	(50.31)	150.67
Acquisition / Divestiture/Trf Out	(23.25)	
Past service cost	-	70.10
Benefits paid	(80.46)	(77.84)
<b>Closing defined benefit obligation (C)</b>	<b>976.60</b>	<b>924.33</b>
<b>D. Movements in the fair value of the plan assets</b>		
Opening fair value of plan assets	95.55	87.62
Interest income	4.69	6.83
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	0.28	1.10
Contributions from Group	-	-
Contributions from plan participants	-	32.81
Actuarial gain/ (loss) on plan asset	-	-
Assets acquired/ (settled) in a business combination	-	-
Benefits paid	-	(32.81)
<b>Closing fair value of plan assets (D)</b>	<b>100.52</b>	<b>95.55</b>

### Category wise plan assets

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Central government securities	-	72.03
Insurer managed funds	100.52	23.52
<b>Total</b>	<b>100.52</b>	<b>95.55</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 36 FINANCIAL INSTRUMENTS AND RISK REVIEW

#### 36.1 Capital Management

The Group being in a working capital intensive industry, its objective is to maintain a strong credit rating healthy ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group's capital requirement is mainly to fund its capex, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Group is not subject to any externally imposed capital requirements except financial covenant agreed with lenders.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing capex, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

#### Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Debt (i)	81,366.81	61,765.77
Cash and bank balances (iii)	6,922.72	4,527.94
Net debt	74,444.09	57,237.83
Equity (ii)	99,021.07	99,525.16
Net debt to equity ratio	0.75	0.58

- (i) Debt is defined as long and short-term borrowings and includes current maturities of long term debt.
- (ii) Equity includes all capital and reserves of the Group that are managed as capital.
- (iii) Cash and bank balances includes bank deposits with more than 12 months maturity shown under other financial assets.

#### 36.2 Categories of financial instruments

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Cash and bank balances	6,836.08	4,475.21
Investments in certificate of deposits and others	0.55	0.30
Trade receivables	67,466.28	49,284.46
Loans	6,861.15	11,737.33
Other financial assets	7,927.09	6,031.96
Investments in debentures	4,976.91	-
<b>Measured at fair value through profit and loss (FVTPL)</b>		
Investment in preference shares	753.79	434.29
Investments in debentures	-	892.80
Investments in equity shares	3.01	2.59
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowing*	81,366.81	61,765.77
Trade payable	30,034.84	23,909.21
Other financial liabilities	4,175.54	4,248.83
<b>Measured at fair value through profit and loss (FVTPL)</b>		
Currency swap liability	-	25.04

\* includes current maturity of long term borrowings

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets measured at FVTPL. The carrying amount reflected above represents the Group's maximum exposure to credit risk for such Financial assets.

### 36.3 Financial risk management objectives

The Group has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

### 36.4 Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, interest rates and other price risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide principles on foreign exchange risk and interest rate risk. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

### 36.5 Foreign Currency Risk Management

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a Forex policy approved by the Board of Director.

All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates.

The Year end foreign currency exposures are given below :-

Particulars	Foreign Currency	As at 31st March 2019		As at 31st March 2018	
		Amount in Foreign Currency	Amount Rupees	Amount in Foreign Currency	Amount Rupees
(Amt. in lakhs)					
<b>Receivables :</b>					
Trade receivables & loans given (unhedged)	USD	65.51	4,531.50	57.08	3,712.88
<b>Payables :</b>					
Trade payables	USD	3.35	231.72	61.59	4,005.88
	CHF	2.92	203.28	3.28	223.91
	EUR	-	-	4.16	330.09
Borrowings	USD	41.25	2,853.32	5.91	384.36
	EUR	-	-	-	-
<b>Total Payables</b>			<b>3,288.31</b>		<b>4,944.24</b>
Of the above payables:					
Hedged by derivative contracts		-	-		313.53
Unhedged payables			3,288.31		4,630.71

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### Foreign exchange risk sensitivity:

10% is the sensitivity 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. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

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:

Foreign currency	(Amt in lakhs)			
	As at 31st March 2019		As at 31st March 2018	
	10% strengthen	10% weakening	10% strengthen	10% weakening
USD	(144.65)	144.65	(36.38)	36.38
CHF	20.33	(20.33)	(22.39)	22.39
EURO	-	-	(33.01)	33.01

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.

A subsidiary of the Company has long term foreign currency borrowings as on 31st March 2019 which have been utilised for the purchase of Property Plant and Equipments. The Company has opted for the exemption given in paragraph 13AA of Appendix D to IND AS 101 and has adjusted the foreign exchange difference on such borrowings to the cost of Property Plant and Equipments. Accordingly, the Exchange Gain/(Loss) on such borrowings ₹ 266.37 lakhs (Previous Year ₹ (13.89) lakhs) have been included in the cost of Property Plant and Equipments and depreciation of ₹ (20.86) lakhs (Previous Year ₹ (0.42) lakhs) have been provided on the same.

### 36.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like commercial paper and short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Group hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk.

The following table provides break-up of Group's fixed and floating rate borrowings:

Particulars	(₹ In lakhs)	
	As at	As at
	31st March 2019	31st March 2018
Variable interest rate borrowings	43,992.34	22,379.73
Fixed interest rate borrowings	37,374.48	39,386.04
<b>Total</b>	<b>81,366.82</b>	<b>61,765.77</b>
Of the above hedged by currency swaps	-	313.53

### Interest rate risk sensitivity:

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.



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If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit. A positive is increase in profit and negative is decrease in profit.

Particular	(₹ In lakhs)			
	As at 31st March 2019		As at 31st March 2018	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Impact on profit	(219.96)	219.96	(111.90)	111.90

### 36.7 Other price risks

The Group's exposure to other risks arises from investments in preference shares and debentures amounting to ₹ 753.79 lakhs (Previous Year: ₹ 1,327.09 lakhs). The investments are held for strategic rather than trading purpose.

The sensitivity analysis below have been determined based on the exposure to price risk at the end of the reporting period. If the price of the above instrument had been 5% higher / lower, profit for the year ended 31st March 2019 would increase/decrease by ₹ 37.69 lakhs (Previous year by ₹ 66.35 lakhs)

### 36.8 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from entering into derivative financial instruments and from deposits with banks and financial institutions, as well as from credit exposures to customers, including outstanding receivables.

The Group has adopted a policy of only dealing with creditworthy counterparties. Detailed KYC documentation is done before the transaction is done with the customers. Also, majority of Group's sales is to other Future Group Companies, hence the risk of realisation of sales money is minimised. The Group's exposures are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. Ongoing credit evaluation is performed on the financial condition of accounts receivables. Also periodic reconciliation is being done with the customers. There is no history of Bad Debts in the Group.

Apart from Future Retail Limited, being the largest customer of the Group, the Group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to Future Retail Limited as at 31st March 2019 is 86% (As at 31st March 2018: 82%) of gross trade receivable as at the end of reporting period. No other single customer accounted for more than 10% of total trade receivable.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The average credit period on sales of goods is 7 to 90 days. No interest is charged on trade receivables.

In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables. It takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the past due receivables. There has been no significant change in the credit quality of receivables past due for more than 180 days.

### Age of receivables

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
0-60 days	56,858.77	42,739.91
61 to 90 days	6,768.13	8,894.72
91 to 180 days	5,829.40	1,412.47
more than 180 days	3,910.81	1,949.71
Less :- Inter company elimination	(5,900.83)	(5,712.35)
<b>Total</b>	<b>67,466.28</b>	<b>49,284.46</b>

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### 36.9 Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for long term capital expenditure for capex. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Particulars	Weighted average effective interest rate				₹ In lakhs)	
		Less than 1 year	1 to 5 years	5 years and above	Total	Carrying amount
<b>As at 31st March 2019</b>						
Variable interest rate borrowings	9.88%					
Principal		42,650.05	1,427.35	-	44,077.40	43,992.34
Interest		4,212.73	140.99	-	4,353.72	
Fixed interest rate borrowings	11.32%					
Principal		11,527.50	26,545.00	-	38,072.50	37,374.48
Interest		3,999.52	8,394.04	-	12,393.56	
Currency swap		-	-	-	-	
Financial guarantee contracts		2,311.94	2,851.10	-	5,163.04	
Non interest bearing (Trade payable, deposits etc.)		33,067.95	77.48	-	33,145.43	
<b>As at 31st March 2018</b>						
Variable interest rate instruments	9.54%					
Principal		19,581.45	2,809.23	-	22,390.68	22,379.73
Interest		2,010.90	146.79	-	2,157.69	-
Fixed interest rate instruments	10.98%					
Principal		11,105.87	24,167.52	4,438.51	39,711.90	39,386.04
Interest		3,194.91	9,239.95	1,508.49	13,943.35	-
Currency swap		313.53	-	-	313.53	-
Financial guarantee contracts		1,649.49	2,987.88	-	4,637.37	4,637.37
Non interest bearing (trade payable, deposits etc.)		29,505.33	-	-	29,505.33	29,505.33

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Group has ₹ 6769.37 lakhs (Previous Year ₹ 18,118.47 lakhs) undrawn facilities at its disposal to further reduce liquidity risks.

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### 36.10 Fair Value Measurement and related disclosures

Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Carrying Value / Fair value		Fair value hierarchy
	As at	As at	
	31st March 2019	31st March 2018	
(₹ In lakhs)			
<b>Financial assets at Fair Value Through Profit and Loss (FVTPL)</b>			
0% Optionally convertible debenture of Capital Foods Private Limited (Refer notes 5 & 11)	-	892.8	Level 2
0% Non cumulative redeemable preference share (Refer note 5)	753.79	434.29	Level 2
Equity investment in Karnataka Bank Limited (Refer note 11)	3.01	2.59	Level 1
<b>Financial liabilities at Fair Value Through Profit and Loss (FVTPL)</b>			
Currency swap (Refer note 18)	-	25.04	Level 2

#### Financial assets and financial liabilities that are not measured at fair values (but fair values disclosures are required)

The Group considers that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

## 37 SHARE BASED PAYMENTS

### 37.1 Details of the employee share based plan of the Company

- a) The ESOP scheme titled "FVIL Employees Stock Option Plan 2011" (ESOP 2011) was approved by the shareholders at the Annual General Meeting held on 10th August 2010. 5,00,00,000 options are covered under the ESOP 2011 for 5,00,00,000 shares. Post listing of equity shares on the stock exchanges, the Shareholders have ratified the pre-IPO scheme. In the previous years, the Nomination and Remuneration / Compensation Committee of the holding Company has granted 3,45,35,000 options under ESOP 2011 to certain directors and employees of the Company and some of its Subsidiaries. The options allotted under ESOP 2011 are convertible into equal number of equity shares.

The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

- b) The ESOP scheme titled "Future Consumer Enterprise Limited - Employee Stock Option Plan 2014" was approved by the Shareholders vide resolution passed at the Extra Ordinary General Meeting held on 12th January, 2015 and through postal ballot on 12th May 2015 in respect of grant of 3,19,50,000 options under primary route (ESOP 2014-Primary) and 7,98,00,000 options under secondary market route (ESOP 2014-Secondary). ESOP 2014 has been implemented through a trust route whereby Vistra ITCL India Limited (Formerly IL&FS Trust Company Limited) has been appointed as the Trustee who monitors and administers the operations of the Trust.

In the previous years, the Nomination and Remuneration / Compensation Committee has at its meeting held on 14th August, 2017 and 8th November, 2017 granted 35,00,000 options and 49,00,000 options respectively under secondary market route (ESOP 2014-Secondary) to certain Directors / employees of the Holding Company and some of its Subsidiaries under the primary route. The options allotted under ESOP 2014 are convertible into equal number of equity shares. The exercise price per Option for shares granted under the secondary market route shall not exceed market price of the Equity Share of the Holding Company as on date of grant of Option or the cost of acquisition of such equity shares to the Trust applying FIFO basis, whichever is higher. The exercise price per Option for shares granted under the primary route shall not exceed market price of the Equity Share of the Holding Company as on date of grant of Option, which may be decided by the Nomination and Remuneration / Compensation Committee.

The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

In the current year, there were no grants granted.

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The following share-based payment arrangements were in existence during the current and prior years:

Option scheme	No. of Options Granted	Grant date	Expiry date	Exercise price (₹)	Share Price at Grant date	Fair value at grant date (₹)
ESOP 2011	15,000,000	26.12.2015		6.00	26.15	22.49
ESOP 2014-Secondary	15,950,000	15.05.2015		Note-2 below	11.20	7.05
ESOP 2014-Secondary	3,500,000	14.08.2017	Note-1 below	Note-2 below	41.25	17.71
ESOP 2014-Secondary	4,900,000	08.11.2017		Note-2 below	60.95	31.03
ESOP 2014-Primary	10,000,000	12.08.2016		21.40	21.50	11.42

Note-1 The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

Note-2 Market price of the Equity Share of the Group as on date of grant of Option or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher.

**37.2** 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 into the model	ESOP 2011	ESOP 2014-Secondary Grant 1	ESOP 2014-Primary	ESOP 2014-Secondary Grant 2	ESOP 2014-Secondary Grant 3
Expected volatility (%)	56.55%	64.18%	48.88%	38.68%	44.85%
Option life (Years)	4-6	4-6	4-6	4-6	4-6
Dividend yield (%)	0%	0%	0%	0%	0%
Risk-free interest rate (Average)	7.82% - 8.09%	7.55% - 7.91%	7.12%-7.25%	6.43% - 6.64%	6.67% - 6.88%

### 37.3 Movement in share options during the year

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

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period				
ESOP 2011	5,025,017	6.00	10,650,000	6.00
ESOP 2014 secondary	15,441,500	Refer Note-2 above	12,288,000	Refer Note-2 above
ESOP 2014 primary	7,282,000	21.40	9,500,000	21.40
Granted during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	-	-	8,400,000	Refer Note-2 above
ESOP 2014 primary	-	-	-	-
Forfeited during the period				
ESOP 2011	200,000	6.00	2,100,000	6.00
ESOP 2014 secondary	139,980	Refer Note-2 above	1,315,000	Refer Note-2 above
ESOP 2014 primary	800,000	21.40	800,000	21.40
Exercised during the period				
ESOP 2011	4,625,017	6.00	3,524,983	6.00
ESOP 2014 secondary	3,417,520	Refer Note-2 above	3,931,500	Refer Note-2 above
ESOP 2014 primary	2,404,000	21.40	1,418,000	21.40
Expired during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	-	-	-	-
ESOP 2014 primary	-	-	-	-
Balance at end of period				
ESOP 2011	200,000	6.00	5,025,017	6.00
ESOP 2014 secondary	11,884,000	Refer Note-2 above	15,441,500	Refer Note-2 above
ESOP 2014 primary	4,078,000	21.40	7,282,000	21.40

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### 37.4 Share options exercised during the year

The following share options were exercised during the year:

Options scheme	Number exercised	Exercise date	Share price at exercise date (₹)
ESOP 2011	4,625,017	Various dates	Wt. Avg- 45.84
ESOP 2014 secondary	3,417,520	Various dates	Wt. Avg- 51.49
ESOP 2014 primary	2,404,000	Various dates	Wt. Avg- 47.08

### 37.5 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 1194 days (Previous year: 1331 days).

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

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
ESOP 2011	200,000	225,017
ESOP 2014 secondary	5,164,000	1,014,000
ESOP 2014 primary	328,000	482,000

### 37.6 The expense recognised for employee services received during the year is shown in the following table:

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Expenses arising from equity settled share based payment transactions	576.49	647.57
<b>Total expenses arising from share based transactions</b>	<b>576.49</b>	<b>647.57</b>

(₹ In lakhs)

## 38 RELATED PARTY TRANSACTION

### 38.1 Name of Related Party and Nature of Relationship

#### a) Associates

Sarjena Foods Private Limited  
Amar Chitra Katha Private Limited (with effect from 14 December 2018)

#### b) Joint Venture

Mibelle Future Consumer Products AG  
Mibelle India Consumer Products Private Limited (with effect from 22 May 2018)  
Amar Chitra Katha Private Limited (upto 13 December 2018)  
ACK Media Direct Limited (upto 13 December 2018)  
IBH Books & Magazines Distributors Limited (upto 13 December 2018)  
Ideas Box Entertainment Limited (upto 13 December 2018)  
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)  
Aussee Oats Milling (Private) Limited  
MNS Foods Limited (Formerly known as MNS Foods Private Limited)  
Genoa Rice Mills Private Limited  
Avante Snack Foods Private Limited  
Hain Future Natural Products Private Limited  
Affluence Food Processors Private Limited (upto 5 November 2018)  
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)  
Fonterra Future Dairy Private Limited (with effect from 1 December 2018)

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### c) Key Management Personnel (KMP) and their relatives

#### Executive Directors

Mr. Narendra Baheti  
Ms. Ashni Biyani

#### Non Executive Directors

Mr. Kishore Biyani  
Mr. Ghyanendra Nath Bajpai  
Mr. Adhiraj Harish  
Ms. Vibha Rishi (Ceased to be director with effect from 14 September 2018)  
Mr. Fredric De Mevius  
Mr. K K Rathi  
Mr. Harminder Sahni (Appointed with effect from 14 September 2018)

#### Relatives of KMP

Mr. Rajendra Baheti  
Ms. Archana Baheti  
Ms. Sunder Devi Baheti  
Mr. Amulya Baheti

### d) Entities controlled / having significant influence by KMP and their relatives

Premium Harvest Limited  
Future Ideas Company Limited  
Future Enterprises Limited  
Greatway Agro Farms Private Limited (upto 26 October 2018)  
TDI Textiles Mills Private Limited  
Future Retail Limited  
Future Lifestyle Fashions Limited  
Future Supply Chain Solutions Limited

### 38.2 Transactions with Related Party

Nature of transactions	(₹ In lakhs)			
	Associates	Joint Venture	Key Management Personnel (KMP) and Close members of KMP	Entities controlled / having significant influence by KMP and their relatives
Purchase of property, plant and equipment	-	-	-	39.68
	(-)	(-)	(-)	(361.14)
Sale of property, plant and equipment	-	-	-	-
	(-)	(6.78)	(-)	(-)
Inter corporate deposits given	-	8,246.83	-	-
	(-)	(8,261.91)	(-)	(-)
Inter corporate deposits received back	-	10,997.43	-	2,000.00
	(-)	(4,914.23)	(-)	(-)
Investment in Preference shares	-	300.00	-	-
	(-)	(-)	(-)	(-)
Investments in Debentures	-	4,977.00	-	-
	(-)	(-)	(-)	(-)
Investments in Equity Shares	-	1,651.81	-	-
	(-)	(1,238.37)	(-)	(-)
Loan Given	-	689.82	-	-
	(-)	(-)	(-)	(-)
Loan Taken	-	417.82	-	-
	(-)	(-)	(-)	(-)
Security deposit received	-	-	-	-
	(-)	(30.32)	(-)	(-)
Advance received	-	-	-	-
	(-)	(52.04)	(-)	(-)
Advances given	-	-	-	75.45
	(-)	(11.90)	(-)	(-)

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(₹ In lakhs)				
Nature of transactions	Associates	Joint Venture	Key Management Personnel (KMP) and Close members of KMP	Entities controlled / having significant influence by KMP and their relatives
Corporate guarantees given	- (-)	2,413.00 (1,500.88)	- (-)	- (-)
Share application	- (-)	250.00 (720.00)	- (-)	- (-)
Sale of products	- (-)	3,875.51 (1,606.63)	- (-)	288,658.43 (213,356.60)
Royalty income	- (-)	- (-)	- (-)	7.59 (235.21)
Interest income	5.55 (-)	1,104.17 (923.60)	- (-)	250.00 (250.00)
Rent income	- (-)	377.11 (501.59)	- (-)	- (246.30)
Franchise fees income	- (-)	- (-)	- (-)	603.70 (202.78)
Recovery of expenses	- (-)	527.50 (522.96)	- (-)	876.30 (169.78)
Purchase of goods	348.35 (537.59)	10,511.70 (5,904.25)	- (-)	11,362.59 (9,850.89)
Managerial remuneration*	- (-)	- (-)	1,083.79 (980.09)	- (-)
Rent expenses	- (-)	- (-)	23.69 (17.62)	968.00 (676.69)
Finance cost	- (-)	5.18 (2.89)	- (-)	- (-)
Warehousing and distribution charges	- (-)	- (-)	- (-)	2,193.90 (1,729.84)
Sitting fees	- (-)	- (-)	19.75 (19.00)	- (-)
Marketing expenses	- (-)	- (-)	- (-)	1,019.19 (296.46)
Other Income	- (-)	51.00 (-)	- (-)	- (-)
Other expenses	- (-)	37.67 (-)	- (-)	10.80 (90.98)

\*includes share based payments to managerial personnel

(₹ In lakhs)				
Balance as at 31st March, 2019				
Nature of transactions	Associates	Joint Venture	Key Management Personnel (KMP) and Close members of KMP	Entities controlled / having significant influence by KMP and their relatives
Trade and other receivable	163.10 (131.79)	1,102.43 (666.29)	- (-)	58,369.49 (40,818.24)
Interest receivable	117.77 (-)	758.03 (787.27)	- (-)	- (377.57)
Inter corporate deposits outstanding	150.00 (-)	6,016.46 (9,187.79)	- (-)	- (2,000.00)
Security deposit given outstanding	- (-)	25.03 (-)	- (-)	- (-)
Loan Given Outstanding	- (-)	691.39 (-)	- (-)	- (-)
Loan Outstanding Payable	- (-)	419.39 (-)	- (-)	- (-)
Advances given outstanding	- (-)	- (11.90)	- (-)	- (-)
Security deposit received outstanding	- (-)	125.00 (155.32)	- (-)	- (-)
Trade and other payables	- (-)	1,594.19 (1,351.75)	- (-)	2,513.56 (1,489.90)
Corporate guarantees outstanding	- (-)	5,163.04 (10,311.68)	- (-)	- (-)

Figures in bracket represent previous year's figures.

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### 38.3 Disclosure in respect of Material Transactions with Related Parties

Nature of transactions	₹ In lakhs)	
	2018-19	2017-18
<b>Purchase of property, plant and equipments</b>		
Future Retail Limited	39.68	-
Premium Harvest Limited	-	350.00
<b>Sale of property, plant and equipments</b>		
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	-	6.04
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	0.74
<b>Investment in Equity shares</b>		
Mibelle Future Consumer Products AG	285.99	480.54
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	107.80	108.10
Aussee Oats Milling (Private) Limited	18.84	555.66
Fonterra Future Dairy Private Limited	250.00	-
Hain Future Natural Product Private Limited	804.00	-
<b>Advances given</b>		
Future Enterprises Limited	75.45	-
<b>Investments in Debentures</b>		
Amar Chitra Katha Private Limited	4,976.91	-
<b>Investment in preference shares</b>		
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	300.00	-
<b>Inter corporate deposits given</b>		
Amar Chitra Katha Private Limited	3,838.50	4,253.32
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	811.00	-
Aussee Oats Milling (Private) Limited	408.86	1,740.01
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	980.90	-
<b>Inter corporate deposits received back</b>		
Amar Chitra Katha Private Limited	7,941.82	3,149.98
Future Retail Limited	2,000.00	-
Aussee Oats Milling (Private) Limited	234.64	640.90
<b>Security deposit received</b>		
Avante Snack Foods Private Limited	-	8.07
Hain Future Natural Products Private Limited	-	4.11
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	-	7.62
Genoa Rice Mills Private Limited	-	-
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	10.53
<b>Advance received</b>		
Hain Future Natural Products Private Limited	-	17.48
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	-	27.92
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	5.11
<b>Corporate guarantees given</b>		
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	825.00	-
Hain Future Natural Product Private Limited	1,588.00	-
Aussee Oats Milling (Private) Limited	-	1,300.88
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	-	200.00
<b>Share application</b>		
Hain Future Natural Products Private Limited	-	645.00
Affluence Food Processors Private Limited	-	75.00
Fonterra Future Dairy Private Limited	250.00	-
<b>Loan Taken</b>		
Mibelle Future Consumer Products AG	417.82	-
<b>Loan Given</b>		
Mibelle India Consumer Products Private Limited	689.82	-
<b>Sale of products</b>		
Future Retail Limited	284,658.97	212,574.37
Premium Harvest Limited	319.89	651.79
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	192.39	125.47



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

Nature of transactions	2018-19	2017-18
		(₹ In lakhs)
<b>Other Income</b>		
Mibelle India Future Consumer Products Limited	37.67	-
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	6.67	-
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	6.67	-
<b>Royalty income</b>		
Future Retail Limited	3.24	217.75
Future Lifestyle Fashions Ltd	4.35	-
<b>Interest income</b>		
Amar Chitra Katha Private Limited	414.19	462.95
Aussee Oats Milling (Private) Limited	397.45	288.72
Future Retail Limited	250.00	250.00
<b>Rent income</b>		
Future Supply Chain Solutions Limited	-	246.30
Genoa Rice Mills Private Limited	254.48	250.00
Hain Future Natural Products Private Limited	-	73.69
Affluence Food Processors Private Limited	120.98	-
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	1.65	47.00
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	-	93.94
<b>Franchise fees income</b>		
Future Retail Limited	603.70	202.78
<b>Recovery of expenses</b>		
Future Retail Limited	876.30	169.57
Genoa Rice Mills Private Limited	-	78.23
Hain Future Natural Products Private Limited	1.21	70.85
Mibelle India Consumer Products Private Limited	211.75	-
Fonterra Future Dairy Private Limited	240.65	-
Mibelle Future Consumer Products AG	56.87	283.06
Sublime Foods Limited	8.51	56.12
<b>Purchase of goods</b>		
Aussee Oats Milling (Private) Limited	2,447.92	-
Genoa Rice Mills Private Limited	3,056.64	-
Premium Harvest Limited	9,792.97	8,794.03
<b>Finance Cost</b>		
Avante Snack Foods Private Limited	1.49	0.90
Mibelle Future Consumer Products AG	1.65	-
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	0.95	0.85
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	1.32	1.15
<b>Managerial remuneration</b>		
Ms. Ashni Biyani	170.51	84.89
Mr. Narendra Baheti *	806.43	788.65
Mr. Rajendra Baheti	94.20	90.83
<b>Rent expenses</b>		
Future Retail Limited	570.18	520.65
Future Supply Chain Solutions Limited	181.95	105.32
Premium Harvest Limited	90.52	50.71
Archana Baheti	12.63	8.09
<b>Warehousing and distribution charges</b>		
Future Supply Chain Solutions Limited	2,193.90	1,729.84
<b>Sitting fees</b>		
Mr. Ghyanendra Nath Bajpai	4.25	4.75
Mr. Kishore Biyani	3.25	3.00
Mr. Adhiraj Harish	3.50	4.25
Mr. K K Rathi	4.00	3.50
Ms. Vibha Rishi	2.00	3.00

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

	(₹ In lakhs)	
Nature of transactions	2018-19	2017-18
<b>Marketing expenses</b>		
Future Retail Limited	887.85	282.06
Future Enterprises Limited	116.64	-
<b>Other expenses</b>		
Future Enterprises Limited	8.33	-
Mibelle Future Consumer Products AG	37.67	-
Premium Harvest Limited	-	83.57
<b>Balance as at 31st March 2019</b>		
Nature of transactions	2018-19	2017-18
<b>Trade &amp; Other Receivables</b>		
Future Retail Limited	57,853.72	40,545.62
Premium Harvest Limited	-	1.46
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	55.34	65.73
<b>Interest receivable</b>		
Amar Chitra Katha Private Limited	117.77	261.62
Future Retail Limited	-	377.57
Aussee Oats Milling (Private) Limited	648.19	434.36
<b>Inter corporate deposits outstanding</b>		
Future Retail Limited	-	2,000.00
Amar Chitra Katha Private Limited	150.00	4,253.32
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	725.17	-
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	658.50	-
Genoa Rice Mills Private Limited	777.40	-
Aussee Oats Milling (Private) Limited	3,274.39	2,915.90
<b>Advances given</b>		
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	-	11.90
<b>Security deposit received outstanding</b>		
Genoa Rice Mills Private Limited	125.00	125.00
<b>Loan Outstanding Payable</b>		
Mibelle Future Consumer Products AG	419.39	-
<b>Loan Given Outstanding</b>		
Mibelle India Consumer Products Private Limited	691.39	-
<b>Trade and Other payables</b>		
Future Retail Limited	238.42	956.12
Future Supply Chain Solutions Limited	750.47	350.34
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	104.57	349.44
Mibelle Future Consumer Products AG	244.13	219.23
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	264.23	265.09
Premium Harvest Limited	1,496.08	167.19
<b>Corporate guarantees outstanding</b>		
Amar Chitra Katha Private Limited	-	1,300.00
Hain Future Natural Product Private Limited	1,280.78	-
Aussee Oats Milling (Private) Limited	3,118.64	7,701.22
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	315.23	500.00
<b>Security deposit given outstanding</b>		
Hain Future Natural Product Private Limited	4.62	-
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	8.57	-
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	11.84	-

\*includes share based payments to managerial personnel

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 38.4 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2018: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### 38.5 Loans & Corporate Guarantees to Related Parties

The Group has given loans and corporate guarantees to subsidiaries and relevant joint ventures in the ordinary course of business to meet the working capital requirements of subsidiaries and joint ventures. (Refer Note 36)

### 38.6 Compensation of key management personnel

Particulars	₹ In lakhs)	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Short Term Employee Benefits	446.66	358.89
Share-based payment transactions	656.88	640.15
<b>Total compensation paid to key management personnel</b>	<b>1,103.54</b>	<b>999.04</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

This do not include the provision made for gratuity and expenses for Leave Encashment as they are determined on an actuarial basis for the Group as a whole.

### Directors interest in ESOP

Grant Date	Expiry Date	Exercise Price (₹)	Nos o/s as on 31st March 19	Nos o/s as on 31st March 18
26.12.2015	26.12.2021	6.00	NIL	800,000
12.08.2016	12.08.2022	21.40	2,500,000	4,000,000

## 39 CONTINGENT LIABILITIES

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Claims against the Group not acknowledged as debt*	77.45	49.13
Disputed Income Tax Demands	5,086.89	6,996.93
Disputed Sales Tax and Excise Matters	909.17	819.02
Corporate guarantees issued to banks and financial institutions against credit facilities issued to third parties (Loans outstanding as at 31st March 2019 ₹ 5,163.04 lakhs; Previous Year ₹ 5,234.07 lakhs)	11,413.34	11,811.68
	<b>17,486.85</b>	<b>19,676.76</b>

\* Does not include cases where liability is not ascertainable

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Group's pending litigations comprise of claims against the Group primarily by the customers and proceedings pending with tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements

There are numerous interpretative issues relating to Supreme Court (SC) judgement on Provident Fund dated 28th February 2019. As a matter of caution, management has made assessment and is of the view that above ruling does not have significant impact on the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 40 CAPITAL COMMITMENT

The estimated amount of contracts remaining to be executed on capital account as at 31st March 2019 is ₹ 1,230.79 lakhs (Previous Year ₹ 1,214.98 lakhs)

### 41 THE CARRYING AMOUNT OF GOODWILL IS AS FOLLOWS :

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
a) The Nilgiris Dairy Farm Private Limited	10,871.96	10,871.96
b) Centre of Plate (COP)	2,951.82	2,951.82
c) KBFP (Refer note 45.3)	-	614.50
d) Future Consumer Products Limited (Refer note no. 45.2)	-	1,675.97
e) Others	410.87	275.10
	<b>14,234.65</b>	<b>16,389.35</b>

Center of Plate (COP) is into the business of procuring, processing and supplying agricultural commodities in loose and packed form under various brands.

#### Goodwill

The recoverable amount of Goodwill is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management, and a discount rate based on the respective Weighted Average Cost of Capital of the respective cash-generating unit. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that budget period have been extrapolated using a steady growth rate based on the projected long-term average growth rate for the industry. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the respective cash-generating unit.

#### Key assumptions used for valuation of Goodwill are as follows :

Particulars	COP	Nilgiri
Discount rate	12.41%	17.00%
Terminal value growth rate	5.00%	5.00%
Period of cash flow projections	5	5

### 42 INVESTMENT PROPERTY

The fair value of the Group's investment properties as at 31st March, 2019 has been arrived at on the basis of a valuation carried out on the respective dates by independent valuers not related to the Group. M/s Kanti Karamsey & Co. are registered with the authority which governs the valuers in India, and they have appropriate qualifications. The fair value of land was determined based on the market approach and fair value of building was determined on cost based approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The Group has not carried out fair valuation of the property as at 31st March, 2019 as the management believes that there is no significant change in fair valuation of investment property as compared to the previous year.

#### Details with regards to fair value is given as under :

Particulars	₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Rent Income	28.71	27.31
Expenses incurred for maintenance of investment property	2.13	1.85
Fair value of Investment Property - Land and Building	1,513.17	1,513.17

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

- 43** Brand Kara and Nilgiris is considered to have indefinite useful life based on the management assessment that the same will continue to generate future cash flows for the Group indefinitely. The carrying amount for Brand Kara is ₹ 1,209 lakhs (Previous Year ₹ 1,209 lakhs) and for Brand Nilgiris ₹ 7,038 lakhs (Previous Year ₹ 7,038 lakhs). The recoverable amount of brands "Kara" and "Nilgiris" are determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 11.9% and 17% per annum respectively. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate which is the projected long-term average growth rate for the industry. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the brand.
- 44** Additional information as required by Paragraph 2 of general instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entities	(₹ in lakhs)							
	Net assets, i.e. total assets minus total liabilities As at 31st March 2019		Share in profit or (loss) For the year ended 31st March 2019		Net assets, i.e. total assets minus total liabilities As at 31st March 2018		Share in profit or (loss) For the year ended 31st March 2018	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount
Future Consumer Limited	60.74%	60,147.92	1,109.08%	7,966.59	66.96%	66,645.34	112.09%	3,434.99
<b>Subsidiaries</b>								
<b>Indian</b>								
Aadhaar Wholesale Trading and Distribution Limited	(1.37%)	(1,351.92)	(286.88%)	(2,060.67)	(0.21%)	(205.08)	(47.31%)	(1,449.80)
Future Food and Products Limited	2.60%	2,570.29	(3.70%)	(26.61)	2.42%	2,405.90	0.83%	25.35
Future Consumer Products Limited	0.06%	59.84	(4.25%)	(30.49)	1.77%	1,759.73	(0.48%)	(14.69)
FCEL Food Processors Limited	(0.00%)	(4.38)	(0.47%)	(3.41)	-	(0.97)	(0.08%)	(2.32)
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	(0.13%)	(130.78)	(23.69%)	(170.13)	0.03%	28.75	(4.22%)	(129.28)
Star and Sitara Wellness Limited	-	-	-	-	-	-	4.96%	151.94
Express Retail Services Private Limited	-	-	-	-	-	-	(0.91%)	(27.91)
The Nilgiri Dairy Farm Private Limited and subsidiaries	24.49%	24,248.73	(309.90%)	(2,226.06)	26.23%	26,105.88	(39.49%)	(1,210.09)
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	2.43%	2,403.64	(153.21%)	(1,100.49)	3.46%	3,439.64	(29.88%)	(915.50)
Affluence Food Processors Private Limited	(0.17%)	(165.12)	(23.05%)	(165.54)	-	-	-	-
FCL Tradevest Private Limited (wef 24 December 2018)	10.87%	10,765.04	(31.68%)	(227.56)	-	-	-	-
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	0.82%	808.33	65.09%	467.53	0.00%	127.94	(2.85%)	(87.23)
<b>Foreign</b>								
FCEL Overseas FZCO	(0.58%)	(570.56)	(15.66%)	(112.50)	(0.36%)	(357.40)	(6.90%)	(211.57)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

Name of the entities	(₹ in lakhs)							
	Net assets, i.e. total assets minus total liabilities As at 31st March 2019*		Share in profit or (loss) For the year ended 31st March 2019*		Net assets, i.e. total assets minus total liabilities As at 31st March 2018*		Share in profit or (loss) For the year ended 31st March 2018	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount
<b>Minority Interest in all subsidiaries</b>								
<b>Indian</b>								
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	0.00%	(1.66)	(0.11%)	(0.77)	(0.58%)	(577.54)	(10.56%)	(323.50)
Future Consumer Products Limited	0.01%	13.45	(0.53%)	(3.79)	0.00%	3.17	(0.05%)	(1.38)
<b>Foreign</b>								
FCEL Overseas FZCO	0.23%	228.23	(10.44%)	(75.00)	0.15%	149.79	(4.60%)	(141.04)
<b>Joint Ventures</b>								
<b>Indian</b>								
Amar Chitra Katha Private Limited and subsidiaries	-	-	(64.84%)	(465.75)	-	-	(31.96%)	(979.37)
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	-	-	(15.01%)	(107.80)	-	-	(1.51%)	(46.17)
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	-	(30.07%)	(216.01)	-	-	(3.52%)	(107.95)
Genoa Rice Mills Private Limited	-	-	(13.06%)	(93.80)	-	-	(1.43%)	(43.79)
Hain Future Natural Products Private Limited	-	-	(44.25%)	(317.83)	-	-	(0.00%)	(0.50)
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	-	-	1.82%	13.07	-	-	(18.19%)	(557.41)
Affluence Food Processors Private Limited	-	-	(13.97%)	(100.33)	-	-	-	-
Fonterra Future Dairy Private Limited	-	-	(83.42%)	(599.23)	-	-	-	-
<b>Foreign</b>								
Aussee Oats Milling (Private) Limited	-	-	(90.40%)	(649.32)	-	-	(0.23%)	(7.15)
Mibelle Future Consumer Products AG	-	-	(57.42%)	(412.42)	-	-	(11.32%)	(346.93)
<b>Associate</b>								
<b>Indian</b>								
Sarjena Foods Private limited	-	-	-	-	-	-	(2.38%)	(73.02)
	100.00%	99,021.07	100.00%	(718.31)	100.00%	99,525.15	100.00%	(3,064.35)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

### 45 Exceptional items

Particulars	(₹ In lakhs)	
	As at 31st March 2019	As at 31st March 2018
Net gain on sale of investments (Refer Note 45.1)	2,712.89	-
Impairment on intangibles and goodwill (Refer Notes 45.2 and 45.3)	(2,690.48)	-
<b>Total</b>	<b>22.41</b>	<b>-</b>

- 45.1** The Group has sold its stake in Amar Chitra Katha Private Limited (ACK) during the year, at a fair value price of ₹ 4,439 lakhs, and a gain of ₹ 2,712.89 lakhs on the same was included in exceptional items for the year in the Consolidated Statement of Profit and Loss. The Fair Value has been determined by an independent valuer, based on management's projected cash flows over a five year period, discounted at a rate of 18.00% per annum, which is the weighted average cost of capital for the entity. Cash flows beyond the period of five years have been extrapolated at a steady rate of 5% per annum, based on the long term average growth rate for the entity's business. Further, pursuant to the contract of sale and the Shareholders and Debenture Holders Agreement, inter corporate deposits held in ACK were converted by issue of ₹ 4,977 lakhs 0.001% Compulsorily Convertible Debentures (CCDs), which are convertible into equity shares of ACK at the fair value of those shares on the date of conversion.
- 45.2** The accumulated loss of Future Consumer Products Limited ('FCPL'), a subsidiary company, amounting to ₹ 169.60 lakhs at 31st March 2019 (2018: ₹ 131.74 lakhs) has substantially eroded its net worth. The Group does not foresee positive cash flows. Based on a business valuation, the Group has fully impaired its goodwill of ₹ 1,675.98 lakhs, included in the exceptional items during the year in the Consolidated Statement of Profit and Loss.
- 45.3** KBFP represents convenience store chain KB's Fair price and Big Apple. These stores were mainly operated in Delhi, Mumbai and Bangalore. Due to the decline in sales of these stores and based on an analysis of the recoverable value, the Group has fully impaired its Goodwill of ₹ 614.5 lakhs during the current year which is included in exceptional items in Consolidated Statement of Profit and Loss. The carrying value of Brand KBFP which was ₹ 1,288.83 lakhs as on March 31, 2019 (previous year ₹ 2,195.00 lakhs) is based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five year period, and a discount rate of 13.52% per annum. The cash flows beyond that five-year period have been extrapolated using a steady 0.25% per annum growth rate which is the expected growth rate for the convenience stores. Due to the decline in sales of these stores and based on an analysis of the recoverable value, the Group has recognized an impairment loss of ₹ 400 lakhs on this brand during the year, included in exceptional items for the year in the Consolidated Statement of Profit and Loss.

### 46 EVENTS AFTER THE REPORTING PERIOD

- (a) The Board of Directors of the Holding Company have at their meeting held on April 7, 2019 considered and approved the acquisition of business undertaking (comprising of the marketing, selling and distribution business of Athena in relation to the portfolio products/ brands namely, 'Iraya', 'D'Free', "Hair for Sure", and 'Safe & Sure') of Athena Life Sciences Private Limited ("Athena") by way of demerger, pursuant to Scheme of Arrangement between the Holding Company, Athena and their respective shareholders and creditors ("Scheme"), subject to such further consents and approvals that may be required.

Consideration would be discharged by the Company by issue of equity shares on a proportionate basis, in the ratio determined, to each Shareholder /Member of Athena, whose name is registered in the Register of Members as on the Appointed Date provided under the Scheme.

This shall be subject to approval of the Scheme from NCLT and other regulatory bodies as may be applicable.

- (b) The Shareholders of the Holding Company have at an Extra Ordinary General Meeting held on May 8, 2019 granted their approval to allot upto 7,000 Compulsorily Convertible Debentures (CCDs) and 21,000 CCDs having face value of ₹ 1,00,000 each to Verlinvest SA ("Verlinvest") and International Finance Corporation ("IFC") respectively on preferential basis. The CCDs to be issued to Verlinvest and IFC shall be convertible into equity shares of the Holding Company on the earlier of following events (i) Verlinvest, IFC (as the case may be) electing to convert the CCDs into Equity Shares by issuing a conversion notice to the Holding Company and (ii) the last date falling within 18 months from the date of allotment of CCDs.

Each CCDs shall entitle Verlinvest, IFC to such number of equity shares of the Holding Company as converted at a conversion price of ₹ 45.02 per equity share.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2019

- (c) Approval has been granted by the Shareholders of the Holding Company at the Extra Ordinary General Meeting held on May 8, 2019 for the allotment of 7,000 Warrants having face value of ₹ 1,00,000/- each to Illusie Produkt Private Limited ("Illusie"), a promoter group entity, on preferential basis.

The Warrants to be issued to Illusie shall be convertible into equity shares of the Holding Company at any time before the expiry of 18 months from the date of allotment of the Warrants and each Warrant shall entitle Illusie to such number of equity shares of the Holding Company as converted at a conversion price of ₹ 45.02 per equity share.

### 47 INDIAN ACCOUNTING STANDARD ("IND AS") ISSUED BUT NOT EFFECTIVE

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases which shall be applicable to the Group from April 01, 2019.

#### Issue of Ind AS 116 - Leases

Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17- Leases. Management is in the process of assessing the impact due to application Ind AS 116.

The MCA has also carried out amendments of the following accounting standards

- i. Ind AS 101- First time adoption of Indian Accounting Standards
- ii. Ind AS 103 – Business Combinations
- iii. Ind AS 109 - Financial Instruments
- iv. Ind AS 111 – Joint Arrangements
- v. Ind AS 12 – Income Taxes
- vi. Ind AS 19 – Employee Benefits
- vii. Ind AS 23 – Borrowing Costs
- viii. Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company's financial statements.

### 48 PREVIOUS YEAR NOTE

Previous year figures have been regrouped and re-classified where necessary to make them comparable.

Summary of significant accounting policies	2
See accompanying Notes to the Consolidated Financial Statements	1-48

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**  
Partner  
Membership No : 105497

Place : Mumbai

Date : 22 May 2019

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors of Future Consumer Limited

**G.N.Bajpai**  
Chairman

**Manoj Gagvani**  
Company Secretary & Head - Legal

Place : Mumbai

Date : 22 May 2019

**Ashni Biyani**  
Managing Director

**Ravin Mody**  
Chief Financial Officer



**FORM AOC - 1**  
(Pursuant to first proviso to sub-sec on (3) of Sec on 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures  
Financial information with respect of Subsidiary Companies for the Year Ended 31st March 2019

Sr. No	Name of the Company	Date since when subsidiary was acquired	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Except Investment in Subsidiaries)	Turnover	Profit/(loss) Before taxation	Provision for Taxation/Deferred Tax	Profit/(loss) After Taxation	Proposed Dividend	% of Share Holding	₹ In lakhs except % of share holding	
1	Aadhaar Wholesale Trading and Distribution Limited	27.03.2008	5,240.00	(6,680.57)	14,375.48	14,375.48	-	33,621.47	(1,937.28)	-	(1,937.28)	-	100%		
2	FCL Tradevest Private Limited ("FCL Tradevest")	24.12.2018	12,618.60	(227.56)	12,579.86	12,579.86	125.00	161.84	(7.77)	-	(7.77)	-	100%		
3	Aussee Oats India Limited (Subsidiary of FCL Tradevest, formerly known as Aussee Oats India Private Limited) #	19.02.2016	100.00	(69.34)	836.38	836.38	-	3,507.60	25.26	(0.87)	26.13	-	50% + 1 Share		
4	Future Food and Products Limited (Subsidiary of FCL Tradevest)	02.08.2010	313.00	2,257.30	4,069.28	4,069.28	-	-	(26.61)	-	(26.61)	-	100%		
5	Future Food Processing Limited (Subsidiary of FCL Tradevest, formerly known as Future Food Processing Private Limited)	21.10.2014	201.00	(333.70)	3,126.47	3,126.47	-	-	(170.13)	-	(170.13)	-	100%		
6	Integrated Food Park Limited (Subsidiary of FCL Tradevest, formerly known as Integrated Food Park Private Limited)	05.02.2015	4,481.30	(2,088.69)	25,396.77	25,396.77	-	2,797.07	(1,101.26)	-	(1,101.26)	-	99.93%		
7	MNS Foods Limited (Subsidiary of FCL Tradevest, formerly known as MNS Foods Private Limited) #	04.08.2015	240.00	(321.45)	1,453.70	1,453.70	-	1,459.51	(150.33)	-	(150.33)	-	50.01%		
8	Sublime Foods Limited ("Sublime") (Subsidiary of FCL Tradevest, formerly known as Sublime Foods Private Limited) #	18.02.2015	437.23	(718.28)	1,288.26	1,288.26	-	1,178.71	(343.62)	(0.45)	(343.17)	-	51%		
9	Avante Snacks Foods Private Limited (Subsidiary of Sublime) #	01.09.2016	89.60	(116.74)	316.48	316.48	-	543.57	(80.38)	-	(80.38)	-	67.03%		
10	Affluence Food Processors Private Limited (Subsidiary of FCL Tradevest)	06.11.2018	148.01	(448.91)	1,107.86	1,107.86	-	3,340.50	(418.07)	-	(418.07)	-	100.00%		
11	Aussee Oats Milling (Private) Limited**	16.09.2014	3,408.42	(4,689.96)	7,869.91	7,869.91	-	3,838.29	(1,267.11)	(31.52)	(1,298.64)	-	50% + 1 Share		
12	Bloom Foods and Beverages Private Limited (formerly known as Bloom Fruit and Vegetables Private Limited)	15.01.2016	100.00	708.33	3,678.44	3,678.44	-	48,458.54	609.93	142.40	467.53	-	100%		
13	Future Consumer Products Limited	29.06.2010	100.00	(169.60)	63.15	63.15	0.10	4.92	(34.79)	3.08	(37.86)	-	90%		
14	FCFL Food Processors Limited (formerly known as known as ACK Edutainment Limited)	27.04.2016	14.00	(18.37)	2.67	2.67	-	-	(3.40)	-	(3.40)	-	100%		
15	FCFL Overseas FZCO**	30.07.2014	18.87	(589.43)	54.86	54.86	-	-	(187.51)	-	(187.51)	-	60%		
16	The Nilgiri Dairy Farm Private Limited ("NDFPL")	20.11.2014	241.44	7,418.33	22,779.17	22,779.17	-	24,255.87	(2,183.48)	78.50	(2,261.98)	-	100%		
17	Appu Nutritions Private Limited (Subsidiary of NDFPL)	20.11.2014	10.00	1,575.28	1,782.14	1,782.14	-	60.00	18.40	(1.08)	19.48	-	100%		
18	Nilgiris Franchise Limited (Subsidiary of NDFPL, formerly known as Nilgiris Franchise Private Limited)	20.11.2014	425.00	(477.70)	192.36	192.36	-	64.16	(135.82)	-	(135.82)	-	100%		
19	Nilgiris Mechanised Bakery Private Limited (Subsidiary of NDFPL)	20.11.2014	14.14	(58.02)	315.62	315.62	3.01	180.00	128.10	-	128.10	-	100%		

\* Converted into Indian Rupees at the exchange rate USD 1 = ₹ 69.17

\*\* Converted into Indian Rupees at the exchange rate AED 1 = ₹ 18.87

# Considered as Joint Ventures as per Ind AS 28

Note :- 1. The reporting period for all the subsidiaries is 31st March 2019.

2. Reporting currency of all entities is Indian Rupee Except Aussee Oats Milling (Private) Limited (Reporting Currency USD) & FCFL Overseas FZCO (Reporting Currency AED)

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associate/Joint Venture	(₹ In lakhs except % of share holding)			
	Mibelle Future Consumer Products AG*	Genoa Rice Mills Private Limited	Fonterra Future Dairy Private Limited	Hain Future Natural Products Private Limited
1. Latest audited Balance Sheet Date	31st March'2019	31st March'2019	31st March'2019	31st March'2019
2. Date on which the Associate or Joint Venture was associated or acquired	09.10.2015	25.01.2017	01.10.2018	20.06.2017
3. Shares of Associate/Joint Ventures held by the Company on the Year end				
No.	400	1,250,000	2,500,000	14,495,000
Amount of Investment in Associates or Joint Venture	₹1003.56	₹125.00	₹250.00	₹ 1449.50
Extent of Holding %	50%	50%	50%	50%
4. Description of how there is significant influence	Shareholders Agreement	Shareholders Agreement	Shareholders Agreement	Shareholders Agreement
5. Reason why the associate/joint venture is not Consolidated	NA	NA	NA	NA
6. Networth attributable to Shareholding as per latest audited Balance Sheet	#(39.69)	(257.06)	(99.23)	1,131.17
7. Profit / Loss for the year (₹ In lakhs)	-	-	-	-
i. Considered in Consolidation (₹ In lakhs)	#(412.42)	(93.80)	(599.23)	(317.83)
ii. Not Considered in Consolidation	-	-	-	-

\* Converted into Indian Rupees at the exchange Rate CHF 1 = ₹ 69.64

Note : Sarjena Foods Private Limited ("SFPL") and Amar Chitra Katha Private Limited (ACK) have been considered as associates in terms of Ind AS 109. (Refer Note 33.2).

# Consolidated Share : This includes networth and Profit /Loss of Mibelle India Consumer Products Private Limited

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**

Partner

Membership No : 105497

For and on behalf of the Board of Directors of Future Consumer Limited

**G.N.Bajpai**

Chairman

**Manoj Gagvani**

Company Secretary & Head - Legal

**Ashni Biyani**

Managing Director

**Ravin Mody**

Chief Financial Officer

Place : Mumbai

Date : 22 May 2019

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai

Date : 22 May 2019

**Information in terms 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31<sup>st</sup> March,2019.**

*Details of Employees including Top Ten Employees (in alphabetical order)*

**Sr. No, Name, Designation, Age, Qualification, Experience (in Years), Date of Commencement of employment , Remuneration (in ₹), Last Employment**

1. Amit Kumar Agrawal, Chief Commercial & Procurement, 46, B.Sc, C.A, 21, 26-Aug-09, 48,11,002\*, Reliance Retail Limited 2. Ashni Biyani, Managing Director, 34, Graduate in Textile Designing, 12 years, 15- Nov-2014, 17,050,508, Future Corporate Resources Limited, 3. Gopal Bihani, Chief Finance and Operations Officer, 45, B.Com, C.A, 21 Years, 12-Nov-14, 66,36,385\*, Pantaloon Retail India Ltd. 4. Govind Baheti, Business Lead, 47, Chartered Financial Analyst, 13, 1-Jan-06, 76,16,074\*, DFQ Software, 5. Jude Linhares^, Director Manufacturing,53, B Tech, 31, 15-Nov-18, 10,902,965,Dabur International Ltd, 6. Maneesh Sharma, Head - Packaging Development,50, B.Sc. PG Diploma in Packaging Technology, 26, 7-Nov-16, 10,170,129, Marico Industries Ltd, 7. Manoj Baheti Business Lead, 50, B.Com, 19 Years, 01-Jan-2006, 63,64,452\*, Self-Employed, 8. Manoj Gagvani, Company Secretary & Head- Legal, 52, A.C.S, LL.B, 33, 23-Jun-08, 95,89,848\*, Pidilite Industries Limited 9. Narendra Baheti, Executive Director, 51 years, B.Com, 29, 13-Apr-05, 1,49,55,740\*, Self-Employed, 10. Ravin Mody, Chief Financial Officer, 39, B.Com, M.Com,C.A,12, 27-May-17, 1,09,79,348\* Marico Industries Ltd, 11. Saurabh Bhushan Chadha, CEO - Wholesale Business, 52, MBA, 29, 21-Sep-17, 13,392,458, Omnipresent Retail India Pvt Ltd, 12. Subham Ray^, Chief- New Product Development, 48, M.Sc - Food Technology, 21, 10-Aug-06, 33,85,851\*, RK Food Land Pvt. Ltd.

^ employed for part of the year

\* remuneration does not include perquisite value on stock options exercised during the financial year 2018-19 by employees as under:

Amit Kumar Agarwal : ₹ 64,73,125/-, Gopal Bihani: ₹35,55,000/-, Govind Baheti : ₹ 87,00,000/-, Manoj Gagvani : ₹ 1,15,55,475/-, Manoj Baheti: ₹ 40,16,250/- Narendra Baheti : ₹6,56,87,500/-, Ravin Mody : ₹3,10,000/-, Subham Ray: ₹1,30,74,903/-.

Note:

1. All appointments are contractual and can be terminated by notice on either side.
2. None of the employees mentioned above are related to any Director of the Company save and except Ms. Ashni Biyani. Ms. Ashni Biyani is the daughter of Mr. Kishore Biyani.

# NOTES

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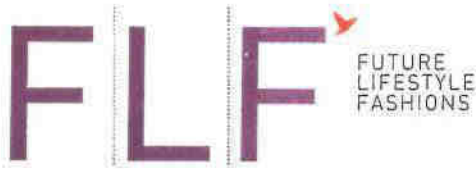
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Knowledge House, Shyam Nagar  
Off Jogeshwari Vikhroli Link Road, Jogeshwari (East)  
Mumbai 400 060, Maharashtra, India  
[www.futureconsumer.in](http://www.futureconsumer.in)

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.



04 July 2019

To,  
Dept. of Corporate Services (CRD)  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

Scrip Code: 536507  
Scrip Code of Debt : 957150

To,  
Listing Department  
The National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra - Kurla Complex, Bandra (East),  
Mumbai - 400 051.

NSE Symbol: FLFL

Dear Sir / Madam

**Sub: Annual Report for financial year 2018-19 alongwith Notice of Annual General Meeting**

We wish to inform you that the Seventh Annual General Meeting ("AGM") of the Company will be held on Tuesday, 30 July 2019 at 2:30 p.m. at Rangeswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400021.

Pursuant to Regulations 30 and 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report of the Company for the financial year 2018-19 and the Notice of AGM alongwith the Attendance Slip and Proxy form, which are being dispatched / sent to the members by the permitted mode(s).

Kindly take the same on your records and acknowledge the receipt.

Thanking you,

Yours faithfully,

for **Future Lifestyle Fashions Limited**

  
**Sanjay Kumar Mutha**  
Chief Legal & Company Secretary

Encl: as above

# Notice

NOTICE is hereby given that the Seventh Annual General Meeting (AGM) of Future Lifestyle Fashions Limited will be held on Tuesday, July 30, 2019 at 2:30 pm at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021, to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Rakesh Biyani (DIN: 00005806), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Avni Biyani (DIN: 02177900), who retires by rotation and being eligible, offers herself for re-appointment.

## SPECIAL BUSINESS:

### 5. Re-appointment of Mr. Shailesh Haribhakti as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder read with Schedule IV to the Act and regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force) and any other applicable law(s), regulation(s), guideline(s), and recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Shailesh Haribhakti (DIN: 00007347), who was appointed as an Independent Director and who holds office of an Independent Director up to August 07, 2019 and being eligible for re-appointment and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing with effect from August 08, 2019 upto August 07, 2024 on the Board of the Company."

### 6. Re-appointment of Dr. Darlie Koshy as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder read with Schedule IV to the Act and regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force) and any other applicable law(s), regulation(s), guideline(s), and recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Dr. Darlie Koshy (DIN: 00023527), who was appointed as an Independent Director and who holds office of an Independent Director up to August 07, 2019 and being eligible for re-appointment and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing with effect from August 08, 2019 upto August 07, 2024 on the Board of the Company."

### 7. Re-appointment of Mr. Kishore Biyani as the Managing Director of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder read with Schedule V to the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), Articles of Association of the Company and recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the Authorities in granting such approvals, permissions and sanctions, approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Kishore Biyani (DIN: 00005740) as the Managing Director of the Company for a period of five years with effect from June 25, 2019 on such terms and conditions and remuneration, as set out in the explanatory statement annexed hereto.



**RESOLVED FURTHER THAT** pursuant to the provisions of section 197 of the Act read with Schedule V to the Act, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above Remuneration, excluding commission, as the minimum remuneration for the period of three years, by way of salary, perquisites and other allowances and benefits, subject to receipt of the requisite approvals, if any.

**RESOLVED FURTHER THAT** pursuant to the regulation 17(6)(e) of the Listing Regulations, the approval of the Members be and is hereby also accorded to pay annual remuneration to the Managing Director, exceeding ₹ 5.00 crore or 2.5 percent of the net profits of the Company, whichever is higher, during the currency of the tenure.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee thereof) be and is hereby authorized to vary, amend, modify and revise from time to time the terms of Remuneration payable to the Managing Director, within the above overall limit, as may be desired appropriate by the Board.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and to seek necessary approvals or settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company."

**8. Appointment of Mr. Ravinder Singh Thakran as Nominee Director**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to section 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of Articles of Association of the Company and pursuant to nomination received from Spectacular Investments Pte Ltd., Mr. Ravinder Singh Thakran (DIN 01077387), who was appointed as a Nominee Director (Additional Director) of the Company by the Board of Directors with effect from May 21, 2019 and who holds office upto the date of the ensuing Annual General Meeting in terms of section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director (Nominee Director) of the Company, not liable to retire by rotation."

**9. Approval for Material Related Party Transaction(s)**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and

its Powers) Rules, 2014, regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force) and other applicable rules, guidelines and circulars issued by the concerned statutory or regulatory authorities and pursuant to consent of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to transactions with the related parties, as entered / to be entered into by the Company, during the financial year 2019-20, as per details set out in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto including without limitation, negotiation, finalizing and executing necessary agreements, documents and such other papers or writings as may be deemed necessary or expedient and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, in the best interest of the Company and to delegate all or any of its powers herein conferred to any Committee of Directors, Director(s) or Officer(s) of the Company, to give effect to this resolution."

**NOTES:**

1. The Statement pursuant to section 102 of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the AGM is annexed hereto.
2. Ratification of appointment of auditors

The Members of the Company at their Fifth Annual General Meeting held on August 29, 2017 re-appointed M/s. NGS & Co., LLP, Chartered Accountants (Registration number 119850W) as Statutory Auditors of the Company for a second term of five consecutive years from the conclusion of Fifth Annual General Meeting till the conclusion of the Tenth Annual General Meeting, subject to the ratification by the Members at the every Annual General Meeting held during the said term, in terms of the proviso under section 139 (1) of the Act. The mandatory requirement of ratification of appointment of auditors by the Members at every Annual General Meeting has been omitted vide notification dated May 07, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is being proposed for ratification of appointment of the Statutory Auditors at this AGM.

The Company has received a certificate from Statutory Auditors confirming that they are eligible to continue as Statutory Auditors of the Company under section 141 of the Act.

3. MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
4. A person can act as proxy on behalf of Members not exceeding 50 (Fifty) and holding in the aggregate not

more than 10% (Ten Percent) of the total share capital of the Company. Proxies submitted on behalf of corporate Members must be supported by an appropriate resolution/ authority, as applicable.

5. A Member holding more than 10% (Ten Percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.
6. Proxy in the prescribed Form No. MGT - 11 as enclosed herewith, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, signed and stamped, not less than forty eight hours before the commencement of the AGM.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, will be available for inspection by the Members at the AGM.
8. The Record date for the purpose of payment of Dividend for the financial year 2018-19 is fixed at July 23, 2019.
9. Subject to the provisions of the Act, Dividend as recommended by the Board of Directors for the financial year 2018-19, if declared at the AGM, will be paid within a period of 30 days from the date of declaration, to those Members whose names appear in the Company's Register of Members and in the list of beneficial owners, as furnished by the Depositories as on July 23, 2019.
10. Pursuant to section 124 of the Act, Dividends that are unclaimed for a period of seven years are required to be transferred to the Investors Education and Protection Fund (IEPF). Members who have not encashed the Dividend Warrants so far, are requested to make their claim to the Company's Registrar & Transfer Agents (R & T Agents). The details of unpaid / unclaimed dividends / entitlements, liable to be transferred to IEPF as under:

Particulars	Date of Declaration	Last date for claiming unpaid/unclaimed dividend
Fractional share entitlement	January 15, 2014	February 20, 2021
Dividend 2013-14	August 08, 2014	September 13, 2021
Dividend 2014-15	August 26, 2015	October 01, 2022
Dividend 2015-16	August 29, 2016	October 04, 2023
Dividend 2016-17	August 29, 2017	October 04, 2024
Dividend 2017-18	August 29, 2018	October 03, 2025

11. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's R & T Agents. Members holding Shares in electronic form may contact their respective Depository Participants for availing this facility.
12. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service (ECS) to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments.

13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held in electronic form and to the Company's R & T Agents in case the shares are held in physical form.
14. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of the above, Members are advised to dematerialise shares held by them in physical form.
15. Details as required pursuant to regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of the Institute of Company Secretaries of India ("ICSI"), in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the Notice of the AGM. Requisite declarations / disclosures have been received from the Directors for seeking appointment/ re-appointment.
16. Electronic copy of the Annual Report for the financial year 2018-19 and the Notice of this AGM inter-alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form, are being sent to all the Members whose e-mail id are registered with the Company/ Depository Participants unless any Member has requested for physical copies of the same. For Members who have not registered their e-mail id physical copies of the aforesaid documents would be sent in the permitted mode.
17. Members who have not registered their e-mail id so far are requested to register their e-mail id, for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company in electronic copy.
18. Members may also note that the Notice of the AGM and the Annual Report for the financial year 2018-19 will also be available on the Company's website [www.futurelifestyle.in](http://www.futurelifestyle.in) for their download.
19. Voting through electronic means
  - I. In compliance with the provisions of section 108 of the Act, rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, the Company is providing its Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through polling paper shall be made available at the AGM and the Members

attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through polling paper.

- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on July 26, 2019 (9:00 am) and ends on July 29, 2019 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 23, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. The details of the process and manner for remote e-voting are explained herein below:

Step 1 : Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-voting system.

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://e-services.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a. For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
b. For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID
c. For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company

5. Your password details are given below:
  - a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - I. If your email id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment
      - II. i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - III. If your email id is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
  - a) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
8. Now, you will have to click on 'Login' button.
9. After you click on the 'Login' button, Home page of e-voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
  3. Select 'EVEN' of the Company.
  4. Now you are ready for e-voting as the Voting page opens.
  5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
  6. Upon confirmation, the message 'Vote cast successfully' will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjayrd65@yahoo.com or with a copy marked to evoting@nsdl.co.in.
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in. or contact Ms. Pallavi Mhatre, Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, at the designated email IDs: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone nos. +91 22 2499 4545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email id: [investorrelations@futurelifestyle.in](mailto:investorrelations@futurelifestyle.in).
  - VI. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. July 23, 2019.
  - VII. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. July 23, 2019, may obtain the login id and password by sending a request at evoting@nsdl.co.in or Issuer/R & T Agents. However, if you are already registered with NSDL for remote e-voting then you can use your existing user id and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password' option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
  - VIII. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date, shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through Polling Paper.
  - IX. Mr. Sanjay Dholakia (Membership No. 2655 / Certificate of Practice No. 1798), Proprietor - M/s. Sanjay Dholakia & Associates, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the polling and remote e-voting process in a fair and transparent manner.
  - X. The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of Polling Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - XI. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by him in writing, who shall countersign the same.
  - XII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.futurelifestyle.in and on the website of NSDL immediately after the declaration of result by the Chairperson or a person authorized by him in writing. The Results shall also be immediately forwarded to the BSE Limited and the National Stock Exchange of India Limited.
  1. Members are requested to send all communications relating to Shares to the Company's R & T Agents at Link Intime India Private Limited, C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083, Tel:

+91 22 4918 6270, Fax: +91 22 4918 6060, E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

2. All documents referred to in the accompanying Notice shall be kept open for inspection at the Registered Office of the Company between 10:00 am and 5:00 pm on all working days except Saturdays, Sundays

and National holidays, up to the date of AGM i.e., Tuesday, July 30, 2019.

3. The route map to the AGM venue is given herein. The prominent landmark near the venue is Mantralaya, Mumbai.

By Order of the Board of Directors

**Sanjay Kumar Mutha**  
Chief Legal & Company Secretary

May 21, 2019  
Mumbai

**Registered Office:**

**Future Lifestyle Fashions Limited**

CIN: L52100MH2012PLC231654

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

Tel No: +91 22 6644 2200, Fax No: +91 22 6644 2201

E-mail: [investorrelations@futurelifestyle.in](mailto:investorrelations@futurelifestyle.in)

Website: [www.futurelifestyle.in](http://www.futurelifestyle.in)

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**STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013 ("the Act")**

The following statement sets out all material facts relating to the Ordinary and Special Business mentioned in the accompanied Notice:

**ORDINARY BUSINESS:**

**Item No. 3**

Mr. Rakesh Biyani, Director of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment.

Mr. Rakesh Biyani (aged 47 years) has been in retail business for more than two decades and is one of the authority in modern retail.

He is actively involved in the areas of fashion, category management, retail stores operations & information technology of the Group across various formats. Mr. Rakesh Biyani was instrumental in forming various technology driven processes of retail operation and formation of various joint ventures at group level for ensuring a better product mix and increasing foothold on overall consumption space of Indian retail sector.

He has done Advanced Management Program from Harvard Business School and holds a Bachelor's degree in Commerce from University of Bombay.

He was first appointed as a Director on the Board of the Company on June 10, 2013.

He is a Joint Managing Director of Future Retail Limited and also Director on the board of other companies in India viz. Future Supply Chain Solutions Limited, Turtle Limited, Futurebazaar India Limited, Shree Balaji Umber Properties Private Limited, Shree Balaji Parvat View Properties Private Limited, Ryka Commercial Ventures Private Limited, Celio Future Fashion Private Limited, Retailers Association's Skill Council of India and Indian Football Coaching Private Limited.

He holds membership/chairpersonship of Committees of the Company and other public companies as under:

Name of the Company	Name of the Committee	Chairperson/Member
Future Lifestyle Fashions Limited	Nomination and Remuneration Committee	Member
	Share Transfer Committee	Member
	Stakeholders' Relationship Committee	Member
	Committee of Director	Member
	Risk Management Committee	Member
Future Retail Limited	Audit Committee	Member
	Committee of Director	Member
	Risk Management Committee	Member
	Share Transfer Committee	Member
Future Supply Chain Solutions Limited	Nomination and Remuneration Committee	Member
	Corporate Social Responsibility Committee	Member
	Audit Committee	Member
Futurebazaar India Limited	Audit Committee	Member

Mr. Rakesh Biyani had attended three Board Meetings during the financial year 2018-19. He would be entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. In addition, he would be entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

The sitting fees paid to Mr. Rakesh Biyani during the financial year 2018-19 was ₹2.50 lakh.

Mr. Rakesh Biyani holds 333 Equity Shares in the Company and is not related to any other Directors and Key Managerial Personnel of the Company.

Your Directors recommend Resolution at Item No. 3 as Ordinary Resolution for approval of the Members.

Except Mr. Rakesh Biyani, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, in any way, in the Resolution set out at Item No. 3 of this Notice.

**Item No. 4**

Ms. Avni Biyani, Director of the Company is liable to retire by rotation and being eligible, offers herself for re-appointment.

Ms. Avni (aged 29 years) created and leads the Foodhall chain of gourmet food stores that cater to a very exclusive clientele in large metropolitan cities in India. Foodhall introduces customers to premium, packaged food products and also acts as an innovation hub for identifying and prototyping future trends in food consumption for Future Group's multiple retail chains.

She is also actively involved in the Group's lifestyle fashion business and helped the conceptualization and launch of the Cover Story brand, among others.

She is a member of Executive Food & FMCG Council of Future Group and has helped shape the Group's foray into packaged and processed food and FMCG segment that are backed by food processing facilities at the state-of-the-art integrated food park in Tumkur, Karnataka.

She studied liberal arts at the College of Art & Science, New York University and takes a keen interest in liberal arts and current affairs.

She was first appointed as a Director on the Board of the Company on June 7, 2016.

She is also Director on the board of other companies in India viz. Future Ideas Company Limited, Surplus Finvest Private Limited, Future Capital Investment Private Limited and Hain Future Natural Products Private Limited

She doesn't holds membership/chairpersonship of committees of the Company and other companies.

She had attended five Board Meetings during the financial year 2018-19. She would be entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. In addition, she would be entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

The sitting fees paid to Ms. Avni Biyani during the financial year 2018-19 was ₹2.50 lakh.

Ms. Avni Biyani holds 19,499 Equity Shares in the Company and except Mr. Kishore Biyani, Managing Director of the Company, she is not related to any other Directors and Key Managerial Personnel of the Company.

Your Directors recommend Resolution at Item No. 4 as Ordinary Resolution for approval of the Members.

Except Ms. Avni Biyani and Mr. Kishore Biyani, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, in any way, in the Resolution set out at Item No. 4 of this Notice.

**Item No. 5**

Mr. Shailesh Haribhakti (DIN: 00007347) was appointed as an Independent Director on the Board of the Company for a period of five year with effect from August 08, 2014 till August 07, 2019, in terms of the provisions of sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and erstwhile Listing Agreement, with the stock exchanges.

In terms of section 149 read with Schedule IV to the Act and relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), an Independent Directors shall be eligible to be re-appointed for second term of five consecutive years, on the basis of report of performance evaluation done by the Board and approval of Members by way of Special Resolution to be passed at a General Meeting.

Mr. Haribhakti (aged 63 years) is a Chartered Accountant, Cost Accountant, Certified Internal Auditor, Financial Planner and Fraud Examiner. With over decades of hands on professional involvement, he serves on the Boards of large multinational and Indian companies and chairs multiple Audit Committees. He also lends his expertise to several professional and regulatory bodies.

He is the Chairman of Haribhakti & Co. LLP. He also served as the Chairman and Trustee of the National Pension Scheme Trust (NPS Trust) and a Member of Pension Advisory Committee (PAC) of Pension Fund Regulatory and Development Authority (PFRDA).

He was first appointed as a Director on the Board of the Company on June 10, 2013. He is also Director on the board of other companies in India viz. Torrent Pharmaceuticals Limited, ACC Limited, Ambuja Cements Limited, Blue Star Limited, Mahindra Lifespace Developers Limited, L&T Finance Holdings Limited, Bennett Coleman And Company Limited, Gaja Trustee Company Private Limited, L&T Mutual Fund Trustee Limited, Mentorcap Management Private Limited, NSDL E-Governance Infrastructure Limited, Quadrum Solutions Private Limited, Intuit Consulting Private Limited, Planet People and Profit Consulting Private Limited, Cloud Infosolutions Private Limited and Epigeneres Biotech Private Limited.

He holds membership/chairpersonship of Committees of the Company and other public companies as under:

Name of the Company	Name of the Committee	Chairperson/Member
Future Lifestyle Fashions Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
Blue Star Limited	Audit Committee	Chairman
Torrent Pharmaceuticals Limited	Audit & Risk Management Committee	Chairman
	Securities Transfer & Stakeholders' Relationship Committee	Member
	Nomination & Remuneration Committee	Chairman
L&T Finance Holdings Limited	Audit Committee	Chairman
	Nomination and Remuneration Committee	Member
	Corporate Social Responsibility Committee	Chairman
	Directors Committee	Member

Name of the Company	Name of the Committee	Chairperson/ Member
Mahindra Life space Developers Limited	Audit Committee	Member
	Nomination & Remuneration Committee	Member
	Risk Management Committee	Chairman
	Committee for Investment in Residential Joint Venture / Large Format Developments	Member
	Corporate Social Responsibility Committee	Member
NSDL e-Governance Infrastructure Limited	Audit Committee	Chairman
	Risk Management Committee	Chairman
Ambuja Cements Limited	Nomination & Remuneration Committee	Member
	Risk Management Committee	Member
	Compliance Committee	Member
	Management Committee	Member
ACC Limited	Nomination & Remuneration Committee	Chairman
	Risk Management Committee	Member
	Corporate Social Responsibility Committee	Chairman
	Stakeholder's Relationship Committee	Member
	Compliance Committee	Member
L&T Mutual Fund Trustee Limited	Audit Committee	Member
Bennett, Coleman & Company Limited	Audit Committee	Chairman
	Nomination & Remuneration Committee	Member

Mr. Shailesh Haribhakti had attended six Board Meetings during the financial year 2018-19. He would be entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. In addition, he would be entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

The commission and sitting fees aggregating to ₹42.00 lakh was paid to Mr. Haribhakti during the financial year 2018-19.

Mr. Haribhakti does not holds Equity Shares in the Company and is not related to any other Directors and Key Managerial Personnel of the Company.

The Company has received his consent to act as a Director of the Company in the prescribed Form DIR-2 and a declaration in the prescribed Form DIR-8 that he is not disqualified from being appointed as Director of the Company and also a confirmation that he meets the criteria of independence as specified in sub-section (6) of section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and is also independent of the management of the Company.

In terms of section 160 of the Act, the Company has received a notice in writing from a Member for proposing the candidature of Mr. Haribhakti for the office of an Independent Director of the Company at the AGM.

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on May 01, 2019, reviewed the performance evaluation of Mr. Haribhakti and acknowledged his vast knowledge and experience specifically in field of accounting, auditing, corporate governance, information technology and digital-enabled services and his continued valuable guidance to the Management of the Company, provided during his first term as Independent Director and unanimously re-appointed Mr. Haribhakti as an Independent Director of the Company for the second term of five consecutive years with effect from August 08, 2019, subject to approval of the Members of the Company.

Your Directors recommend Resolution at Item No. 5 as a Special Resolution for approval of the Members.

Except Mr. Haribhakti, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, in any way, in the Resolution set out at Item No. 5 of this Notice.

#### Item No. 6

Dr. Darlie Koshy (DIN: 00023527) was appointed as an Independent Director on the Board of the Company for a period of five year with effect from August 08, 2014 till August 07, 2019, in terms of the provisions of sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("the Act") and erstwhile Listing Agreement, with the stock exchanges.

In terms of section 149 read with Schedule IV to the Act and relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), an Independent Directors shall be eligible to be re-appointed for second term of five consecutive years, on the basis of report of performance evaluation done by the Board and approval of Members by way of Special Resolution to be passed at a General Meeting.

Dr. Darlie Koshy (Aged 63 years) is a well-known Textile-Apparel-Retail industry expert apart from being a visionary Educationist. Dr. Koshy has been the Director General & Chief Executive Officer of Apparel Training & Design Centre (ATDC), India's largest Quality Vocational Education provider under the aegis of Apparel Export Promotion Council (AEPC) since 2009. He is well known for transforming National level educational institutions like the National Institute of Design (NID), Ahmedabad where he had served as the Director and Governing Council Member for two terms of office (2000-2009) before the current assignment. Dr. Koshy is the only Indian to have served the Executive Board of World Body of Design (ICSID) for three terms giving leadership to Indian Design and NID in the global arena. Dr. Koshy holds PhD from IIT Delhi and is a rank holder in MBA from Cochin University of Science and Technology, having been also trained at Fashion Institute of Technology, New York, before joining as the Founding Head of Fashion Management at National Institute of Fashion Technology (NIFT), New Delhi (1987-2000). Dr. Koshy is an acclaimed international speaker, author and Design Management Strategist for Fashion, Lifestyle, Retail industries. Dr. Darlie Koshy has been conferred with several significant International / National awards and citations during his illustrious career in the field of management and education over 4 decades.

He was first appointed as a Director on the Board of the Company on June 10, 2013.

He doesn't hold directorship in any other companies. He holds membership/chairpersonship of Committees of the Company as under:

Name of the Company	Name of the Committee	Chairperson/ Member
Future Lifestyle	Audit Committee	Member
Fashions Limited	Nomination and Remuneration Committee	Chairperson
	Stakeholders' Relationship Committee	Chairperson
	Corporate Social Responsibility Committee	Member

Dr. Koshy had attended six Board Meetings during the financial year 2018-19. He would be entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. In addition, he would be entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

The commission and sitting fees aggregating to ₹42.75 lakh paid to Dr. Koshy during the financial year 2018-19.

Dr. Koshy does not holds Equity Shares in the Company and is not related to any other Directors and Key Managerial Personnel of the Company.

The Company has received his consent to act as a Director of the Company in the prescribed Form DIR-2 and a declaration in the prescribed Form DIR-8 that he is not disqualified from being appointed as Director of the Company and also a confirmation that he meets the criteria of independence as specified in sub-section (6) of section 149 of the Act and regulation 16(1)(b) of the Listing Regulations and is also independent of the management of the Company.

In terms of section 160 of the Act, the Company has received a notice in writing from a Member for proposing the candidature of Dr. Koshy for the office of an Independent Director of the Company at the AGM.

Based of the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on May 01, 2019, reviewed the performance evaluation of Dr. Koshy and acknowledged his vast knowledge and experience of over 43 years in the field of textiles and garment industry covering entire value chain and his continued valuable guidance to the Management of the Company, provided during his first term as Independent Director and unanimously re-appointed Dr. Koshy as an Independent Director of the Company for the second term of five consecutive years with effect from August 08, 2019, subject to approval of the Members of the Company.

Your Directors recommend Resolution at Item No. 6 as a Special Resolution for approval of the Members.

Except Dr. Koshy, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, in any way, in the Resolution set out at Item No. 6 of this Notice.

#### Item No. 7

The Members of the Company at the Annual General Meeting held on August 29, 2016, based on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board, had appointed Mr. Kishore Biyani as the Managing Director of the Company for a period of three years with effect from June 25, 2016. Accordingly, the present tenure of Mr. Kishore Biyani as the Managing Director of the Company would come to an end on June 24, 2019.

Mr. Kishore Biyani (aged 58 years) is the founder and Group CEO of the Future Group. Widely acknowledged as the pioneer of modern retail industry in India, Mr. Biyani is a mentor and role model for many Indian entrepreneurs and a thought leader in Indian business.

Over the past two decades, he has created and leads some of India's most popular retail chains like Big Bazaar, Central, Brand Factory, Foodhall, fbb, Home Town, eZone, among others. Under his leadership, various retail chains like Nilgiris, Aadhaar, Easyday, Heritage, Hypercity and others have also become part of Future Group. Simultaneously, he has also led the creation of a wide portfolio of consumer goods brands in fashion, food, home and electronics space, that are distributed through the group's retail chains and various other modern retail networks in the country. He is believer in the group's corporate credo, 'Rewrite Rules, Retain Values', Mr. Biyani considers Indianness as the core value driving the group. His autobiography, 'It Happened in India', has been translated into a number of languages. Mr. Biyani has done graduation in commerce and PGD in Marketing Management.

He was first appointed as a Director on the Board of the Company on December 06, 2012.

Presently, he is also Managing Director of Future Retail Limited (earlier known as Bharti Retail Limited) and also a Director on the Board of other companies in India viz. Future Consumer Limited, Future Enterprises Limited, Future Generali India Insurance Company Limited, Future Generali India Life Insurance Company Limited, Inox Leisure Limited, Retailers Association of India, Future Corporate Resources Private Limited (formerly known as Suhani Trading and Investment Consultants Private Limited).

He holds membership/chairpersonship of Committees of the Company and other public companies as under:

Name of the Company	Name of the Committee	Chairperson/ Member
Future Lifestyle Fashions Limited	Stakeholders Relationship Committee	Member
	Committee of Director	Member
	Corporate Social Responsibility Committee	Chairperson
Future Retail Limited	Corporate Social Responsibility Committee of Directors	Chairman
	Risk Management Committee	Member
	Share Transfer Committee	Member
Future Consumer Limited	Stakeholders Relationship and Share Transfer Committee	Chairman
	Nomination & Remuneration / Compensation Committee	Member
	Committee of Directors	Chairman
	Corporate Social Responsibility Committee	Member



Name of the Company	Name of the Committee	Chairperson/Member
Future Enterprises Limited	Corporate Social Responsibility Committee	Member
	Risk Management Committee	Member
	Committee of Directors	Member
INOX Leisure Limited	Audit Committee	Member

He holds 333 Equity Shares in the Company. Except Ms. Avni Biyani, he is not related to any other Directors and Key Managerial Personnel of the Company.

The last drawn remuneration by Mr. Kishore Biyani from the Company during the financial year 2018-19, was ₹3.85 crore (in the scale of ₹3.50 crore to ₹5.00 crore).

Mr. Biyani had attended five Board Meetings during the financial year 2018-19.

The terms and conditions of the appointment and the proposed remuneration payable to him as the Managing Director of the Company would be as follows:

#### Remuneration:

Total Remuneration during the tenure of 5 years shall be in the scale of ₹3.50 crore to ₹8.00 crore per annum which includes basic salary, commission and taxable perquisites and other allowance but excluding perquisites to the extent exempted under the Income-tax Act, 1961.

#### Other terms of re-appointment:

- Perquisites:** Subject to overall ceiling as aforesaid, the Managing Director shall have liberty to opt for such other allowances, perquisites and incentive as he deems fit including house rent allowance, medical reimbursement, leave travel concession for self and family, club fees, use of Company cars and such other allowances, benefits, amenities and facilities, etc., as per the Company's Rules or as may be agreed to between the Board of Directors and the Managing Director.
- Commission:** The amount of Commission would be determined based on the net profits of the Company in a particular year and shall be subject to the overall ceiling laid down under the Act.
- The Managing Director will also be a member of the Group Medical / Health Insurance and Personal Accident Insurance policies of the Company.
- Exempted perquisite:** in addition to the perquisites referred above, he will also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration.
  - Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
  - Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
  - Encashment of leave at the end of the tenure; and
  - Reimbursement of expenses incurred for the business of the Company.
- Subject to the applicable provisions of the Act, perquisites and allowances shall be evaluated as per Income Tax Rules,

1962 wherever applicable, and at cost, in the absence of any such rules.

- Subject to the superintendence, control and direction of the Board of Directors, the Managing Director shall manage and conduct the business and affairs of the Company.
- The appointment can be terminated by giving six months' notice in writing by either party.

#### Specific Information as required under Schedule V of the Act:

##### I. GENERAL INFORMATION:

###### 1. Nature of Industry

The Company is engaged in the business of lifestyle fashion. The Company has reinforced its position as a leading fashion retailer in the Country and has derived its strengths in three integrated areas: fashion brands, fashion retail and distribution and investments in fast growing fashion companies.

###### 2. Date or expected date of commencement of Commercial Production

The Company has obtained Certificate for Commencement of Business issued by Registrar of Companies, Maharashtra, Mumbai on June 15, 2012.

Further, pursuant to the Composite Scheme of Arrangement and Amalgamation as sanctioned vide its Order dated May 10, 2013 by High Court of Bombay, the fashion retail undertakings of Future Enterprises Limited (earlier known as Future Retail Limited) and Future Consumer Limited (earlier known as Future Consumer Enterprise Limited) were demerged to and vested in the Company on a going concern basis with effect from January 01, 2013 i.e., Appointed date under the said Scheme.

###### 3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.

###### 4. Financial performance of the Company based on the given indicators

Particulars	₹ in crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Paid-up capital	38.91	38.08
Total Turnover	5,416.01	4,252.45
Profit before tax	199.10	155.57
Profit after tax	145.37	110.51

###### 5. Foreign investment or collaborations, if any

###### Joint Ventures (JV) with foreign companies:

Sl. No.	Name of JV Company	Name of JV Partner	% holding
1.	Clarks Future Footwear Private Limited	C & J Clark International Limited	1.00
2.	Celio Future Fashion Private Limited	Celio International SA	Nil

###### Portfolio Investment in Overseas body corporate:

The Company holds 16.25% of the Ordinary shares Capital of Koovs plc, (a company incorporated in England), as on March 31, 2019.

## Foreign investments in the Company

Foreign Investors deal in the Equity Shares of the Company, at the stock exchanges under the foreign portfolio investment scheme (FPIS). As on March 31, 2019, total foreign holding under FPIS was 15.14% of the Equity Capital of the Company.

## II. INFORMATION ABOUT THE APPOINTEE:

Background details	A brief profile of the appointee is mentioned herein above.
Past Remuneration	During the year under review, Mr. Kishore Biyani has received remuneration of ₹3.85 crore (including a Commission of ₹1.25 crore, which was pertaining to the financial year 2017-18) from the Company. Mr. Kishore Biyani, being Managing Director of Future Retail Limited (FRL) has also drawn remuneration from FRL, during the year under review.
Recognition and Awards	Mr. Kishore Biyani has won various awards and recognition from government bodies as well as the private sectors in India and abroad. Under the leadership of Mr. Kishore Biyani, various entities and brands under the Future Group have also been conferred numerous awards and recognitions.
Job profile and his Suitability	Subject to the superintendence, control and direction of the Board of Directors, the Managing Director shall manage and conduct the business and affairs of the Company. The Future Group led by Mr. Kishore Biyani, has successfully demonstrated the ability to identify, incubate and grow various consumption-led businesses in India.
Remuneration proposed	As set out herein above
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Kishore Biyani is part of Promoters and Promoter Group, which holds 53.47% of the total Equity Shares of the Company. Besides the present and proposed remuneration, he does not have any other pecuniary relationship with the Company.
Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	<p>Fashion Retail industry in India, which is the second largest contributor in the retail industry after food and grocery, is seeing some major shifts. India has the world's largest youth population, which is becoming fashion conscious owing to e-tail and social media penetration. This has opened unprecedented retail market opportunities for the organised retailer, in order to meet the consumer demand and business competition.</p> <p>It is also imperative for any retail company to have highly experienced professionals having specialized knowledge and skills to understand and project the market trend, consumer behavior, consumption pattern and many relevant indicators for better product mix.</p> <p>Mr. Kishore Biyani has successfully proven his expertise in very effective manner and drove the Company towards the growth over the period of time. Hence, the Board of Directors considered that the remuneration proposed to him is justified and commensurate with other organisations of the similar type, size and nature in the retail industry.</p>

## III. OTHER INFORMATION:

1. Reasons of loss or inadequate profits: N.A.

The Company has posted a net profit after tax of ₹145.37 crore during the year ended March 31, 2019.

2. Steps taken or proposed to be taken for improvement: N.A.
3. Expected increase in productivity and profits in measurable terms: N.A.

It is envisaged that the Company would have adequate profits in the coming years.

## IV. DISCLOSURES:

The details of remuneration paid to all Directors are set out in the Corporate Governance Report which forms part of the Annual Report.

As required under the provisions of the Act, approval of the Members is being sought for re-appointment of Mr. Kishore Biyani as the Managing Director of the Company and remuneration payable to him as the Managing Director of the Company.

Your Directors recommend Resolution at Item No. 7 as a Special Resolution for approval of the Members.

Except Mr. Kishore Biyani and Ms. Avni Biyani, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, in any way, in the Resolution set out at Item No. 7 of this Notice.

## Item No. 8

The Board of Directors of the Company, upon the recommendation of the Nomination and Remuneration Committee and nomination received from Spectacular Investments Pte Ltd, has appointed Mr. Ravinder Singh Thakran, as a Nominee Director (Additional Director) of the Company with effect from May 21, 2019. In terms of section 161 of the Companies Act, 2013 ("the Act"), Mr. Thakran holds office up to the date of the forthcoming Annual General Meeting (AGM) of the Company.

Mr. Thakran, (aged 55 years), holds an MBA from the Indian Institute of Management, Ahmedabad. He has been working in various leading positions at the Louis Vuitton Moët Hennessey Group (LVMH) since 2001 and has been the Group Chairman of LVMH South & Southeast Asia, Australia and Middle East since September 2007.

Mr. Thakran launched L Capital Asia (currently known as L Catterton Asia) in 2009. L Catterton, formed in 2016 through the partnership of Catterton, LVMH and Groupe Arnault, is the largest consumer-focused private equity firm in the world, operating six distinct fund strategies out of seventeen offices located across five continents.

Prior to his time at LVMH, Mr. Thakran held senior management positions at the Swatch Group, Nike and the Tata Group.

He is also on the board of other company in India viz., Thakran Sports Private Limited and he does not hold membership/

chairpersonship of committees in the Company and in other companies in India.

Mr. Thakran was first appointed as Non-Executive Director of the Company with effect from May 21, 2018. Five Board meetings of the Company were held subsequent to his appointment, which were not attended by Mr. Thakran. Mr. Narayan Ramachandran as an Alternate Director to Mr. Thakran, has attended Board meetings to represent Mr. Thakran. Consequently, Mr. Thakran has ceased to be a Director of the Company with effect from May 20, 2019, on account of vacation of his office as Director, due to his absence from all the meetings of the Board of Directors of the Company held during a period of previous twelve months, pursuant to the provisions of section 167(1)(b) of the Act.

In exercise of the provisions of the Articles of Association of the Company, Spectacular Investments Pte Ltd., (a registered foreign portfolio investor and holding 9.98% of the Equity Share Capital in the Company) nominated Mr. Thakran, as its Nominee Director on the Board of the Company.

Mr. Thakran would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. In addition, he would be entitled to commission as determined each year by the Board of Directors within the limits approved by the Members of the Company for the Non-Executive Directors of the Company.

Mr. Thakran has voluntarily waived to receive the sitting fees and commission during the tenure of Non-Executive Director of the Company. He does not hold any Shares in the Company and is not related to any other Directors and Key Managerial Personnel of the Company.

The Company has received a notice from a Member proposing candidature of Mr. Thakran for the office of Director of the Company at the AGM. The Company has also received from Mr. Thakran a declaration that he is not disqualified from being

appointed as a Director in terms of section 164 of the Act and has given consent to act as a Nominee Director of the Company.

The Board considered that his expertise and enrich experience of working with world's leading fashion brands would be immense beneficial to the Company and therefore recommended the appointment of Mr. Thakran as a Director on the Board.

Your Directors recommend Resolution at Item No. 8 as Ordinary Resolution for approval of the Members.

Except Mr. Thakran, being an appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, in any way, in the Resolution set out at Item No. 8 of this Notice.

#### Item No. 9

The Company enters into related party transaction(s) with Future Enterprises Limited ("FEL") and Future Retail Limited ("FRL") for sale, purchase and supply of goods and assets and availing or rendering of any services, in the ordinary course of business. These transactions are entered into at arm's length basis and in line with the Company's policy on Related Party Transactions.

It is envisaged that the maximum value of the related party transactions entered or to be entered into by the Company with the above related parties, during the financial year 2019-20, would exceed ten percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

In terms of regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), prior approval of the Members of the Company would be required to enter into the proposed transactions with the related parties, before it exceeds the above threshold of ten percent of annual consolidated turnover of the Company.

The additional information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

a.	Name of the related party	Future Enterprises Limited	Future Retail Limited
b.	Name of the Director or Key Managerial Personnel who is related, if any	Mr. Kishore Biyani	Mr. Kishore Biyani
c.	Nature of relationship	Related party	Related party
d.	Nature, material terms, monetary value and particulars of the contract or arrangement	<p>The Company enters into transactions including sale, purchase and supply of goods and assets and availing or rendering of any services with FEL in ordinary course of business and at arm's length basis.</p> <p>The maximum value of the above related party transaction(s) to be entered into individually or taken together with previous transactions, would be in aggregate of ₹900.75 crore, during the financial year 2019-20.</p>	<p>The Company enters into transactions including sale, purchase and supply of goods and assets and availing or rendering of any services with FRL in ordinary course of business and at arm's length basis.</p> <p>The maximum value of the above related party transaction(s) to be entered into individually or taken together with previous transactions, would be in aggregate of ₹870.00 crore, during the financial year 2019-20.</p>

<p>e. Any other information relevant or important for the Members to take a decision on the proposed Resolution</p>	<p>FEL has a specialized apparel design and sourcing team, coupled with an in-house manufacturing facilities. FEL supports the fast growing fashion businesses of Future Group and a few third-party companies. The core competency of FEL is its strong understanding of the apparel value chain and vendor networks coupled with the consumer understanding of buying preferences and behaviour. FEL has a senior design team along with a large pool of talented designers, backed by professionals engaged in fabric procurement, vendor capacity planning, costing and negotiations. FEL also deals in the consumer and digital space to bring in next generation innovations using artificial intelligence, Big Data Analytics, Blockchains, Internet of Things, robotics and allied technologies.</p>	<p>FRL operates some of India's most popular hypermarket and retail formats such as Big Bazaar, fbb, Food Bazaar Easyday, Foodhall and Hypercity. FRL's Fashion at Big Bazaar (fbb) is redefining affordable fashion and is a popular youthful brand that offers refreshing fashion trends at affordable prices.</p> <p>Similarly, the Company's retail format "Brand Factory" is India's leading chain of fashion discount stores that promises consumers a revolutionary discount shopping experience. it is also an inventory liquidation channel for major brands.</p> <p>The transactions between the Company and FRL would largely involve sale and purchase of apparels, footwears and other goods and services.</p>
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The Audit Committee and the Board of Directors of the Company at their respective Meetings held on March 27, 2019 have reviewed the above related party transactions and recommended for the approval of the Members of the Company.

Pursuant to regulation 23 of Listing Regulations, no related party (falling within the definition of "Related Party") shall vote to approve the proposed Resolution, irrespective of whether the entity is a party to the particular transaction(s) or not.

Your Directors recommends Resolution at Item No.9 as an Ordinary Resolution for approval of the Members.

Except, Mr. Kishore Biyani and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, in any way, in the Resolution set out at Item No.9 of this Notice.

By Order of the Board of Directors

May 21, 2019  
Mumbai

**Sanjay Kumar Mutha**  
Chief Legal & Company Secretary

**Registered Office:**

**Future Lifestyle Fashions Limited**

CIN: L52100MH2012PLC231654

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

Tel No: +91 22 6644 2200, Fax No: +91 22 6644 2201

E-mail: investorrelations@futurelifestyle.in

Website: [www.futurelifestyle.in](http://www.futurelifestyle.in)

Route map of the venue to the AGM



# PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014 - (Form No: MGT 11)]

## FUTURE LIFESTYLE FASHIONS LIMITED

CIN: L52100MH2012PLC231654

Registered Office: Knowledge House, Shyam Nagar,  
Off. Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.  
Tel No: +91 22 6644 2200 Fax No: +91 22 6644 2201 Website: www.futurelifestyle.in

### Seventh Annual General Meeting on Tuesday, July 30, 2019

Name of the Member(s):		
Registered Address:		
E-mail Id:		
Folio No./ Client Id:		DP ID:

I/ We, being the Member(s) of Shares of the above named Company, hereby appoint:

- Name: ..... Address:.....  
Email Id: .....Signature....., or failing him/her;
- Name: ..... Address:.....  
Email Id: .....Signature....., or failing him/her;
- Name: ..... Address:.....  
Email Id: .....Signature.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Seventh Annual General Meeting of the Company, to be held on Tuesday, July 30, 2019 at 2:30 pm at Rangaswar, Fourth Floor, Y. B. Chavan Center, Gen. Jagannath Bhosale Marg, Mumbai - 400 021 and at any adjournment thereof in respect of such Resolution(s) as are indicated below:

Sl. No.	Resolutions	Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon		
2.	Declaration of a Dividend on Equity Shares		
3.	Appointment of Mr. Rakesh Biyani, who retires by rotation and being eligible, offers himself for re-appointment		
4.	Appointment of Ms. Ashni Biyani, who retires by rotation and being eligible, offers herself for re-appointment		
<b>Special Business</b>			
5.	Re-appointment of Mr. Shailesh Haribhakti as an Independent Director of the Company		
6.	Re-appointment of Dr. Darlie Koshy as an Independent Director of the Company		
7.	Re-appointment of Mr. Kishore Biyani as the Managing Director of the Company		
8.	Appointment of Mr. Ravinder Singh Thakran as Nominee Director		
9.	Approval for Material Related Party Transaction(s)		

Signed this ..... day of ..... 2019.

Affix  
Revenue  
Stamp

Signature of Proxy holder(s)

Signature of Member(s)

**Note:**

\*It is optional to indicate your preference in the appropriate column. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she may deem appropriate.  
This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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**FUTURE LIFESTYLE FASHIONS LIMITED**

**CIN: L52100MH2012PLC231654**

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

Tel No: +91 22 6644 2200, Fax No: +91 22 6644 2201

**Email:** investorrelations@futurelifestyle.in **Website:** www.futurelifestyle.in

**ATTENDANCE SLIP**

**SEVENTH ANNUAL GENERAL MEETING - JULY 30, 2019**

**Sr.No.:**

<b>Registered Folio No. / DP ID No./ Client ID No.</b>	
<b>Name and Address of the Member</b>	
<b>Joint Holder 1 Joint Holder 2</b>	
<b>No. of Shares held</b>	
<b>Name of the Member(s)/Proxy</b>	

I / We hereby record my / our presence at the Seventh Annual General Meeting of the Company held on Tuesday, July 30, 2019 at 2:30 p.m. at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhonsle Marg, Mumbai 400 021.

**SIGNATURE OF THE MEMBER/  
JOINT MEMBER(S) / PROXY**

**Note:** Please fill up and sign this attendance slip and hand it over at the entrance of the meeting hall. Members/ Proxy holders are requested to bring their copy of the Annual Report to the meeting.

**E-VOTING PARTICULARS**

<b>EVEN (Electronic Voting Event Number)</b>	<b>User ID</b>	<b>Password/PIN</b>
110916		

**Note:** Please read instructions given at Note No. 19 (Voting through electronic means) to the Notice of the Seventh Annual General Meeting of the Company carefully before voting electronically. The voting time commences from July 26, 2019 at 9:00 a.m. and ends on July 29, 2019 at 5:00 p.m. The voting module shall be disabled by NSDL for voting thereafter.





*Fashion  
for you*

# What's inside

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### About this report

In the second year of our Integrated Reporting <IR> journey, we at Future Lifestyle Fashions Limited (FLFL) have strived to report our performance, strategy, risks and opportunities, engagement with stakeholders and other aspects in accordance with the International <IR> Framework, published by the International Integrated Reporting Council (IIRC). This has been done with an objective to present to our stakeholders an interconnected, concise and in- depth perspective about how FLFL creates value as leaders in fashion. At FLFL, our actions and decisions are a function of our integrated thinking and multi-capital approach to value creation. This is elucidated in detail across the Report.

### Responsibility statement

The Board and the Management have reviewed the document for accuracy, transparency and the veracity of the information provided in this Report.

### Financial and statutory reporting principles

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (and the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, and the Secretarial Standards issued by the Institute of Company Secretaries of India.

### Scope and boundary

This Report covers the integrated performance and material matters pertaining to the operations of FLFL and its subsidiaries for the year ended 31st March 2019. The information presented also draws on metrics and figures from previous reporting periods.

### Assurance statement

Assurance on financial statements has been provided by Deloitte, Haskins and Sells, and the Independent Limited Assurance Statement can be found on page 210 and page 211.

### Disclaimer

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

All the data present in the report belongs to a consolidated basis unless specified otherwise.

# Fashion for you

## Fashion interestingly never goes out of fashion.

It is more than just a decorative wordplay. Fashion articulates boldly that at our very essence we are all creative individuals, and have the confidence to continuously transform ourselves and the world in which we live and thrive. It is our inherent expression of 'design thinking' to adorn our personality and to inspire others to emulate our statement of style

We, at FLF, believe that India offers an enormous opportunity in the lifestyle fashion market. And with a wide ensemble of brands, an integrated business model, coupled with steady investments in the digital space, we are advancing with confident strides in the ever-evolving world of fashion.

We are empowering the imagination of our valued patrons, introducing them to global luxury trends and crafting tomorrow's fashion in a sustainable and responsible way.



Scan the QR  
Code to read the  
report online

# Highlights of FY 2018-19

REVENUE (₹ crore)

# 5,728

27% y-o-y growth



EBITDA (₹ crore)

# 564

26% y-o-y growth

RoCE (%)

# 13.9

EPS (₹)

# 9.8



NET DEBT TO  
EBITDA RATIO

# 1.4



VOLUME GROWTH (%)

28



NEW STORES

6

Central

NEW STORES

31

Brand Factory

FLF SSG%\*

8.7

\* Central + Brand Factory SSG

# Future Group

## Co-founders of the new



Future Group has emerged as one of India's leading consumer goods conglomerate, spanning FMCG, fashion and support logistics. Powered by our decades-rich legacy of creating unforgettable customer experiences, the Group has led the paradigm shift in India's retail story.

Today, the Group's businesses comprise sourcing, design, manufacturing, logistics, brand development, distribution and retailing of consumer goods across almost every part of India.

Employee Strength  
**> 65,000**

Brands  
**> 70**

Retail Area  
**~ 24**  
million sq ft

Customer Visits  
**> 600**  
million

Cities  
**> 450**



## Group values

### RESPECT & HUMILITY

In dealing with everyone within and outside the organisation

### FLOW

By constantly learning and being inspired from the universal laws of nature

### INDIANNES

By believing in oneself and doing things the Indian way

### INTROSPECTION

For continuous learning, self-development and personal excellence

### OPENNESS & ADAPTABILITY

By accepting new ideas and knowledge, and being proactive in meeting challenges emerging from changing business scenarios

### VALUING & NURTURING RELATIONSHIPS

With customers, business associates, stakeholders, communities and the society

### LEADERSHIP

In thought and in business

### SIMPLICITY AND POSITIVITY

To foster innovation, speed and imagination

# Introducing Future Lifestyle Fashions

The flagship fashion Company of the Future Group, Future Lifestyle Fashions (FLF) is one of India’s fastest-growing players in its space.

We have an integrated portfolio of retail formats spanning 6.8 mn sq. ft. and 30 brands under our umbrella. From design to distribution, we have end-to-end capabilities across the fashion value chain. With our presence, potential and performance, we are changing the way India aspires for and embraces fashion.



## Vision

To be the leading lifestyle fashion company in India by creating exceptional brands and shopping experiences that will bring alive the Indian idiom of fashion.

## Mission

We, at Future Lifestyle Fashions, aim to create a globally-recognised fashion organisation here in India by bringing alive the Indian idiom of fashion. We, thus, strive to:

- Be the most preferred fashion destination of India
- Create the most preferred portfolio of fashion brands
- Be the most innovative, efficient, and profitable retailer
- Be the preferred employer in the fashion space
- Be the trendsetter in Indian fashion through superior understanding of the culture, style code, passion and aspirations of Indian consumers
- Create happiness for customers, colleagues, business partners and every stakeholder

## Our approach



### LIVE, BREATHE AND THINK FASHION

Fashion is ever-evolving, and we will be sensitive, agile and open to the rapidly evolving fashion market.



### CONSUMERS AT OUR CORE

We create exceptional brands and experiences that reflect the various identities and aspirations of Indian consumers.



### DESIGN IS OUR SOUL

The spirit of our design thinking lies not only in the brands and experiences we create, but also in building relationships, leading innovation, setting trends and providing fulfilment to consumers.



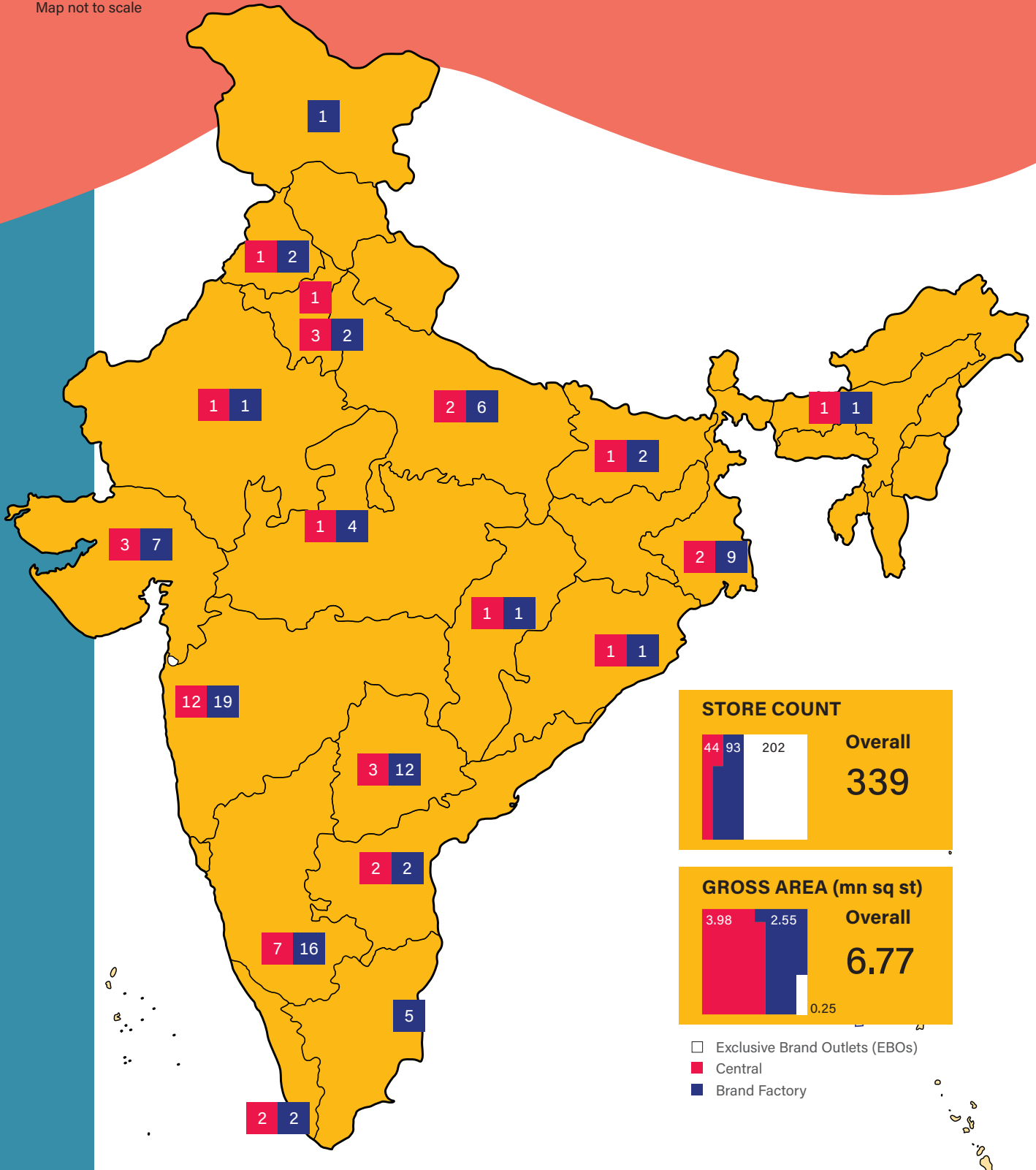
### PURSUIT OF HAPPINESS

Above all, we collaborate and strive to bring happiness to the lives of our customers, colleagues, business partners and the communities we work in



## Our fashion footprint

Map not to scale

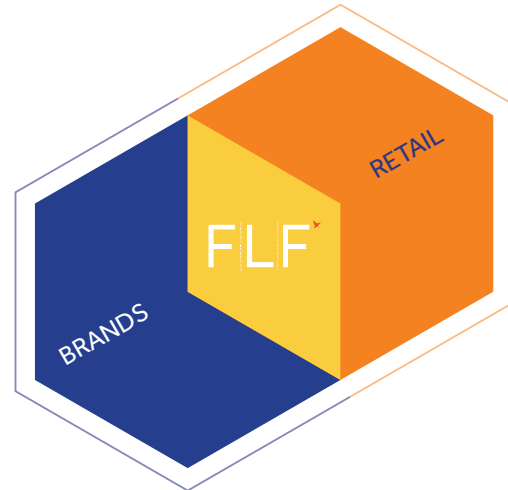


# A unique and winning operating model

At FLF, we operate with a differentiated operating model, that sets us apart from others in the competitive landscape.

Traditional pure-play brand or pure-play retail players carry several challenges, especially in emerging markets. These include pricing pressures, margin loss and intensive capital requirements to scale.

We at FLF, on the other hand, operate with an integrated model that straddles both brands and retail to constitute a winning business proposition. This unique model combines the benefits of pure-play brand with the advantages of owned retail channels. It helps us operate an end-to-end value chain that maximises margins, controls externalities and above all, enables superior customer experiences.



## Key benefits of our unique and integrated operating model



**Better control over brand presence**



**Enhanced customer experience**



**Analysis and incorporation of sales feedback at every customer touchpoint**



**Economies of scale arising from own brands and distribution**



**Cost efficiency due to multiple cross-selling avenues**



**Increased profitability**

# A wide brandscape

We bring contemporary styles and fashion to the discerning masses of India.

Our wide array of brands caters to every age group, gender and choices, across price points. This has helped us deliver more and deliver better to our different customer groups and earn their loyalty. Our customers are in different stages of their life's journey, where each stage demands a unique occasion to celebrate. We aspire to be their go-to 'fashion genie' that can curate a style solution suitable for every occasion through our brand portfolio. With our portfolio of power brands, emerging brands and investee brands, our customers enjoy unparalleled fashion choices for their every mood, need and want.

### Casual and party wear

Lee Cooper, aLL, Indigo Nation, John Miller Hangout, Bare Casuals, Bare Denim, RIG and RIG Ladies, Scullers and Scullers for Her, UMM

### Festive wear

aLL, Lombard

### Formal wear

aLL, John Miller, Urbana, Giovanni, Lombard

### Sports and leisure wear

Converse, Champion, Umbro, John Miller Sports, RIG

### Key brands & average price points

Clark	₹5,400
Converse	₹3,080
Ancestry	₹2,800
Lee Cooper	₹2,500
Cover Story	₹2,200
Indigo Nation	₹1,640
aLL	₹1,710
John Miller	₹1,340
RIG	₹1,235

Premium/bridge Mainstream

## Footwear segment: A strong growth opportunity

We have realised significant opportunities in India's footwear fashion space and are set to leverage our in-depth fashion expertise to cater to a value-accretive niche in India's fashion segment.

### INDIA MARKET

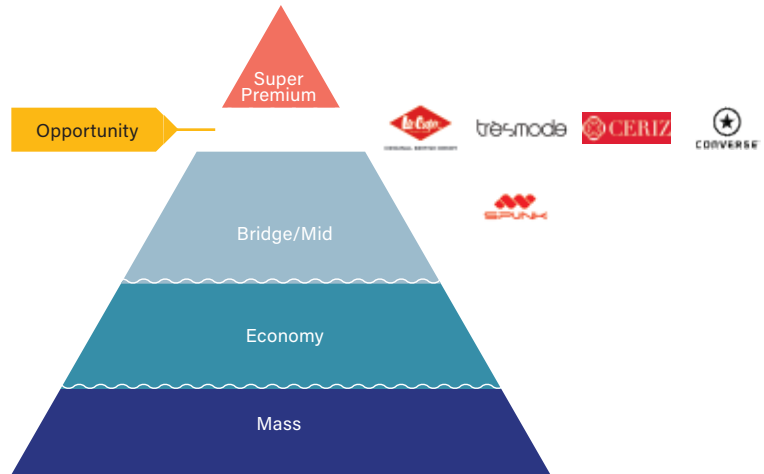
India is the 2nd largest producer of footwear globally, with ~90% of its produce meeting the domestic demand. India has also overtaken USA to become the second largest consumer of footwear globally.

### GROWTH

The Indian footwear market is expected to reach USD 17,500 million by the end of 2019 and continue to grow at a CAGR of 10.5% till 2022. Men's footwear market is growing at a CAGR of 10% and contributes 60% of sales in the footwear segment. Women's market, on the other hand, is growing at a 20% CAGR with a market share of 30%.

### FORMALISATION

Footwear is the most organised category in the Indian retail space, with 41% of all footwear sold in India being retailed through formal channels. With the current growth rate of organised footwear retail, one in every two pairs of footwear sold in India will be through formal channels.



### OPPORTUNITY

Current offerings in the market belong to the classical or traditional styles. Hence, there is a significant headroom for growth by bringing in the latest in footwear fashion to the market, with the best in technology. With our brands such as Lee Cooper (footwear licence received in April 2018), Tresmode, Ceriz, Converse and Spunk, we are serving Indian consumers with contemporary footwear fashion in an identified opportunity space.

Source:

1. The State of Fashion 2019 , Business of Fashion and McKinsey & Co.
2. India Business of Fashion Report 2019, IMAGES Yearbook

# Delivering branded fashion to India

FLF is home to a portfolio of 30 brands, comprising own brands and a set of investee brands. The owned brands portfolio includes seven power brands that drive our growth.

## POWER BRANDS

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## EMERGING BRANDS

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## INVESTEE BRANDS

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## Power Brands

### LEE COOPER

#### Purpose

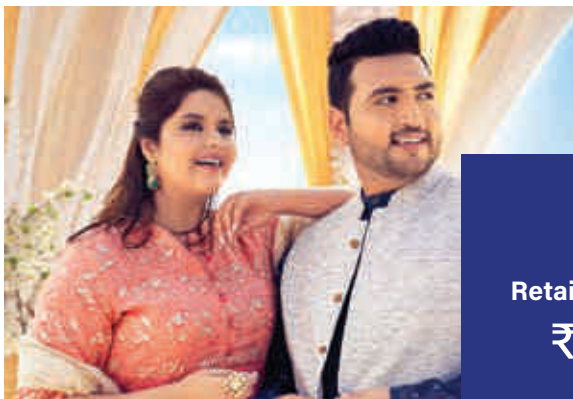
Offers aspirational, trend-led denim apparel and footwear to enable consumers to discover and celebrate their styles

#### Role in life

Enables young individuals (18-30 years) spanning young adults to first jobbers to early settlers, to sport their cool, relaxed and easy-going character

Retail Sales

₹568  
crore



Retail Sales

₹169  
crore

### ALL

#### Purpose

The purpose of aLL is to be recognised as an aspirational and preferred brand for plus size consumers, which they can own and flaunt

#### Role in Life

Fashion is for everyone & size is just a number. aLL celebrates every size, every body & every shape & is dedicated to offer aspirational fashion for plus size men & women.

### JOHN MILLER

#### Purpose

Creates men's fashion for the workplace. In today's corporate parlance, success is about having an extra edge that makes one stand out and stride ahead. The John Miller man believes it all starts by dressing for success.

#### Role in Life

Helps the young professional exude confidence and charm to win at work and achieve success.



Retail Sales

₹181  
crore

### INDIGO NATION

**Purpose**

To be a cult brand delivering fast fashion for the young & restless, who are always looking for change

**Role in Life**

Lends a swag and edge to the young and uber-stylish individual. Projects the consumer to stand-out with the uniqueness of the clothes



Retail Sales  
**₹177**  
crore



Retail Sales  
**₹126**  
crore

### SCULLERS

**Purpose**

Scullers inspires young men and women to take life less seriously and to enjoy light-hearted moments with friends and family, make time for recreations, vacations and holidays

**Role in Life**

Enables the consumer to Live the Scullers Life and enjoy relaxed moments with the loved ones and create happy memories

### JEALOUS 21

**Purpose**

Be the denim expression young women looks for every occasion. Create memorable micro moments and convert each moment into an event. Create a 'go to' fashion force.

**Role in Life**

Be the most preferred denim lifestyle brand and be her 'fashion genie'



Retail Sales  
**₹98**  
crore



Retail Sales  
₹201  
crore

## BARE

### Purpose

Democratise the denim lifestyle and create wide access for the young and youthful across the country

### Role in Life

Be the fashion adviser by initiating people into the world of denim lifestyle. Help them feel proud about wearing a national brand of repute.

## Key Emerging Brands



## CONVERSE

### Purpose

Serves the daring spirit of the youth with stories that enable customer occasions

### Role in Life

Helps the daring youth to seek the street attitude and sub-culture. Provides a key marker to help like-minded youth to hangout.



## RIG

### Purpose

The purpose of RIG is to be recognised as the most preferred outdoor fashion utility brand.

It spurs the intrinsic rebellious spirit to go beyond just the 'physical' thrill of adventure into the bold new world of exploration.

### Role in Life

It is a friend and companion to the curious exploring mind on its journey of unplanned discoveries into the unknown

## Key Investee Brands

### COVER STORY

Addressing the eclectic sartorial needs of the modern woman, the brand brings fresh fashion straight from the Future Style Lab based out of Victoria, London. Cover Story, within two years of operations, is considered among the top western wear brands focusing on fast fashion in the country. It will focus on bringing a very exciting accessories collection to Cover Story stores, while increasing revenue from our own website.



### ANCESTRY

Launched under the aegis of the Future Style Lab, the brand designs fashion solutions for the millennial customer. Ancestry stands apart as it is a contemporary lifestyle brand that draws inspiration from Indian heritage, while incorporating the global trends. Its vision is to be a complete wardrobe and lifestyle solution for the modern Indian woman. The eclectic collection of the brand is a beautiful mix of organic, ethnic and specially handcrafted products.



## TURTLE

Turtle's journey began in Kolkata as an aspiring yet steadfast enterprise that went on to become one of India's fastest growing companies in the industry. From a company primarily into men's readymade shirts to a leading brand in menswear fashion, Turtle has indeed come a long way. After all, what started with a production capacity of just 20 shirts a day, today has an exhaustive in-house retail unit that caters to more than 100 exclusive stores and 1,200 multi-brand outlets across the country. With trendsetting fashion and redefining styles, its two iconic brands - Turtle and London Bridge have become favourites among men who wish to stand out and make a statement



## TRESMODE

A brand renowned for trendy and functional footwear as well as accessories, Tresmode is synonymous with contemporary footwear styles. The brand is looking at expanding its footprint in travel retail and is thus widening its offering to include travel-related merchandise.

## CLARKS

A product of the joint venture between Future Group and C. & J. Clark International Ltd., it offers a range of branded boots, sandals and shoes for men and women.



# Tomorrow's retail. Today.

We operate two unique retail formats, Central and Brand Factory, catering to the premium and value segments, respectively.

## Central

Central is our flagship retail format, which showcases over 500 brands across 25 fashion categories in high definition. Comparatively younger than its peers, Central converges extraordinary fashion with exemplary customer service.

### VISION

To become the most preferred fashion destination by offering brands that best fit the lifestyle of the evolving Indian consumer in a modern retail environment. This is to be achieved by forging strategic profitable alliances with a team of happy employees which believes in service excellence, leading to leadership position in the lifestyle fashion retail space.

### POSITIONING

With its wide spectrum of brands, Central caters to fashion consumers who belong to the mid to the premium economic segment. Among its peers, Central enjoys the maximum penetration of younger audience (18-25 years of age). Central is positioned as a fashion destination with a larger than life ambience.



Revenue (₹ crore)

**2,859**

Stores

**44**

Fashion brands housed

**> 500**

Cities

**27**

Retail space

**3.98** million sq ft

SSG

**5.7%**

Customers visits

**35.7** million

Fashion categories

**25**

Available workforce

**~4,700**



Apparel: Lifestyle ratio

72:28

Apparel: Category ratio  
Men: Women: Kids



38:28:6

## GOING FORWARD

Going forward, we envisage Central to be a billion-dollar brand. We aim to do so by adopting the best practices, while staying relevant to the changing landscape of customer preferences. To achieve this purpose, a four-pronged growth strategy has been instituted, as summarised below:

### Strategic focus area for the next 3-5 years

Market leadership	Profitability	Moving from convenience to hyper-convenience	Technology interface to make shopping experience seamless
<b>Primary KPIs to measure strategic progress</b>			
<ul style="list-style-type: none"> <li>Strive to increase in market share by 450-500 bps</li> <li>Target a high single digit same store sales growth</li> </ul>	<ul style="list-style-type: none"> <li>Improve the operating leverage of matured stores leading to overall margin expansion of 20-30 bps</li> </ul>	<ul style="list-style-type: none"> <li>Experience-led shopping instead of brand/product-led</li> <li>Increase per piece quantity to ~4 on a per bill basis</li> </ul>	<ul style="list-style-type: none"> <li>Increase in footfall by 10%</li> <li>Decrease in shrinkage by 5%</li> <li>Accurate and timely stock take</li> </ul>
<b>Strategy/enablers to achieve the focussed area</b>			
<ul style="list-style-type: none"> <li>Store expansion in unexplored Tier-II capital cities</li> <li>Multiple Tier-II capital cities have been identified</li> </ul>	<ul style="list-style-type: none"> <li>Zero-based budgeting</li> <li>Drive operating leverage in matured stores</li> </ul>	<ul style="list-style-type: none"> <li>Investment in HD stores, with an avg capex of ₹3,500-₹4,000 per sq ft</li> </ul>	<ul style="list-style-type: none"> <li>Store navigation</li> <li>RFID tags</li> <li>Bluetooth beacons</li> </ul>

## Brand Factory

Brand Factory brings branded fashion to India's masses at attractive prices. It is the country's largest chain of fashion discount stores and offers Indian and international brands at 20-70% discounts, throughout the year.

### KEY DIFFERENTIATORS

- Uniquely placed with exciting growth prospectus
- Availability of distinguished brands for a fantastic shopping experience
- Average store size of ~25,000 - 30,000 sq. ft.
- Round-the-year discount competes strongly with e-commerce channels

### CUSTOMER PROFILES

- Value seeking suburban families
- Fashion following mini-metro/smart shoppers
- Brand conscious explorative youth
- Young qualified, status seekers



Revenue (₹ crore)

2,160

Stores

93

Fashion brands housed

> 200

Cities

42

Retail space

2.55 million sq ft

SSG

13.9%

Customer visits

29.6 million

Fashion categories

20

Available workforce

~5,000



Apparel: Lifestyle Ratio

88:12

Apparel: Category ratio  
Men: Women: Kids



64:15:9

## GOING FORWARD

### Strategic focus area for the next 3-5 years

**BF expansion in Tier-II and Tier-III cities**

**Launch of e-commerce business**

**Introduction of fashion and fast-fashion merchandise**

**Introduction of international brands**

### Key KPIs to measure the focus area (% of the business)

**30%**

**10%**

**12%**

**8%**

### Strategy/enablers to achieve the focussed area

- 100 stores planned in Tier-II and Tier-III cities
- Average store size would be 20,000 - 25,000 sq. ft.
- Content shoot, warehousing, last-mile delivery, and customer service hub are functional
- Introduction of fashion and fast-fashion brands in format
- Discussion with regional brands to balance core merchandise
- Partner with reputed global brands for off-price channel opportunities

# Ready for an agile market



**We have deep expertise in both digital technology and fashion design; and are uniquely positioned to grow profitably in the coming years.**

## Dear Shareholders

We are pleased to share with you the annual report of your Company for FY 2018-19. The opportunity landscape of our business is widening significantly in a largely consumption-driven economy such as India, and we are fully equipped to leverage the positivity in the macro environment.

The lifestyle fashion market in India is among the fastest evolving businesses in the country. Brands, consumers and distribution channels are simultaneously going through rapid transformation. Regardless of the size and segment, companies in this space need to be agile, digital and technology-led and should be able to operate with velocity and faster speed-to-market. FY 2018-19 saw us focus on multiple initiatives that keep our brands and business relevant to customers, and at the same time enhance the productivity and resilience of the organisation to cope and benefit from change.

During this financial year, we posted consolidated revenues of ₹ 5,728 crore, a growth of 27%, over the last financial year. Growth in business was accompanied by retaining EBITDA margins at 9.8%, inspite of significant increase in share of Brand Factory to overall revenue. Our net profit stood at ₹ 189 crore in FY 2018-19, compared to ₹ 126 crore in the previous year; and this resulted in an expansion of earnings per share (EPS) by 48% to ₹ 9.82.

During the year, the team focussed on reinvigorating each of our brands and building a sharper focus on consumers through data and better understanding of the consumers' lifestyles, preferences and aspirations. Most of our brands now have a strong digital presence to connect with customers and keep the brand alive, interactive and relevant every day of the year.

Lee Cooper is among our flagship brands and over the years, we have invested in growing this brand. During the years under review, we added the footwear franchise to its portfolio and introduced new products in the market. This will further aid the growth of the brand and generate higher returns from the investments we make in this brand. This year's Lee Cooper television campaign received over 7 million views on different social media platforms. With the addition of the footwear franchise, we believe the brand now has the potential to emerge among the largest consumer brands in India.

Plus size fashion provides a very large opportunity in India. Our brand, aLL has been the leader in this segment and has earned itself a large and very loyal customer base across the country. This year, we organised the first beauty pageant exclusively for plus-size women. During the year, we launched an exclusive e-commerce portal for aLL to further enhance its reach among its target customers. We are happy to report aLL Online has met with an unprecedented success that reflects the popularity the stores have so far enjoyed.

Without the limitations of physical space, the digital platform is actively exploring if it now can extend its merchandise to a far wider range of categories that serve the plus-size market. In addition to aLL, many of our brands operate several popular digital-commerce platforms, including Cover Story and Clarks. Most of our brands are also available across leading e-commerce channels in the country.

To further strengthen our digital presence and expertise, we acquired 16.25% stake in Koovs Plc., and intend to reach up to 29.9% stake. Koovs operates the India-focussed popular fashion portal Koovs.com. With its easy navigation, catwalk videos, 360° product views and a portfolio of home-grown fashion

brands, Koovs.com enjoys a cult-like following among its customers. We have deep expertise in both digital technology and fashion design; and are uniquely positioned to grow profitably in the coming years. Apart from integrating Koovs.com brands within Central stores, we are also leveraging the Koovs.com expertise and knowledge in building digital platforms for our brands.

In the forthcoming financial year, we are slated to launch Brand Factory's e-commerce platform, backed by the technical expertise and platform provided by Koovs. As a leading off-price brand outlet chain, we are confident that Brand Factory Online will perform exceedingly well in delivering value for customers and for us at large.

While we were growing and strengthening our brands, we also extended our own distribution network. At the end of the year, we were operating 44 Central stores, including a newly launched iconic store in Kolkata's New Market area. We opened 31 new Brand Factory stores, taking the total store count to 93.

Brand Factory is now by far our leading off-price outlet chain and enjoys a strong connect to attract young customers across large and small towns alike. Brand Factory grew at a faster pace, driving overall volume growth for us to 28% year-on-year. Along with the brands' exclusive brand outlets, we now operate 6.8 million square feet of retail space across the country.

Ongoing structural reforms and a favourable demographic advantage casts a positive outlook on the Indian consumer businesses. The domestic fashion and apparel market is estimated to touch \$59.3 billion by 2022, making it the sixth largest in the world and comparable with United Kingdom's (\$65 billion) and Germany's (\$63.1 billion).

With a projected annual GDP growth and on the back of high domestic private consumption, a young working-age population and policy reforms, India is a critical engine of global economic growth. Global consultancy major, McKinsey in its report 'How India's Ascent Could Change the Fashion Industry' estimates that the domestic market is expected to attract over 300 international fashion brands within the next couple of years.

We firmly believe that both the opportunity and competitive intensity in the lifestyle fashion market in India will steadily rise from here on. With an integrated business of a wide portfolio of brands and own retail networks, coupled with our investments in the digital space, we believe we are well poised to win in this fast-evolving market.

Our future strategy and growth potential depends on the imagination and hard work of our teams, and I appreciate their contribution in all these years to make us what we are today.

I, on behalf of the Board, and the entire leadership team thank all our stakeholders for their continued trust and support, and for acting as our backbone to tap the immense market potential.

**Rewrite Rules. Retain Values.**

**Kishore Biyani**

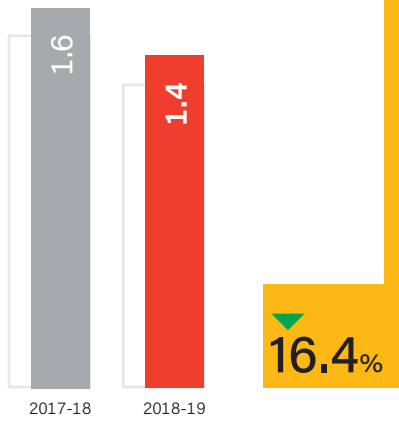
# Our industry-leading performance





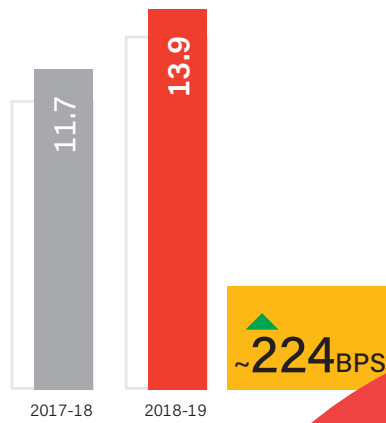
**Net debt to EBITDA**

(in times)



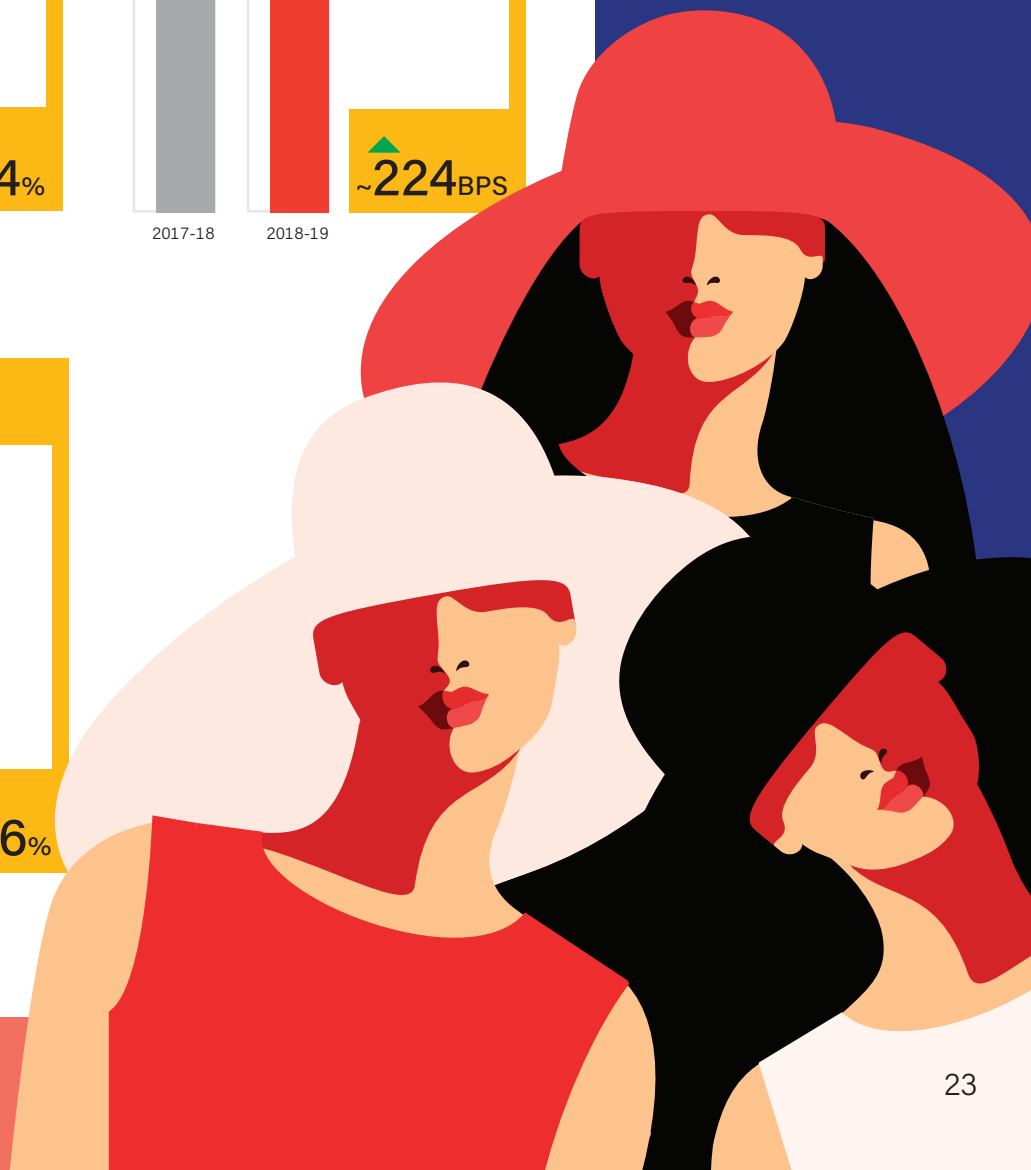
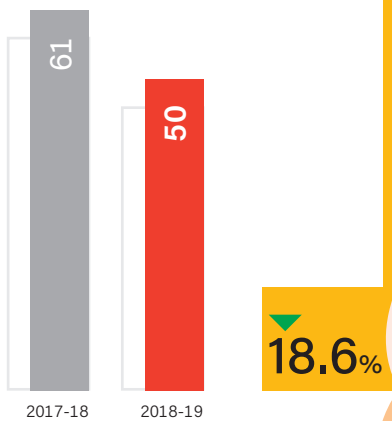
**RoCE**

(%)



**Net working capital days**

(in days)



# The macro context in which we operate

Our operating environment is shaped by domestic and global developments that impact our scale and scope of value creation.



## Worldwide trends

### GLOBAL GROWTH SLOWDOWN

With escalating trade disputes and tepid economic activity, global economic growth is facing multiple downside risks. This translates to proportional impact on the fashion market and consumer spending.

### LUXURY AND VALUE BRANDS LEAD FASHION GROWTH

In 2018, the fashion industry grew by 4-5% and this was led primarily by the luxury and value brand demand. This is also linked to the enhanced consumption levels in the US and the emerging markets.

### TRANSFORMATION WITH 'DIGITAL' AND 'FAST' STRATEGY

Digital servicing and faster go-to-market strategy represents top-of-the-mind recall for companies in the fashion retail space.



## FLF'S STRATEGIC RESPONSE

- We operate in India as our primary market, which continues to see steady growth in consumer spending.
- Close to 40% of our revenue comes from the top 10 fastest growing cities in the world, including Bengaluru, Hyderabad, Nagpur and Surat, among others. This is expected to continue and hence act as natural hedge for us.
- We offer brands and products from across the fashion spectrum. We provide a high-scale fashion experience through our 'Central' large format stores, while straddling the value segment through our well-received 'Brand Factory' stores.
- We are home to premium in-house brands such as 'Coverstory' as well as value brands such as RIG drive growth.
- We have deployed state-of-the-art efficiency maximisation measures to optimise turnaround time and the number of average working capital days. These are supported by technology-led planning and analytics tools platforms such as SAP and Manthan.
- To ensure brand recall, we have established a widespread social media presence as part of our digital-first strategy.



## OMNICHANNEL IS A CORE PRIORITY AREA

Investment priority to drive sales growth continues to be developing omnichannel capabilities across global fashion houses. The investing community has taken cognisance of the fact that digital delivery is a prerequisite to gain ground in today's market scenario.



### FLF'S STRATEGIC RESPONSE

- We have a strong omnichannel play, managed by integrating a digital business front with a diversified physical presence.
- Select brands such as aLL, Coverstory and so on have dedicated websites and taken together, online channels including 3rd party online have contributed between 10%–30% to the revenue of these brands.
- We are also foraying into online platform through our flagship value retail format – Brand Factory online.
- We have undertaken proactive steps to ensure organisational sustainability and transparency. Led by our core tenets, our multi-capital approach to value creation underpins all decisions and initiatives.
- We strive to ensure responsible sourcing and ask suppliers to comply to applicable regulations. Our select vendors have also undergone Higg self-assessment of environmental and social sustainability.
- We have supported artisan livelihoods through brands like 'Mother Earth'. we have engaged around 2,300 artisans in the sector of banana bark products and apparel manufacturing towards this cause.

Source:

1. The State of Fashion 2019 , Business of Fashion and McKinsey & Co.
2. World Economic Outlook April 2019, International Monetary Fund



## India trends

### STRUCTURAL CHANGES BOLSTER 'CORPORATISED RETAIL'

Following the introduction of the Goods and Services Tax (GST), the instances of tax evasion have considerably reduced, and tax structures have been streamlined. This is supporting a migration of market share from unorganised retail to organised retail.



#### FLF'S STRATEGIC RESPONSE

- Being a formal player with an established presence, we stand to benefit from this trend. Apparel and accessories enjoy an organised penetration at ~23%; and we will be a key beneficiary of the growth in organised brick-and-mortar retail.

### EXPERIENCE-LED SHOPPING

Value proposition of large physical stores is evolving from being a distribution channel to that of a platform for discovery, engagement, experience and interaction.

#### What is Consumer Value?

##### Historical equation

Cost + Choice + Convenience

##### Future equation

Experience \* Cost \* Choice  
Convenience \* Control



- Our Central is India's leading fashion destination that effortlessly merges the brand experience of an exclusive brand outlet with the variety of a large format store. Central is on a continuous drive to maximise the experience of discerning Indian consumers.

### RISE OF VALUE RETAIL

Value retailing remains the fastest growing category, as consumers uptrend from the unorganised sector. However, this space is becoming crowded in India with 12-15 players currently operating in the Northern and Eastern parts of India.



- Our Brand Factory caters to the value-seeking customers and has been a proven business proposition with growing returns.
- Brand Factory distinguishes itself from its peers as it proposes 'brand at value' as opposed to 'private white label at value'. As a format, Brand Factory caters to the brand conscious, aspiring consumer, who wants to access quality brands with only a marginal increase in spending.

## INCREASING BRANDED FASHION PENETRATION IN TIER II AND TIER III CITIES

India's Tier II and Tier III cities are exhibiting a visible change in their fashion consumption pattern, where they are going beyond necessities to purchase branded apparel, previously only available in the metros. This has caused companies to focus on the potential of these cities and towns.



### FLF'S STRATEGIC RESPONSE

- Our extensive pan-India presence spans a large number of small cities and towns.
- The strategy for Brand Factory includes a focus on 30% revenue contribution from Tier II and Tier III towns in the next 3-5 years.
- In addition to its existing online brand stores, We will be launching Brand Factory online, enabling it to serve customers spread across the country.

## E-COMMERCE IN APPAREL AND ACCESSORIES RISE

Programmes such as Digital India has helped the country achieve internet penetration to 400 million + users and is connecting 48,000+ gram panchayats under Bharatnet optical fibre connectivity. Internet availability to such a large proportion of the population has resulted in paving the way for e-commerce to gain popularity, considering both economy and options.

## DATA ANALYTICS

Businesses will have to accelerate the journey from simply collecting consumer data to using it to scale and systematise enhanced decision-making across the entire value chain. Major players are also leveraging advanced analytics to revolutionise the planning and production process.

- The Consumer and Digital Labs (C&D Labs) is the data, technology and innovation platform of Future Group that is accelerating the realisation of its digital business strategy.
- C&D Labs has pioneered Tathastu, the largest platform for Industry 4.0 technology development. It helps in curating next-generation consumer interactions by combining artificial intelligence, data science and emerging technologies with consumer platforms.

Source:

WEF - Shaping the Future of Retail for Consumer Industries



# Flaunting the future of fashion

As frontrunners in fashion, we at FLF are changing the way India experienced fashion. Starting with this year's annual report, we will be discussing one format in detail each year, in the light of how the format is altering the fashion paradigm for our customers. For FY 2018-19, we would like to showcase Central and its long-term propositions.

Fashion today is largely looked upon as an extension of a person's personality, rather than just an aspiration. As contemporary societies embrace evolved fashion trends, customer engagement is also changing dramatically. Departmental stores are thus reinventing themselves to create a holistic and experience-led shopping journey for the customers.

Our 'Central', therefore, is leveraging experiential shopping and technology to build on global trends and deliver customer delight. It is truly bringing tomorrow's fashion experiences to the discerning customer groups, today.

## Drivers of change

Customers are now evolved in their preferences and the consequent key changes comprise



From wearing fashion to fashioning of oneself

Shift from fashion for special occasions to create new occasions

Constantly seeking new possibilities, interpretations

Shift towards mode of broadcasting oneself

Ageless youth and celebrating body as primary asset with a strong desire for self-investment

Questioning templates and redefining fashion

From being influenced by celebrities to being inspired by influencers

Move towards emerging fashion experiences

Demanding ROI of time spent

Expects to know him in depth and build deep meaningful connections, hence intimacy

**The new-age customer expects much more from departmental stores. For them, the stores should:**

**01**

Understand customers' ever-changing needs and reorient the service charter

**02**

Deliver experience-led shopping that creates memories, moments and micro moments of delight

**03**

Fashion choreographed and presented as Look

**04**

Assistance from influencers, designers, photographers, make-up artists, stylists

*Move from convenience to hyper-convenience*



**How is India's favourite fashion destination 'Central' transforming to a fashion experience centre?**



# Vision for Central



**Become the most exciting fashion experience centre**

**Enhance the ROI of time spent by customer**

**Create experiences through celebrations, memories, convenience**

**Nurturing a team of employees who strive to make the customers fashionable and create happy moments**

**Be the most desirable and profitable concept**

**Showcase looks through storytelling that creates intimacy with products**



# The store is evaluating the inclusion of multiple customer touchpoints within the same large format store.



# The store also explores moving from convenience to hyper-convenience to engage with and retain more customers.



**CENTRAL IS BEING ENVISAGED AS A DESTINATION WHERE CUSTOMERS CAN CELEBRATE THEIR LOOKS VIA**

**Look experience zones**

**Stylists**

**Central influencer community**

**TECHNOLOGY WILL BE LEVERAGED TO BETTER CUSTOMER EXPERIENCE USING**

**Store navigation**

**RFID tags**

**Bluetooth beacons**

## BUILD LOYALTY

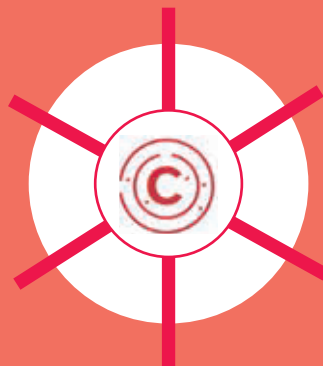
**SPEAK**

**CHANGE**

**SELL**

**SHARE**

**ENTERTAIN**



**By introducing globally relevant innovations in its stores, Central is exploring newer ways to engage and delight its customers. Together, these innovations will propel Central to be India's go-to fashion destination.**

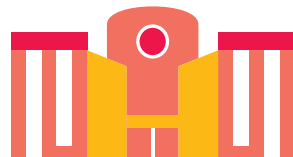
# Resources and relationships that drive us

Our multi-capital approach to business involves several resources and relationships that help us operate and create sustainable stakeholder value.



## FINANCIAL CAPITAL

Our financial capital comprises the equity and debt funds we have or have access to, to create further stakeholder value.



## RETAIL CAPITAL

Our retail capital entails our large-scale retail area available in leased formats, to conduct business and reach our customers.



## INTELLECTUAL CAPITAL

Our capabilities in research and development, our expertise in design and our strong standard operating procedures form our pool of intellectual capital, along with our trademark brands.



### HUMAN CAPITAL

Our diverse, skilled and motivated workforce who put their imagination and effort to serve our customers round-the-clock across our frontend and backend operations.



### BRAND CAPITAL

Our vast portfolio of both owned and investee brands across categories that we retail through multiple channels.



### SOCIAL AND RELATIONSHIP CAPITAL

Our relationships with customers, suppliers, partners, investors and communities to ensure smooth operations and maximise our long-term sustainability.

# Creating value for everyone

At FLF, we create value using multiple resources and relationships to operate an end-to-end value chain. Our unique and integrated business model comprises both brands and retail portfolio to take on an increasing number of opportunities, while remaining competitive and ahead of the curve.

## Inputs



- Total employees: **12,601**
- Male to female employee ratio: **79:21**
- Average age of employees: **27**
- Number of training programmes: **1,008**



- Central: **44 stores** spread over **3.98 mn sq. ft.** of area
- Brand Factory: **93 stores** spread over **2.55 mn sq. ft.** of area
- Exclusive Brand Outlets (EBOs): **202 stores** totalling **0.25 mn sq. ft.** in area



- Owned brands: **30**
- Brands in Central: **507\***
- Brands in Brand Factory: **295\***
- Investee brands: **10**



- Total equity: **₹1,827.0 crore**
- Total debt: **₹903.6 crore**
- Capex: **₹431.3 crore**
- Net worth: **₹1,311.1 crore**



- Total trademarks applied for: **150**
- Total granted trademarks: **111**
- Our state-of-the-art digital infrastructure
- Our stringent SOPs, protocols and systems



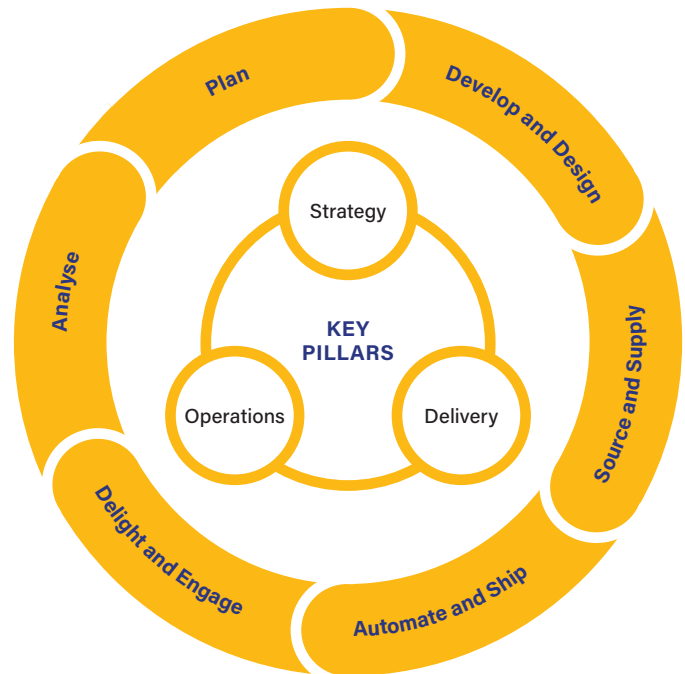
- Contribution to CSR initiatives: **₹2.2 crore**  
- Flagship CSR initiative 'Odha do Zindagi' in partnership with Goonj
- Suppliers: **1,197**
- Shareholders: **36,927**
- Robust stakeholder grievance redressal mechanism

## Process



- Owned brands
- Investee brands

- Central
- Brand Factory
- Exclusive Brand Outlets



\* Brands with less than ₹ 50,000 annual sales have not been considered.

## VISION AND MISSION

### Outputs

Total volume of products  
retailed across Central,  
BF and EBOs (million)

**77.9**

Total number of  
footfalls across Central,  
Brand Factory and  
EBOs (million)

**66.2**

New styles introduced  
for power brands  
(in FY 2018-19):

**~7,000**

SSG (%)\*

**8.7**

\* Central + Brand Factory SSG

### Outcomes



- Attrition: **6%**
- Total man hours of training conducted: **1,02,099**
- Employees promoted: **453**



- Net retail area added in FY 2018-19: **1.03 mn sq. ft.**
- Central stores: **6 opened, 2 closed**
- Brand Factory stores: **31 opened, 1 closed**
- EBOs: **27 opened, 54 closed**
- Total sales from third-party brands: **₹ 3,482.6 crore**



- New brands retailed in Central, Brand Factory and EBOs:
- Total value of sales from owned brands: **₹ 2,245.5 crore**
- Total sales from Power brands: **₹~1,400 crore**



- Income from operations: **₹5,728.1 crore**
- EBITDA: **₹564.2 (9.8% margin)**
- PAT: **₹189.0 crore**
- Free cash flow: **₹ 46.0 crore**
- RoCE: **13.9%**
- Total Corporate tax contribution: **₹ 46.3 crores**
- Basic EPS: **₹ 9.8**
- RoE: **14.4%**
- Market Capitalisation: **₹ 9,528.4 crore**
- Dividend: **70%**



- 11 days** reduction in net working capital days
- Rising amount of data to serve as base for stronger analytics



- Awards won: **8**
- 1,000 households** supported under the 'Cloth for Work' programme via Goonj Foundation
- Blankets worth **₹2.7 lakh** distributed among **900** tribal families of Uttarakhand via Seva Sahyog Foundation
- 146 youth** provided with footwear under the Magic Bus Foundation
- Extended support to tribal welfare, school infrastructure, cancer patients, eye care camps, diabetes awareness and so on
- Shareholder grievances addressed: **8**
- Social media following: **>4.5 million**
- Loyalty memberships: Central - **5.3 million**, Brand Factory - **2.7 million**

## EXTERNAL ENVIRONMENT

# Strong strategy for a sustainable future

With global and Indian fashion world migrating to curated shopping experiences, branded fashion and data-led business models that maximise choices, FLF is at a clear vantage point.

We are poised to grow with our power brands, which are expected to register a double-digit growth rate. We are excited by rising opportunities in the digital and physical space, feeding into our well established inclusive omnichannel approach of own and 3<sup>rd</sup> party e-commerce platforms coupled with the underlying support provided by our retail formats – Central as a lifestyle format store and Brand Factory as a value-focussed format store.

As we grow, we will continue to be a profitable, integrated fashion player that focusses on current and future consumer aspirations, while retaining our thought leadership in the industry.



## Our format-wise growth strategy

### CENTRAL

- Curated experiences across stores
- Leverage growing loyalty base
- Establish Central as a key opinion leader in the fashion circuit
- Imbibe new-age marketing, centralised around content

### BRAND FACTORY

- Expand categories, brands and geographies
- Achieve and sustain cost leadership
- Establish Brand Factory online and scale it up profitably





## BRANDS

- Power brands to lead growth and profitability
- Footwear, casualwear, and ladies ethnicwear to be the key focus categories
- Expand in athleisure category through Spunk apparel and footwear
- Expand distribution and e-commerce reach

## INVESTEE BRANDS

- Invest in high growth and profitable business such as Coverstory and Ancestry to scale
- Harvest few maturing brands in the next 2-3 years
- Hold and provide strategic inputs to brands that are still in the initial stages of growth

## FLF is well equipped to capitalise on the key macro drivers of Indian retail

### MACRO DRIVERS

#### EXPERIENCE-LED SHOPPING

Value proposition of large physical stores is evolving from being a distribution channel to that of a platform for discovery, engagement, experience and interaction

#### TECHNOLOGY & INNOVATION

Technology will be the key driver of industry transformation, with strong backend technology framework, augmenting physical infrastructure

#### CATEGORY EXPANSION

Globally, consumers have access to more than 1 billion different products offered by a wide range of traditional competitors and dynamic new entrants. Choices and brand loyalty prove to be inversely proportional.

#### DATA ANALYTICS

Businesses to accelerate the journey from consumer data collection to use the data for scaling and systematising enhanced decision-making. The industry is witnessing advanced analytics being used to optimise the planning and production process.

#### DEMAND FORECASTING

Rising 'consumer-first' mindset to meet the consumer requirement at a time and place of their choice. With on-demand economy (auto-replenishment or smart reordering) is leading to product-pull than product-push in the fashion space.

#### VALUE RETAIL

Value retailing remains the fastest growing category, as consumers from the unorganised sector are migrating forward to organised fashion.

**ENABLER FOR FLF**

Central providing an elevating customer experience

Multiple technology initiatives and platforms including:

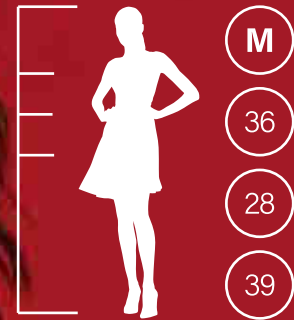
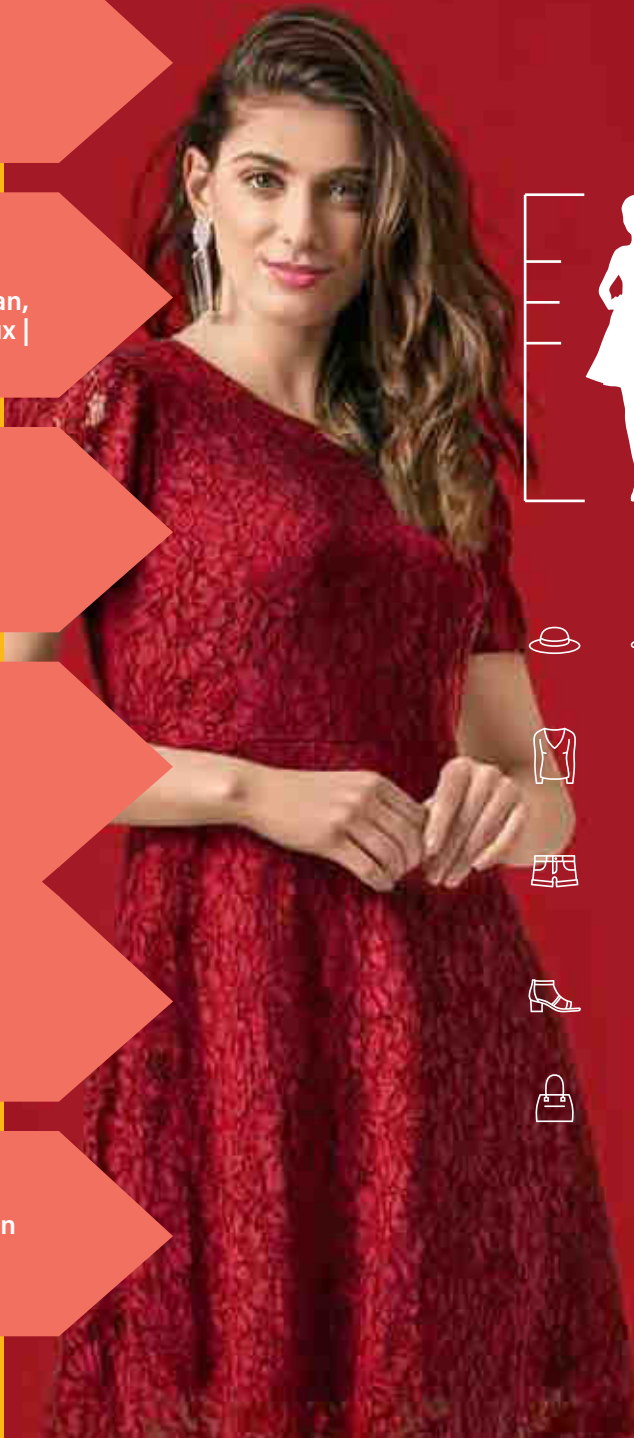
TXT | Manthan | SAP, Vistex | Sampradan, Anushasan Purti (compliance) | TP Linux | PRIDE, Book MI training

Multiple brands across the fashion spectrum

Advanced analytics and demand forecast platforms including:

Tathastu or Retail 3.0 | Consumer & Digital Lab

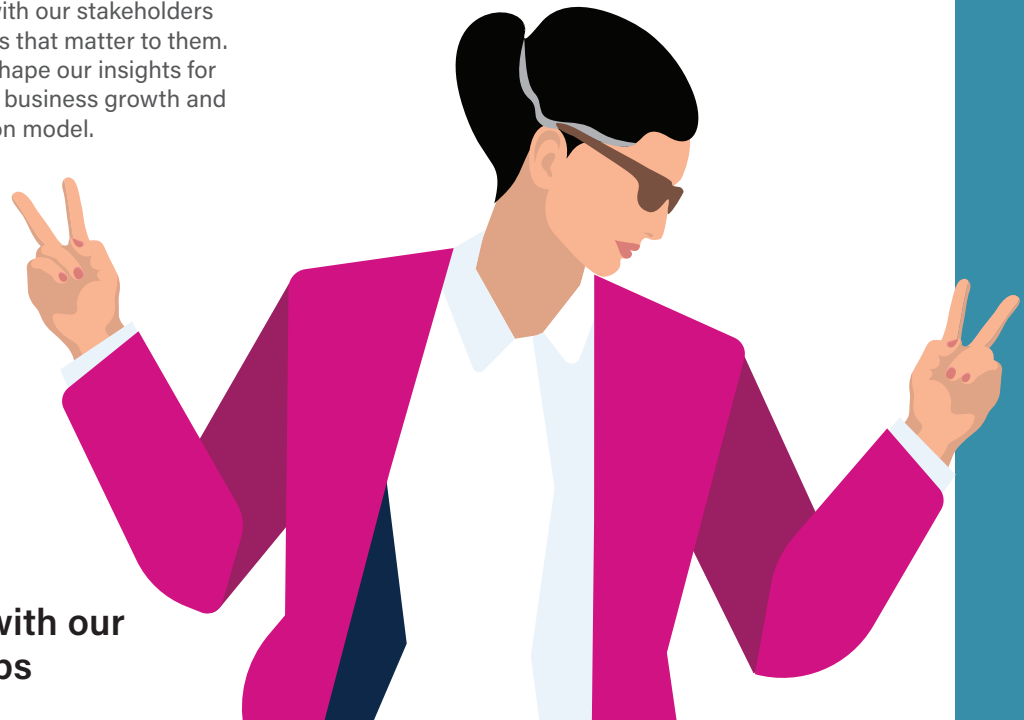
Brand Factory as a preferred destination for branded apparel at value



# Engaging and identifying business-critical issues

Our key objective has always been to gradually enhance our operational efficiency and maximise the value that we create for our wide fraternity of stakeholders.

Our constant engagement with our stakeholders help us identify crucial issues that matter to them. These material issues help shape our insights for strategy formulation to drive business growth and craft a resilient risk-mitigation model.



## How we engage with our stakeholder groups

<b>INVESTORS</b>	<b>Annual General Meetings</b>	<b>Annual reports</b>	<b>Quarterly results, conference call and presentations</b>	<b>Roadshow presentations</b>	<b>One-on-one meetings</b>
	Annual	Annual	End of every financial quarter	Twice per year	Thrice per quarter
<b>CUSTOMERS</b>	<b>In-store engagement and assistance</b>	<b>SMS and email</b>	<b>Feedback on shopping experience</b>	<b>Promotions and sale</b>	<b>Advertisements</b>
	Daily	Daily	Daily	Conducted round the year for different retail formats	Daily

Mode of enegament      Frequency of engagement

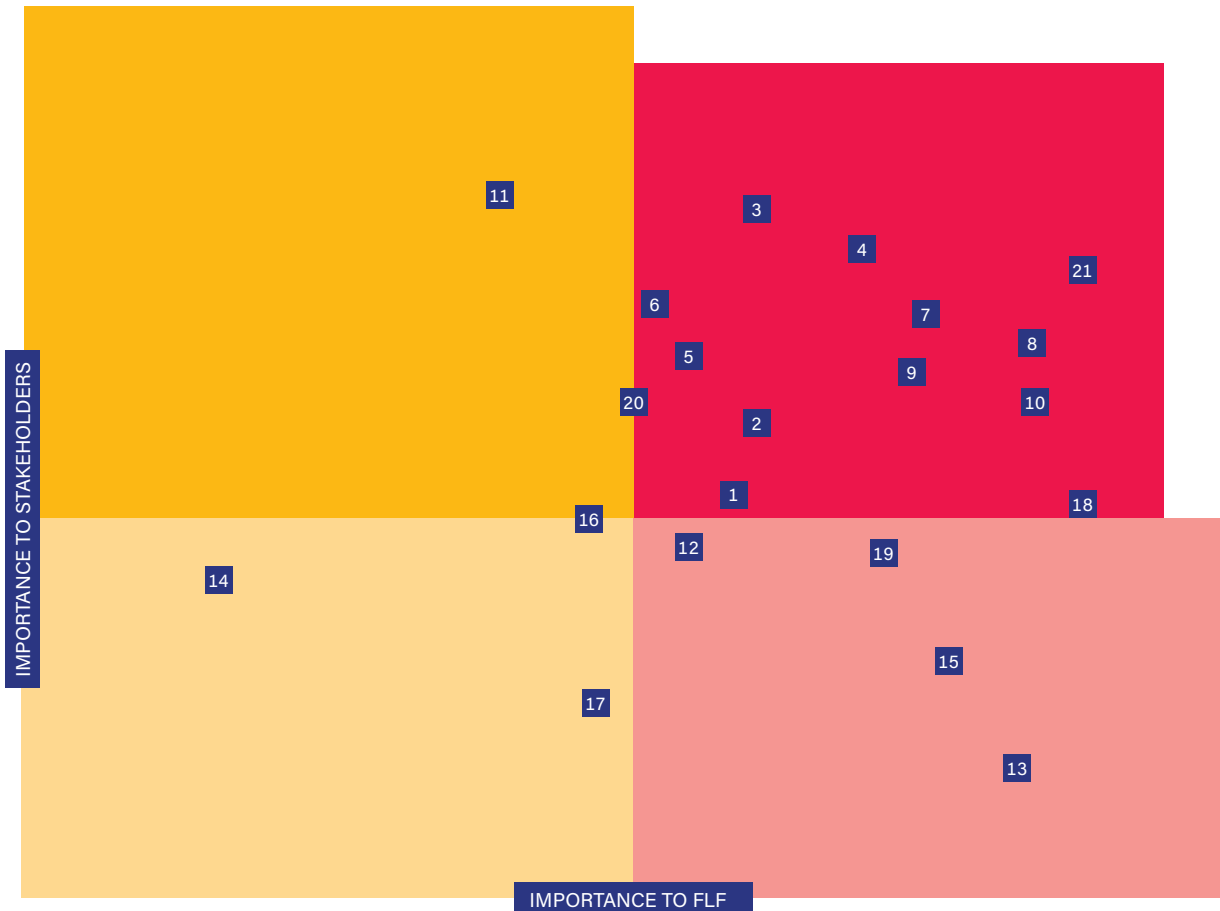
<b>EMPLOYEES</b>	Internal surveys	Intranet portal	Training programmes	Phone/Email	One-on-one meetings
	Annual	Daily	As and when required	As and when required	As and when required
<b>BANKERS</b>	One-on-one meetings	Branch visits	Engagement events	Phone/Email	
	As and when required	Monthly	Conducted throughout the year	As and when required	
<b>GOVERNMENT &amp; REGULATORS</b>	Regular filings	Press releases			
	As and when required	As and when required			
<b>COMMUNITY</b>	CSR interventions	Meeting stakeholders			
	Conducted throughout the year	As and when required			
<b>SUPPLIERS AND EXTERNAL BRANDS COMMUNITY</b>	Supplier meets	One-on-one meetings			
	Conducted throughout the year	As and when required			



Basis our regular engagement with the key stakeholder groups, we've identified the key material matters that are important for the stakeholders and the organisation. The outcome of the identification process has been mapped along with stakeholder relevance below.

**MATERIAL ISSUES**

- |  |  |  |
|--|--|--|
| 1. Compliance to fair business practices | 8. Service quality                           | 15. Product innovation                                   |
| 2. Transparency and reporting            | 9. Employee and customer safety and security | 16. Employee motivation, retention and fair compensation |
| 3. Profitability & cash flow generation  | 10. Exquisite customer experiences           | 17. Employee training and development                    |
| 4. Growth potential of the business      | 11. Value for money                          | 18. Technology deployment                                |
| 5. Stock price maximisation              | 12. Fast fashion                             | 19. Omnichannel approach                                 |
| 6. Capital returns via dividends         | 13. Internal efficiency                      | 20. Philanthropy and CSR                                 |
| 7. Corporate governance                  | 14. Media visibility                         | 21. Market leadership                                    |



**MATERIAL ISSUES**

	Investors	Customers	Employees	Bankers	Suppliers and external brands	Government and regulators	Community
Compliance to fair business practices	■	■	■	■	■	■	■
Transparency and reporting	■	■	■	■	■	■	■
Profitability & cash flow generation	■		■	■			
Growth potential of the business	■		■	■	■		
Stock price maximisation	■						
Capital returns via dividends	■						
Corporate governance	■		■	■		■	
Service quality		■	■			■	
Employee and customer safety and security		■	■				
Exquisite customer experiences		■	■				
Value for money		■					
Fast fashion	■	■					
Internal efficiency	■		■	■			
Media visibility		■					
Product innovation		■	■				
Employee motivation, retention and fair compensation	■		■				
Employee training and development		■					
Technology deployment		■			■		
Omnichannel approach	■	■	■				
Philanthropy and CSR						■	■
Market leadership	■		■	■	■		

# Managing risks with prudence


Risk management and mitigation is integral to our sustainability priorities.

We proactively strive to identify existing and potential risks and take pre-emptive steps to mitigate them. Our robust risk management framework represents the basis of this approach. Our risk- management process is closely linked to our organisational culture.



## Our key risks, considerations and mitigation measures

### EXTERNAL RISKS

Environment 	
Raw materials, Processing, packaging, distribution and its Impact on environment.	<ul style="list-style-type: none"> <li>Introducing alternate categories, piloting programmes for various alternates, sustainability reviews, restructuring distribution, creating awareness, reviewing packaging, compliances, health &amp; safety, etc.</li> <li>Chief Sustainability Officer has been appointed.</li> <li>Strategy with respect to sustainability drafted</li> <li>Policies with respect to Environment, Ethics, Human Rights, Influencing Public and Regulatory, Product Stewardship (Sustainability, Product labelling, Recycling, New Product Development) , Health and Safety, Stakeholder Engagement, Wellbeing of Employees &amp; Corporate Social Responsibility are now in place.</li> <li>These are displayed on Websites for reference. Implementation is underway.</li> </ul>
Depleting/extinct categories, alternate categories, alternate energy, alternate processes, alternate materials, distribution channels, alternate packaging, compliance with NGT or other NGOs etc.	

CRUCIAL FACTORS

MITIGATION MEASURES



**Regulatory**



Ease of operating business, cost of compliances and its management.

CRUCIAL FACTORS

Goods and Services Tax (GST), demonetisation initiatives, amendments to Consumer Protection Act, implemented by the Government of India have had a positive impact on the organised retail sector. Repealing/scrapping of redundant acts, & ongoing update of various regulations (specially policies with respect to e-Commerce) is promising towards ease of doing business. Emerging Compliances in the area of data privacy/protection, cyber world, digital transformations, consumer protection will further enable consumer protection and help us win their confidence.

- Improving overall culture for compliances by implementation and upgrade of multiple applications like Anushasan (Licence Tracking), Abhiyog (Litigation Management), Lekha Prabandhak (IPR management) and introducing further applications for areas such as insider trading management.
- Continuous update of governance processes/documents
- Re-skilling of workforce, adoption of technology (AR,VR, Cloud, Artificial Intelligence, Mobbity, Analytics, Blockchain) & improved MIS/reporting.

MITIGATION MEASURES

**Economy**



Revenue from operations

CRUCIAL FACTORS

At present, various macroeconomic, geo-political factors such as stable government, GDP growth rate, inflation are impacting FLF favourably.

- Continue to upgrade and open high-definition stores: Central and further improve network of Brand Factory.
- Deploying dedicated teams to capture trends/moods/aspirations of customers at international/national levels.
- Designing suitable promotions (Free Shopping etc.), Driving relevant customer loyalty programmes (Future Pay).
- To improve media space utilisation application called Central Brand Spaces.
- Initiatives are being taken to improve efficiency/effectiveness of Markdowns i.e. to make it more smarter with the help of technology.
- Markdowns related to slow moving inventory and other inventory dilutions (shrinkage, damages, defects, etc.) to be reduced by optimising overall inventory levels and improving inventory audits.

MITIGATION MEASURES

**Level of criticality**



High



Medium




Low

**Key considerations**

## INTERNAL RISKS

Strategy 	
	<p>Business model, online e-commerce, online-offline, offline-online, format size, value/lifestyle etc.</p>
CRUCIAL FACTORS	<p>Deep discounting across channels online and offline continues to disrupt the market.</p>
	<ul style="list-style-type: none"> <li>▪ Sustaining a multi-format, multi-channel approach to help the Company remain in business.</li> <li>▪ E-commerce channel has been established for select formats and brands. aLL, Brand Factory are live.</li> <li>▪ Emerging risks such as Online Reputation Management, Digital Campaigning Effectiveness, etc. are already being managed in a structured way, which need to be further strengthened.</li> </ul>
	MITIGATION MEASURES

Governance 	
	<p>Shareholder value creation, vendor management, people office management.</p>
CRUCIAL FACTORS	<p>Shareholder satisfaction, vendor performance/satisfaction/relationship management, product quality, employee satisfaction.</p>
	<ul style="list-style-type: none"> <li>▪ Received only 8 grievances from shareholders, which have been resolved.</li> <li>▪ Future 360, a SAS-based model, Cloud-based People Office System bringing about digital transformation in the area of HR.</li> <li>▪ Geo-tagging, Geo-fencing, on-the-fly travel requisitions, and other additional facilities are part of this package for the employees.</li> <li>▪ Chatbot model (Genie) an Artificial Intelligence system is in the pipeline for implementation.</li> <li>▪ A vendor organisation is being created responsible for onboarding, scaling-up and mentoring vendors within the ecosystem, and relentlessly driving execution of these strategies.</li> <li>▪ The vendor organisation will lay strong foundation of partnerships with vendors. This will improve areas of store-memberships, financial services to vendors, supply chain and warehousing among numerous other services.</li> </ul>
	MITIGATION MEASURES

## Technology



Customer service/experiences, supply chain, cyber, innovation.

CRUCIAL FACTORS

Availability and demand forecasting; Tathastu (Anything, Anytime, Anywhere); Enhancing customer experience/service for ever-changing customer requirements; Cyber attacks/protection and data governance/protection; technology innovation and implementation.

MITIGATION MEASURES

- Continuous improvements are being made in the area of supply chain and related technology (latest being state-of-the-art sorting facility established at Nagpur Distribution Centre).
- Brand management (with partner brands), is being continuously improved, obtaining and acting upon customer feedback.
- Chief Information Security Officer has been appointed.
- Policy with respect to information and IT security, including data governance/privacy and disaster recovery are in place.
- Programmes with respect to these are being implemented.
- This is critical as the organisation is being built upon the vast consumer data generated.
- The data-led digital platform is being built that world can emulate.
- Future is being created with data sciences, artificial intelligence, and next-generation technology (Internet of Things, Augmented Reality, Virtual Reality, etc.).
- Strategy in relation to insurance is being regularly revisited in terms of further areas for which insurance is required specially in the cyber/data segment.
- The Consumer and Digital Labs (C&D Labs) continues to work in the area of R&D where required. MS-Customer Relationship Management software has been implemented, Net Promoter Score is tracked continuously to improve overall experience.

## Liquidity



Working Capital

CRUCIAL FACTORS

Reasonable interest rates.

MITIGATION MEASURES

- 1.20x current ratio

Level of  
criticality



High



Medium



Low

Key considerations

# Led by gold standards of governance



**Shailesh Haribhakti**  
Chairperson/  
Independent

1 2



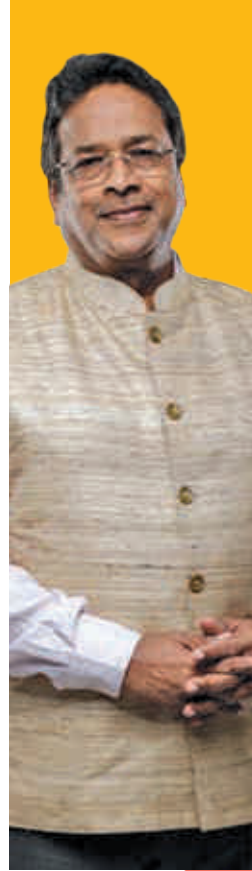
**Kishore Biyani**  
Managing Director

3 4



**Sharda Agarwal**  
Independent

1 2 4



**Dr. Darlie Koshy**  
Independent

1 2 3 4



**Bijou Kurien**  
Independent

FLF is driven by a strong corporate governance mechanism, led by an illustrious Board and supported by an able leadership team. Together, they ensure that the organisation more than complies with legal and regulatory requirements, retains and exemplifies the core ethical values of the organisation.



**Rakesh Biyani**  
Non-executive Director

2 3 5



**Ravinder Singh Thakran**  
Non-executive Director



**C. P. Toshniwal**  
Non-executive Director

1 4 5



**Avni Biyani**  
Non-executive Director

COMMITTEE

1. Audit
2. Nomination and Remuneration
3. Stakeholders' Relationship
4. Corporate Social Responsibility
5. Risk Management

Chairman  
 Membership

OUR CORPORATE GOVERNANCE FRAMEWORK

Board of Directors and Committees thereof

Managing Director

Key managerial Personnel and Senior Management Employees

AVERAGE EXPERIENCE OF THE BOARD

32 years

GENDER COMPOSITION



two out of nine are females

### SHAILESH HARIBHAKTI

Mr. Shailesh Haribhakti is a Chartered and Cost Accountant, Certified Internal Auditor, Financial Planner and Fraud Examiner. With over decades of hands-on professional involvement, he serves on the Boards of large multinational and Indian companies and chairs multiple Audit Committees. He also lends his expertise to several professional and regulatory bodies. He is the Chairman of Haribhakti & Co. LLP. He also served as the Chairman and Trustee of the National Pension Scheme Trust (NPS Trust) and a Member of Pension Advisory Committee (PAC) of Pension Fund Regulatory and Development Authority (PFRDA).

### KISHORE BIYANI

Mr. Kishore Biyani is the founder and Group CEO of the Future Group. Widely acknowledged as the pioneer of modern retail industry in India, Mr. Biyani is a mentor and role model for many Indian entrepreneurs and a thought leader in Indian business.

Over the past two decades, he has created and leads some of India's most popular retail chains like Big Bazaar, Central, Brand Factory, Foodhall, fbb, Home Town and eZone, among others. Under his leadership, various retail chains like Nilgiris, Aadhaar, Easyday, Heritage, Hypercity and others have also become part of Future Group. Simultaneously, he has also led the creation of a wide portfolio of consumer goods brands in fashion, food, home and electronics space that are distributed through the Group's retail chains and various other modern retail networks in the country. He is an ardent believer of the Group's corporate credo, 'Rewrite Rules, Retain Values' and considers Indianness as the core value driving the Group. His autobiography, 'It Happened in India,' has been translated into a number of languages. Mr. Biyani has completed his graduation in commerce and PGD in Marketing Management.

### SHARDA AGARWAL

Ms. Sharda Agarwal holds a postgraduate diploma from Indian Institute of Management, Bangalore and a B.Sc. Honours (Economics) degree from St. Xavier's College, Kolkata. She is a renowned marketing and brand expert, with over two decades of experience in various industries and sectors. She is the co-founder of MarketGate Consulting. She has served as Director of Marketing at Coca Cola India and was also associated with Johnson & Johnson in India and the US. She is also the co-founder of Sepalika, a website that helps people with chronic ailments.

### DR. DARLIE KOSHY

Dr. Darlie Koshy is a well-known Textile-Apparel-Retail industry expert apart from being a visionary educationist. Dr. Koshy has been the Director General & Chief Executive Officer of Apparel Training & Design Centre (ATDC), India's largest Quality Vocational Education provider under the aegis of Apparel Export Promotion Council (AEPC) since 2009. He is well known for transforming national-level educational institutions like the National Institute of Design (NID), Ahmedabad where he had served as the Director and Governing Council Member for two terms of office (2000-2009) before the current assignment. Dr. Koshy is the only Indian to have served the Executive Board of World Body of Design (ICSID) for three terms giving leadership to Indian Design and NID in the global arena.

Dr. Koshy holds PhD from IIT Delhi and is a rank holder in MBA from Cochin University of Science and Technology, having been also trained at Fashion Institute of Technology, New York, before joining as the Founding Head of Fashion Management at National Institute of Fashion Technology (NIFT), New Delhi (1987-2000). Dr. Koshy is an acclaimed international speaker, author and Design Management Strategist for

Fashion, Lifestyle and Retail industries. Dr. Darlie Koshy has been conferred with several significant international/national awards and citations during his illustrious career in the field of management and education for over four decades.

### BIJOU KURIEN

Mr. Bijou Kurien holds a post graduate degree in Management from XLRI, Jamshedpur and has been associated with marquee brands in the fast-moving consumer products and retail industry in India for over 35 years. After an initial stint with Hindustan Unilever Ltd., he joined the founding team at Titan Industries where he helped build powerful brands in the watches and jewellery industry and also create India's largest exclusive brand retail chains. In his stint with Reliance Retail, he was at the forefront of its ambitious retail ventures. He is also a member of the Advisory Board of the World Retail Congress, Mentor of the FICCI National Retail Committee, member of the Advisory Council of the Retailer Association of India (RAI) and governing boards of various academic institutions.

### RAKESH BIYANI

Mr. Rakesh Biyani has been in retail business for more than two decades and is one of the authorities in modern retail.

He is actively involved in the areas of fashion, category management, retail stores operations & information technology of the Group across various formats. Mr. Biyani was instrumental in forming various technology-driven processes of retail operation and formation of various joint ventures at group level for ensuring a better product mix and increasing foothold on overall consumption space of Indian retail sector.

He has done Advanced Management Program from Harvard Business School and is a Commerce Graduate.

### RAVINDER SINGH THAKRAN

Mr. Ravinder Singh Thakran holds an MBA from the Indian Institute of Management, Ahmedabad. He has been working in various leading positions at the Louis Vuitton Moët Hennessey Group (LVMH) since 2001 and has been the Group Chairman of LVMH South & Southeast Asia, Australia and the Middle East since September 2007.

Mr. Thakran launched L Capital Asia (currently known as L Catterton Asia) in 2009. L Catterton, formed in 2016 through the partnership of Catterton, LVMH and Groupe Arnault, is the largest consumer-focussed private equity firm in the world, operating six distinct fund strategies out of seventeen offices located across five continents. Prior to his time at LVMH, Mr. Thakran held senior management positions at the Swatch Group, Nike and the Tata Group.

### C. P. TOSHWIHAL

Mr. C.P. Toshniwal is a Chartered Accountant and Company Secretary. He started his journey with Future Group in May 1997 and has over 28 years of rich managerial experience. Prior to his association with Future Group, he worked with other corporate houses like Donear Synthetics Limited, Orient Vegetexpo Limited and Control Print India Limited. Mr. Toshniwal has strong domain knowledge of the Indian Retail Industry with good understanding of Information Technology systems and a proven ability in setting up systems and procedures for Robust Management Accounting. He has rich experience in the field of corporate and strategic planning, financial planning and restructuring, risk management system and process implementation, mergers, amalgamations, takeover of business

enterprises, raising capital through innovative financial products. He has been awarded as India's Best CFO by Asia's most admired Brands & Leaders 2018, the Best CFO Award-2011 in the Service Sector Category by the Institute of Chartered Accountants of India and 'CFO100 Roll of Honour' by CFO India for his extraordinary performance as senior finance leader in Retail Industry. He held the position of Chairman of Finance Committee of Retailer Association of India.

### AVNI BIYANI

Ms. Avni Biyani created and leads the Foodhall chain of gourmet food stores that cater to a very exclusive clientele in large metropolitan cities in India. Foodhall introduces customers to premium, packaged food products and also acts as an innovation hub for identifying and prototyping future trends in food consumption for Future Group's multiple retail chains.

She is also actively involved with the Group's lifestyle fashion business and helped the conceptualisation and launch of the Cover Story brand, among others. Avni is a member of Executive Food & FMCG Council of Future Group and has helped shape the Group's foray into packaged and processed food and FMCG segment that are backed by food processing facilities at the state-of-the-art integrated food park in Tumkur, Karnataka. Avni studied liberal arts at the College of Art & Science, New York University and takes a keen interest in liberal arts and current affairs.

## KEY DECISIONS AND CORPORATE INITIATIVES OF FY 2018-19

### Issue of shares to Spectacular Investments Pte. Ltd.

WHAT

Spectacular is wholly owned by L Catterton Asia 3 Pte. Ltd. (L Catterton Asia). L Catterton Asia, the Asian unit of the largest and most global consumer-focussed private equity firm in the world.

WHY

The fund raised through issue of equity shares to Spectacular Investments Pte. Ltd. by FLF, for:

- Retail network expansion, frontend and backend capital expenditures, working capital requirements, investments in fashion brands and for general corporate purposes.
- Further help in growth and investments in developing its portfolio of brands and expansion of its retail network.

### Investment in Koovs Plc.

WHAT

Koovs Plc. and its subsidiary, Koovs Marketing Consulting Private Ltd., operate a wholesale business, supplying branded fashion products for sale exclusively on the Koovs.com website in India. By providing a range of products from credible international brands and designing exclusive fashion forward products under the Koovs label, Koovs Plc intends to support the Koovs.com website in building the leading fashion website in India. The Koovs.com website is operated by a third party under licence from the Koovs Group.

WHY

Synergies with the Koovs Plc. and investment in Koovs would allow the Company to get a strategic online presence and there by complements the existing value chain. It would also help the Company with a strategic investment in a strong platform with international design capabilities, strong online brand and e-commerce platform.

## Leadership Team



### **Vishnu Prasad**

Chief Executive Officer (CEO), FLF

Vishnu has over three decades of sales and retail experience. He joined the Future Group in 2001 and set up the Big Bazaar stores in the South, before moving on to head the Central retail business.



### **Suresh Sadhwani**

Head - Brand Factory

Suresh has over 20 years of retail experience. He has been heading Brand Factory since 2014. Under his stewardship, the retail business has tripled its turnover and added more than 60 new stores across India.



### **Manjula Tiwari**

Head - Cover Story

A lifestyle industry professional, Manjula is the CEO of Future Style Lab and is the brain behind the Cover Story and Ancestry brands. She provides significant insights into the mindset of Indian consumers. She has launched and managed international brands like Esprit and Benetton and was also involved in setting up Wills Lifestyle.



### **Hetal Kotak**

Head - Lee Cooper & aLL

Hetal is strategic business leader with 22 years of wide-ranging experience in the lifestyle retail domain & building brands. He joined Future Group in 2016 to head two of the key strategic brands; Lee Cooper & aLL. Hetal has worked across various textile and retail companies such as Raymond Ltd, Indorama Synthetics (Indonesia) and Arvind Mills, prior to joining the Group.





### **Kaleeswaran Arunachalam**

Chief Financial Officer (CFO), FLF

Kaleeswaran possesses more than 18 years of experience in the food and fashion industry. Prior to joining the Group, he worked with Mondelez International, Aditya Birla Nuvo and TVS Motors.



### **Venkatesh Raja**

Head - Human Resources

With 25 years of varied experience in organisations such as Sterling Holidays, Reliance Petroleum, Reliance Infocom and MTS Group, Venkatesh heads the People Office at FLF



### **Sanjay Kumar Mutha**

Company Secretary

Sanjay has more than 18 years of experience in the industry. He previously worked with Mather & Platt, Mahindra and Mahindra, and CMIFPE. He heads corporate secretarial functions at FLF.

# Campaigns that connect

We at FLF, have innovated a wide array of campaigns and initiatives to reach our audiences and connect them with the best we have to offer in contemporary fashion.

## FASHION ICON @CENTRAL



To celebrate the fashion wave among youth, Central conducted the Fashion Icon programme that attracted the interest of over 4,000+ aspirants. Central invited top 20 entries countrywide to Mumbai to select the year's Fashion Icon.

## ALL FASHION WEEK



aLL conducted a unique fashion show that celebrated Plus Size people, alongside the Lakme Fashion Week. The brand inducted Bollywood Actor, Zareen Khan, as the celebrity judge for the auditions, which witnessed participation from over 300 people.

### FREE SHOPPING WEEKEND @ BRAND FACTORY



A mega hit among customers, the Free Shopping Weekend initiative has garnered thousands of footfalls into various Brand Factory outlets, where customer shop at effectively zero prices.

### MTV ROADIES AND INDIGO NATION



Indigo Nation partnered with MTV's Roadies show to promote its spirit of daring and dynamism. Through the partnership that emphasised on presenting the arrival of a new movement, the brand brought out its rugged and contemporary style appeal.

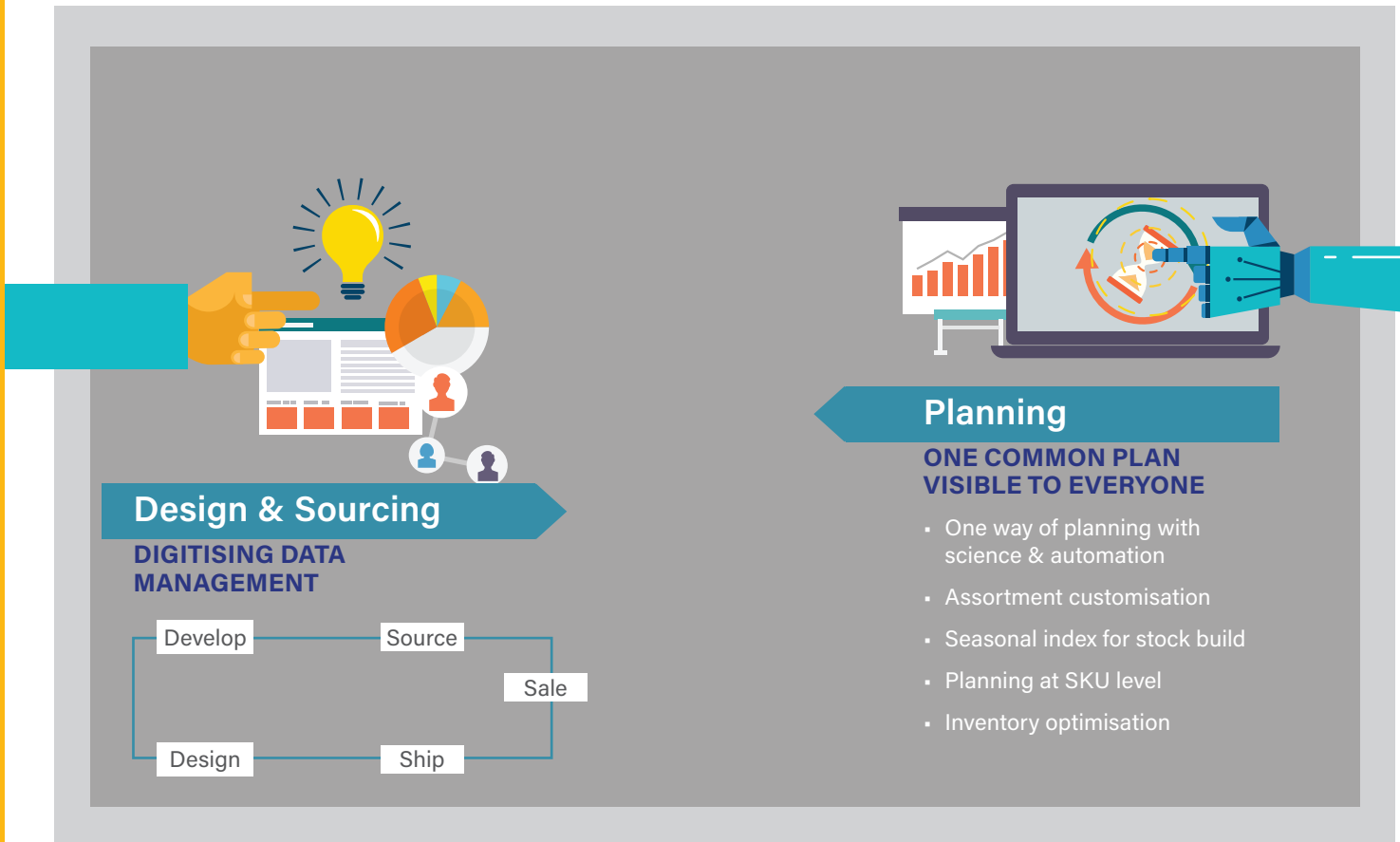
### LEE COOPER WEAR YOUR MIX

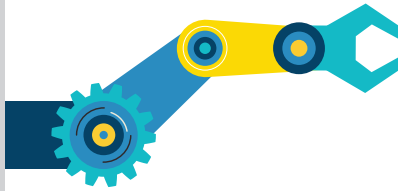
This integrated marketing campaign celebrated Lee Cooper's fashion appeal in both apparel and footwear across diverse physical and digital media. In digital format alone, the campaign registered over seven million views.



# Technology is the harbinger of change

We look at technology as a large-scale enabler to help us drive efficiencies across the operational canvas, understand market dynamics and consumer behaviour better and deliver an enriching experience to consumers. Therefore, we are continuously strengthening our technology backbone across multiple levels in the organisation.





## Supply Chain

### STATE-OF-THE-ART DISTRIBUTION CENTRE

- Cross belt sorting
- Auto pick & drop
- Automated sorter & conveyor
- Auto replenishment



## Digital Mock Room

### VISUAL RETAILING STUDIO

#### Style studio

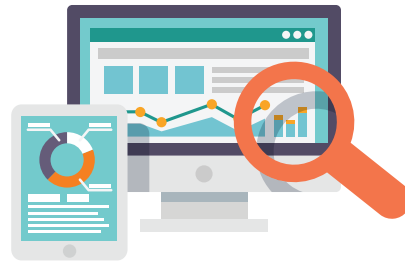
- In-house image capturing

#### Mock Room

- 3D Software for retail, planning and visual merchandising

#### Shop shape

- Guidelines to store teams retail execution and compliance feedback



## Analytics

### CUSTOMER-CENTRIC GROWTH

#### Merchandise Analytics

- Merchandise assortment planning, replenishment and pricing

#### Customer 360

- Behavioural segmentation and targeted marketing

#### Vendor Link

- Supply process visibility with supplier collaboration

#### E-commerce Analytics

- Identify path to purchase and channel contribution



## Digital Selling

### HIGH-QUALITY CUSTOMER EXPERIENCE

Online representation

CRM operations

Digital documentation

Sales automation

# Winning with our people

At FLF, we focus on creating a workplace that fosters thought leadership, innovation and a culture of involvement, participation and transparency. We provide our employees opportunities to collaborate, learn and grow within the organisation.

The key focus areas for our people development are:

## 01

Engaging employees to ensure motivation

## 02

Inspiring them to learn and develop

## 03

Providing growth and capability building opportunities

## 04

Ensuring workplace safety and conducive working environment

### ENGAGING EMPLOYEES TO ENSURE MOTIVATION

We, at FLF, believe that engaged employees contribute more effectively and optimally towards organisational growth that is sustainable and value accretive. Thus, our continual endeavour is to provide regular opportunities to our teams to engage, share knowledge, insight and help create a positive workplace environment.

Some of the initiatives that we drive to foster engagement are:

- **A Fun Workplace:** We encourage employees having fun at the workplace by organising picnics, outdoor team-building workshops and other engagement initiatives such as sports competitions like Box Cricket, Coffee with CFO and other celebrations like Men's Day, Women's Day and other celebrations. Family members of employees are invited as well, for select events.
- **Health & Wellness:** We promote employee wellness through self-defence training sessions for women, weekly Zumba sessions, fitness challenges, free eye check-up and health camps, and so on.
- **CSR Activities:** We involve employees volunteering for our CSR initiatives, for activities such as visits and donations to orphanages and old-age homes.



## INSPIRING THEM TO LEARN & DEVELOP

We ensure continuous upskilling and competence development of our employees by providing equal and non-discriminatory learning opportunities to all. Our talent development team has been instrumental in creating a culture of learning within the organisation.

Our Group-level guidance and customised growth plans with regard to overall development has helped establish a robust retention scheme. Along with this, an employee assistance plan is intended to help employees deal with personal and professional problems that might adversely impact work performance, health and overall wellbeing. A job analysis is conducted to ensure employees are well equipped in terms of functional and skill-based competencies required for the job.

We have several programmes designed to benefit our employees such as:

- **FutuReady - Induction & Orientation Programme:** An interactive, engaging induction and orientation programme for all new joiners provides them an overview of Future Group, its businesses, values and culture and prepares them for their journey at Future Group.
- **Hero in You:** A two-day training programme for Fashion Consultants of aLL, focussed on personalised selling, customer service excellence, visual merchandising and grooming.
- **Power of One:** A two-day workshop for the store managers of aLL, with an emphasis on target achievement, leadership skills, ownership, succession planning and negotiation skills.
- **The Learning Culture (TLC):** An initiative was driven at the head office to foster a culture of learning by focusing on self-directed learning and leveraging the competence of internal subject matter experts.
- **Young Managers Program (YMP):** A two-day workshop was conducted for mid-level managers encompassing key aspects of leadership, team management, planning & prioritising and change management.
- **Lakshya:** An eight-month intensive programme focussed on building high-definition peer groups of store managers at Brand Factory. This will enable potential store managers to build high-performance teams and drive execution excellence.

## PROVIDING GROWTH & CAPABILITY-BUILDING OPPORTUNITIES

Talent management refers to the anticipation of required human capital for an organisation and the planning to meet those requirements. With this objective in focus, we launched the leadership academy for Future Group.

- **Leadership Academy:** Leadership Academy is a nine-month transformational journey for the identified high-potential employees across all formats to build a leadership pool, which can play a pivotal role in contributing towards the Group's larger vision.

As part of this journey, we have identified talented individuals through a series of assessments, who went through an intensive 10-month leadership development programme. After the training, they graduated as leaders of the Group and embarked upon their journey with expanded roles and cross-functional exposure.



## FUTURE360

Technology and data help us take real-time decisions and result in agile execution. We have worked towards getting People Office as the first function to start operating real-time. To enable this, we are now migrating to a forward-looking, nimble and data-driven People Management System called Future360. This system is a mobile-first mechanism and uses artificial intelligence and machine learning to cater to all employee requirements. Future360 will bring together People Office transactions, recruitment, learning and development and collaboration through a chat application, all at one place and on a real-time basis.

# Recognised for consistent value creation



## Central

**Best Department Store** (VM & Design)-Vasant Kunj Central (VMRDA)

**Best Activation in Fashion Space:**  
Miss Diva (TAVF)

**Triumph Award** for Best growth format in LFS category 2018-19.

Silver in Digital Activation for Instacast in Goa Festival.

## Brand Factory

**VIDEA 2019:** Video Content in a Social Media Marketing Campaign - Special Mention: Brand Factory's #MadeForMumbai Campaign by IdeateLabs.

**ACEF Global Customer Engagement Award** - Silver (Grand Prix AWARD) - Social Media Brand of the Year.

Digixx 2019: GOLD for Brand Factory's FSW at Digixx 2019.

**ET Now Presents Global Awards for Retail Excellence:** - Best Use of Social Media for FSW.

## Corporate

Nominated for best IR team award at the annual IR magazine award





# Corporate Information

## BOARD OF DIRECTORS

**Mr. Shailesh Haribhakti**  
Chairperson and Independent Director

**Mr. Kishore Biyani**  
Managing Director

**Ms. Sharda Agarwal**  
Independent Director

**Dr. Darlie Koshy**  
Independent Director

**Mr. Bijou Kurien**  
Independent Director

**Mr. Rakesh Biyani**  
Non-Executive Director

**Mr. Ravinder Singh Thakran**  
Non-Executive Director

**Mr. C. P. Toshniwal**  
Non-Executive Director

**Ms. Avni Biyani**  
Non-Executive Director

**Mr. Narayan Ramachandran**  
Alternate Director (upto May 20, 2019)

**CHIEF FINANCIAL OFFICER**  
**Mr. Kaleeswaran Arunachalam**

**COMPANY SECRETARY**  
**Mr. Sanjay Kumar Mutha**

**STATUTORY AUDITORS**  
**NGS & Co. LLP**

**INTEGRATED REPORTING ASSURANCE**  
**Deloitte Haskins & Sells LLP**

**INTERNAL AUDITORS**  
**Ernst & Young LLP**  
**Protune KS Aiyar Consultants Pvt. Ltd**  
**S Tandon & Associates**

## BANKERS

Axis Bank Ltd.  
Bank of Baroda  
Bank of India  
Canara Bank  
IDBI Bank Ltd.  
State Bank of India  
Vijaya Bank

## SHARE TRANSFER AGENTS

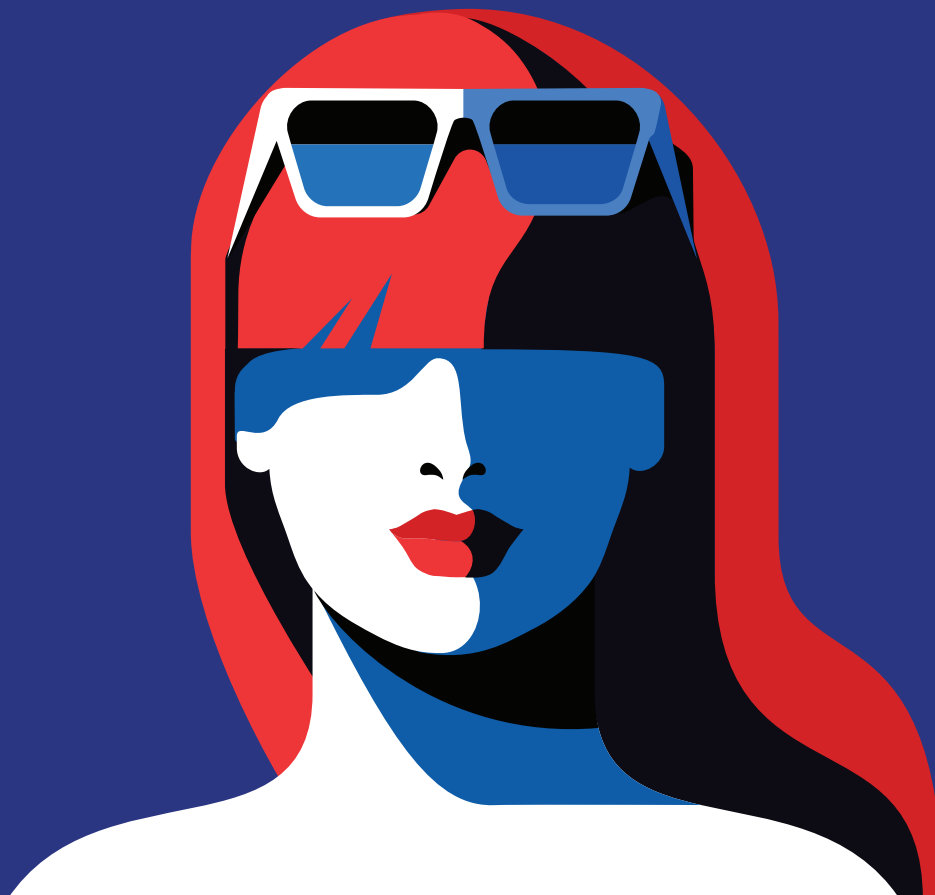
**Link Intime India Private Limited**

C-101, 247 Park, L B  
S Marg, Vikhroli (West),  
Mumbai - 400083,  
Tel: +91 22 4918 6270,  
Fax: +91 22 4918 6060,  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## REGISTERED OFFICE AND CORPORATE OFFICE:

**Future Lifestyle Fashions Limited**

CIN: L52100MH2012PLC231654  
Knowledge House, Shyam Nagar,  
Off Jogfeshwari-Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400060  
Tel: +91 22 66442200  
Fax: +91 22 66442201  
Website: [www.futurelifestyle.in](http://www.futurelifestyle.in)



# Management Discussion and Analysis



## Global

The global economy grew by 3.6% during CY2018 (Source: International Monetary Fund). This growth was a function of firming oil prices, results of the US fiscal stimulus plans and a stronger economic activity in the first half. Emerging economies stayed resilient during the period, with India leading the growth.

In the second half of the year, trade wars between economies, particularly USA and China, stunted the growth momentum. Global leaders have expressed concerns of this leading to an economic crisis and have thus urged high-level settlements and cooperation between the battling economies.

## OUTLOOK

Going forward, the world economy will see a moderated growth in the near term and then firmer growth in the second half of CY2019. This will be driven by the ongoing buildup of policy stimulus in China, expected high-level deliberations on trade disputes, stabilisation of conditions in emerging market economies such as Argentina and Turkey and the resurgence of activity in the Eurozone. Overall growth rate will slow to 3.3% in CY2019 and return to near 3.6% levels in CY2020.

## India

While the global economy is undergoing a turbulent phase, India has stood its ground and have bounced back to a 7.0% economic growth rate (Source: Central Statistics Office). This growth is a function of robust domestic demand and consumption, strong government expenditure and rising investments. India's macro level policies, introduced in the recent past, have also started contributing to this growth. Initiatives such as the Goods and Services Tax (GST), have

played a pivotal role in ushering in a level-playing field for organised players across industries.

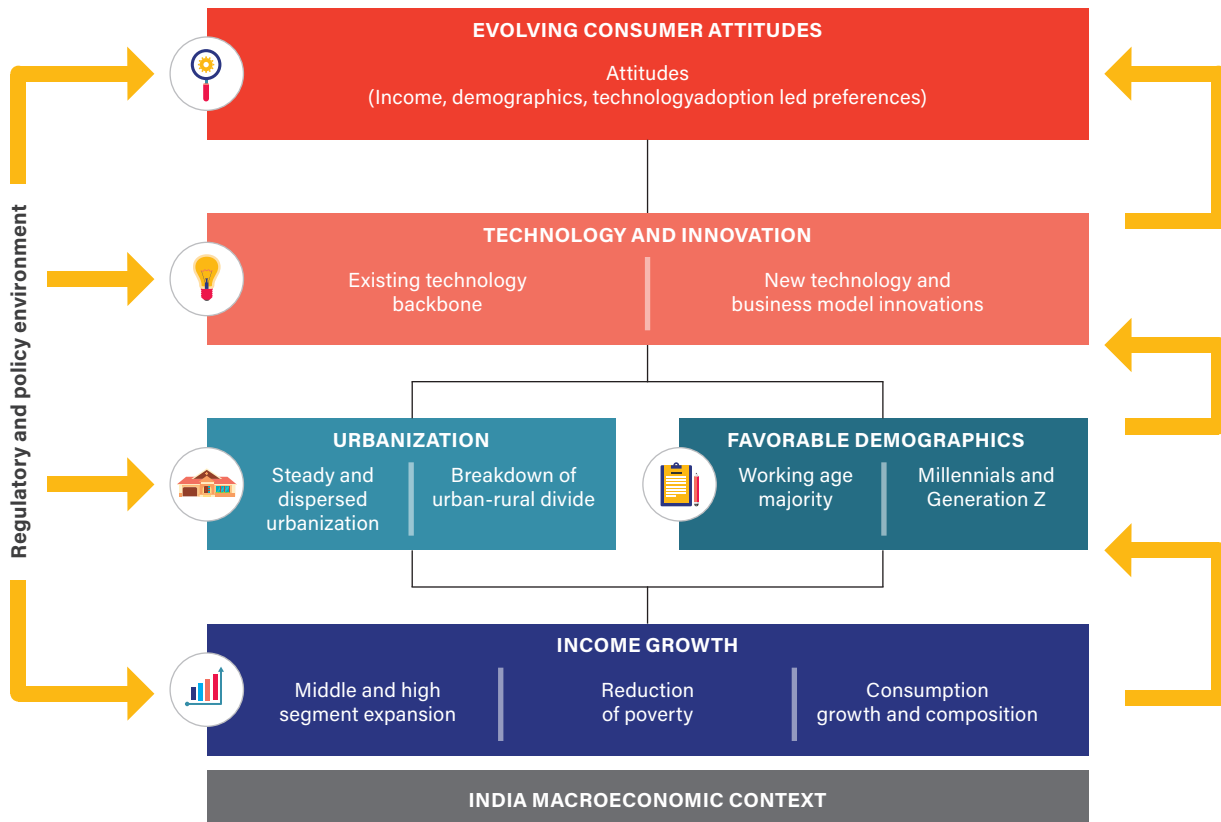
India represents a relatively broad-based pattern of growth. While the future of consumption will be led by a growth in the upper-middle and high-income segments, the country is also expected to lift nearly 2.5 crore households out of poverty by 2030.

FY2019 had India perform well across its macroeconomic fundamentals. Net direct tax collection and GST collection crossed ₹ 10 lakh crore each by March 2019 and by February 2019, respectively. The Index of Industrial Production (IIP), rose 4.4% y-o-y (January 2019) and the Consumer Price Index (CPI) inflation stood at 2.57% in February 2019. As of March 2019, India's forex reserves touched ~USD

405.64 billion. The year also witnessed Foreign Direct Investments worth ~USD 33.5 billion flowing to India (Source: IBEF).

A population with a median age of 28 years renders India as a country with a young workforce, which drives income and consumption. In India, domestic consumption drives 60% of the economy and is expected to become a USD 6 trillion opportunity by 2030. On an average, India's savings-conscious households reserve a 20% of their income for future, which supports the overall economy even during periods of inactivity. India's consumption story is also being boosted by the government, which is introducing conducive foreign direct investment (FDI) policies, enhancing overall infrastructure and accelerating the overall economic development.

**Drivers of future consumption in India**



Source: Bain & Company/World Economic Forum analysis

FORCE **1 2 3 4 5**

## Industry review

### GLOBAL FASHION RETAIL

The past year witnessed the global fashion industry grow between 4.0-5.0%, driven by demand for both luxury and value brands alike. Growth in emerging markets and increased sales in the US also contributed to the growth. As per a recent study conducted by McKinsey & Company with Business of Fashion, three core themes defined fashion industry for the stakeholders – 'Changing', 'Digital' and 'Fast'. Taken together, these themes point to where fashion is headed and where brands should focus their energies. Amidst tepid global growth prospects, fashion industry is expected to grow by 3.5-4.5% in 2019.

#### Key trends in fashion 2019

##### 1. Caution ahead:

With a global slowdown, companies will look forward to boost productivity compared to previous years.

##### 2. Indian ascent:

India will become a focal point for the fashion market and places an opportunity for fashion players to cater to a highly fragmented, challenging and value-focussed market.

##### 3. Trade 2.0:

Redrawing of trade barriers amidst ongoing trade tensions will impact and alter global value chains in fashion. Companies must be prepared with contingency plans for such shifts.

##### 4. End of ownership:

Pre-owned, refurbished, repaired and rental business models are evolving and growing in the fashion industry. Fashion companies will tap into this market as well, in light of newer opportunities.

##### 5. Getting woke:

The passion for environmental and social causes have gained considerable ground among the young population. Consequently, their appreciation for brands that are environmentally and socially conscious are on the rise.

##### 6. Now or never:

Customers who discover products online and impatient and requires immediate window to purchase the items. Fashion companies are expected to address such pain points in the mobile consumer journey.



##### 7. Radical transparency:

Today's well-informed customers are expecting businesses to be extra transparent in the matters of value for money, creative integrity and data protection.

##### 8. Self-disrupt:

In the wake of decreasing customer loyalty and an appetite for the new, a new breed of small brands are emerging. Traditional brands are repositioning and realigning themselves to emulate this newness, thereby disrupting their own existing business models.

##### 9. Digital landgrab:

E-commerce players who diversify their offerings using organic or inorganic initiatives are expected to lead the markets, by becoming the platform of choice for both customers and brands.

##### 10. On demand:

While smaller brands and companies have instituted data analytics and automation as part of their go-to-market strategy, bigger and mass players are expected to experiment and introduce just-in-time production to optimise inventory, thereby making short, small-batch production cycles the new norm.



### INDIAN FASHION RETAIL

(Sources: Technopak, McKinsey and Company, Business of Fashion, Euromonitor International, IMAGES Yearbook 2019)

India has emerged as one of the fastest-growing fashion markets in the world. The country is set to become a ₹ 7,88,532 Crore apparel market by 2028, growing at a 10- year CAGR of 8.1% from ₹ 3,61,160 Crore at present. Entry of international brands, changes in preferences from non-branded to branded, the fast-growing economy and large young consuming population make India a lucrative fashion market. In fact, India's ascent to the fashion fore has been among top ten global fashion trends identified by a recent report by McKinsey & Co and Business of Fashion.

The country's fast growing middle class combine with robust economic fundamentals and technology affinity to make it an attractive proposition for fashion players. The addressable population of customers (individuals with over \$9,500 in annual income) is expected to triple by 2025. A new class of customers are also evidently emerging, who are highly paid and willing to spend and are expanding today's consumption. Cognisant of this large opportunity-scape, around 300 international brands are setting shop in India in the next two years. Such movements into the Indian fashion is expected to accelerate the formalisation of the fashion market to 45% by 2025, from the current 35%.

India's fashion industry is also ready with a well-established supply side, and this gives thrust to the growth of the sector, particularly in terms of exports. Sourcing from India is also expected to rise, a function of ample raw material supply and lower average labour cost than peer economies.

To increase footfalls and engagement within the stores, retailers are leveraging technology such as augmented reality. E-commerce, on the other hand, is moving to artificial intelligence (AI)-based solutions, to cater with customised fashion solutions.

#### Innovation and scalability key to create high-recall, high- turnover brands

The Indian apparel market is segmented primarily into super premium, premium, medium, economy and low price categories.

Of these, the medium price segment holds the maximum share at 29%, closely followed by the economy segment at 28%. The price-sensitive rural population contributes to over half of the entire low and economy apparel demand in India. Hence it takes strong product innovation priced economically to win in India's highly demanding fashion marketplace.

Indian apparel market



03% Super premium    28% Economy  
 13% Premium    26% Low  
 29% Medium

Source: Secondary research, Technopak Analysis

**Acceleration from mobile platforms**

The mobile connectivity wave has enabled fashion retailers in India to reach customers and unlock remarkable value from them. With two-thirds of both apparel and fashion accessories purchase expected to be influenced by mobile platforms in the next few years, there is an exceptional opportunity. Research indicates that compared to offline modes, mobile-enabled purchase journeys of apparel and fashion accessories are shorter by 14% and 25%, respectively. Going forward, there is a five billion dollar opportunity for apparel brands to penetrate markets using mobile platforms and reducing media friction. For accessories brands, this opportunity is valued at nine billion dollars

**Trends in Indian fashion retail**

- Fast fashion and value fashion are high potential segments in apparel retailing in India and both are growing at a 10-15% same store sales growth (SSSG).
- In organised apparel retail, women’s and kids’ wear are likely to grow at faster rate at 29-34% CAGR versus men’s wear (12-18% growth).
- With fashion quotient spreading beyond metros and tier 1 cities, apparel retailers are increasingly penetrating smaller cities, backed by a wide range of product pricing.

Source: Retail Sector - Triumph of Empiricism (The Investment Trust of India and Antique Stock Broking Limited)



**Menswear**

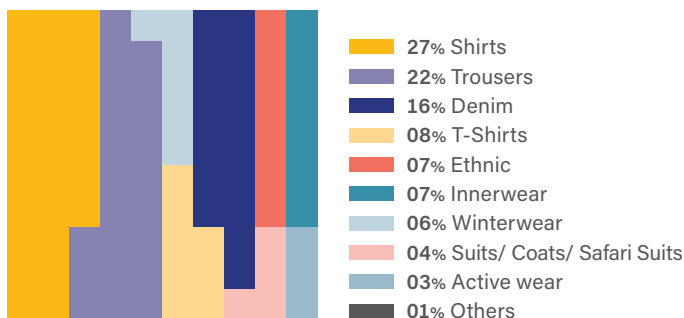
At a market size of ₹ 1,56,496 crore, Menswear is the largest segment in the apparel market. It is expected to grow at 7.6% CAGR to more than double its size by 2028. Denim wear, Friday dressing, smart casuals and athleisure are expected to push demand for the segment, going forward.



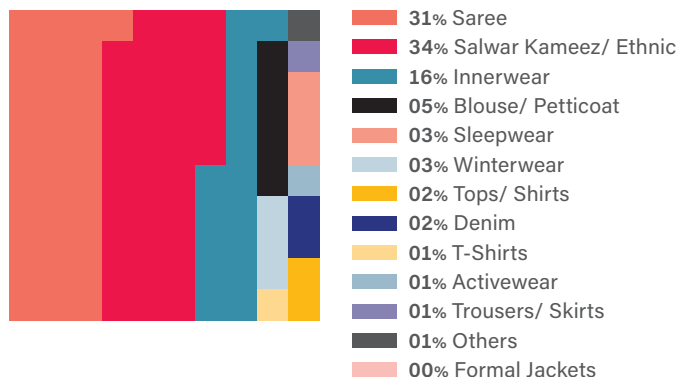
**Womenswear**

The womenswear industry is currently estimated to be worth over ₹ 1,31,389 crore in 2018 and is expected to more than double its size by 2028 at a CAGR of 8.3%. The womenswear market is being shaped by growing awareness levels in global fashion trends and the increasing number of working women. Western wear, fusion wear and specific ethnic wear are expected to drive demand.

**Share of Individual Categories within Menswear (2018)**



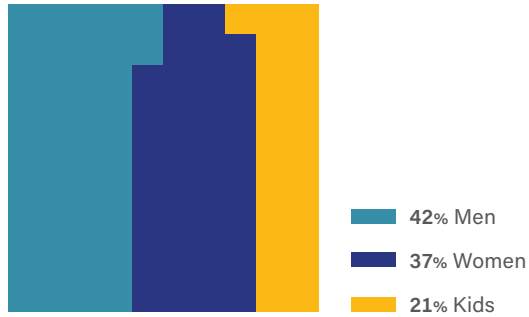
**Share of Individual Categories within Womenswear (2018)**



### Segment-wise analysis

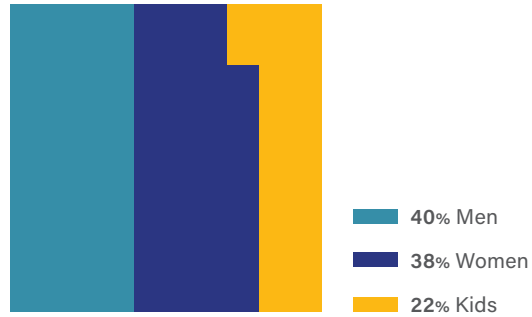
Breakup of fashion market (current vs future)

#### Current



Source: Technopak Analysis

#### Future



### Kidswear

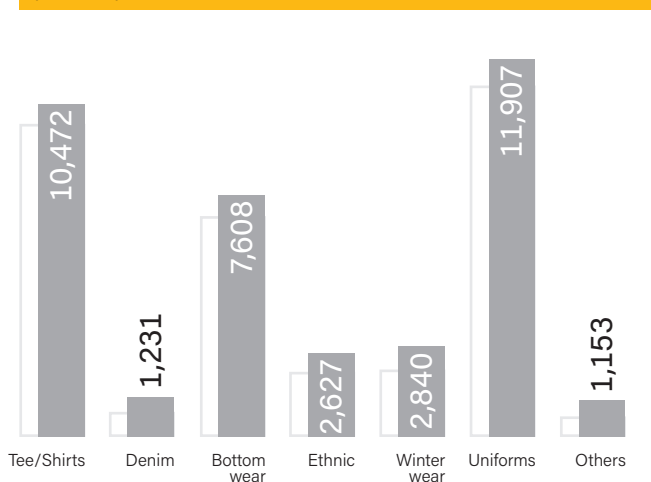
One of the fastest growing segments in the Indian apparel sector, kidswear contributes to ~20% of the total apparel market in the country. Valued at ₹ 73,274 crores, the industry will surpass both menswear and womenswear category at a 9% CAGR to reach ₹ 1,66,147 crore by 2028. This forecast is also built on the fact that India has a burgeoning population of 33.7 crore children in the 0-14 age group. With this opportunity at hand, several players, both domestic and

foreign, have entered the kidswear market. This has improved the overall quality of kidswear in the country, while reducing costs to the benefit of the customers.

The kidswear category is further subcategorized into boyswear and girls' wear, valued at ₹ 37,838 crore and ₹ 10,806 crore, respectively.

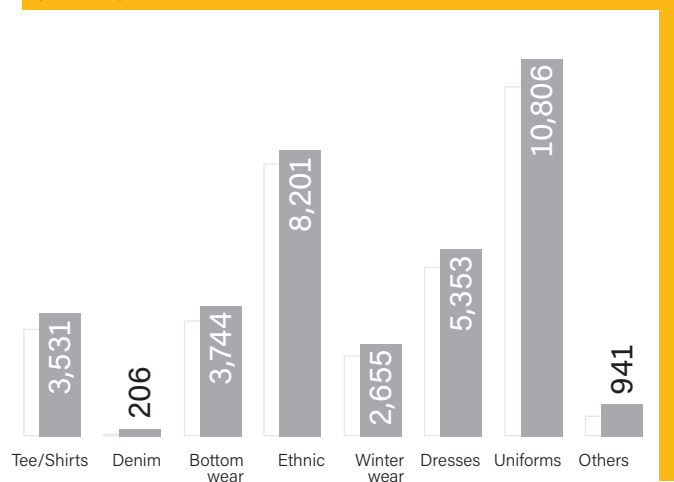
### Category growth in Boyswear

(in ₹ crore)



### Category growth in Girls' wear

(in ₹ crore)



### Accessories

The accessories market in India has undergone a paradigm shift in the past decade. Initially retailed largely through unorganised channels such as mom and pop stores and street vendors, fashion accessories have now made their way into luxury boutiques, high street brands, international accessories chains, international brands with accessories sections and multi-brand outlets. The increasing prevalence of e-commerce have also served it well, making the availability of branded and unbranded accessories more democratised. Going forward, the fashion accessories market is expected to grow rapidly in India by 2022.

### Footwear

In line with apparel fashion footwear fashion has also evolved in India, giving rise to a number of subcategories and facilitating the entry of several international and domestic players into the market. India is estimated to produce 22 billion pairs a year at present, accounting for ~9.6% of all footwear produced worldwide. India has overtaken the US as the largest consumer of footwear with 90% of all footwear produced in India being consumed domestically.

India's footwear market is moulded by a rise in disposable incomes, rising demand for branded premium footwear and evolving shopping patterns. The Indian footwear market is expected to reach USD 17,500 million by the end of 2019 and continue to grow at a CAGR of 10.5% till 2022. The men's footwear market is growing at a 10% CAGR and the women's footwear is growing at double the pace at 20%.

## Company overview

Future Lifestyle Fashions Limited (FLFL) is one of the India's most profitable fashion retailer and the flagship branded fashion business of Future Group. Led by veterans in India's retail story, the Company operates 339 stores in around 90 cities, occupying 6.8 mn sq. ft. of retail space and has end-to-end capabilities from design to distribution. It has a strong established retail presence under the Central, Brand Factory

chains and exclusive brand outlets (EBOs). Its market-leading owned brands are sold through its own channels and other multi-brand outlets. The Company's innovative and integrated business model acts as its core differentiator and together with its brands retail outlets, FLFL caters to both premium-seeking and value-seeking customer groups and all others in between.

## Brand profile

<<refer page 9 for more information on brands>>

### FLF BRANDS

#### Menswear



#### Unisex



#### Womenswear



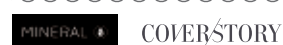
#### Sports | Leisure wear



#### Footwear | Others



### INVESTEE BRANDS





## Retail profile



### CENTRAL

Central is known for delivering exceptional shopping experience to customers visà- vis other retail platforms. A seamless fashion destination, where ambience is at the core of Central's strategic approach, helping it improve customer footfall and conversion. On both these parameters, it has shown consistent growth. Higher footfalls, better customer engagement and greater conversion will drive growth for this format in the future.

<<refer page 16 for information on Central>>



### BRAND FACTORY

Brand Factory, over the years, has shown consistent double digit same store sales growth. At present, there is huge traction for the format among customers. Indians are brand-aspirational and value-conscious; and the nation's consumption story is being shaped by its burgeoning middle class. There is a strong demand for affordable branded apparel and Brand Factory is well-positioned to cater to this trend. This is backed by the fact that customer visits at the Brand Factory stores have grown in double digits consistently for the last two years and are expected to continue growing for the next couple of years as well.

<<refer page 18 for more information on Brand Factory>>

## Risks and opportunities

External environmental factors like Interest rates, Inflation, Quick changes in fashion, Growth in economic activity, Job creation, Emerging compliances, Consumer sentiments and consumption including Demand Forecasting, Changing government policies, Information/cyber security including Data Governance/Security, Environment and Sustainability (Depleting/extinct categories, alternate categories, alternate energy, alternate processes, alternate materials, distribution channels, alternate packaging, compliance with NGT or other NGO's etc.) and, Competition have been identified as key threats as well as opportunities for the Company.

At present, various macroeconomic factors such as interest rates, inflation and GDP growth rate, Geo-political factors such as stable government, are impacting the Company favourably. Overall, the Goods and Services Tax (GST), demonetisation initiatives, & amendments to Consumer Protection Act, implemented by the Government of India have had a positive impact on the organised retail sector.

Repealing/scrapping of redundant acts, & ongoing update of various regulations (especially Policies with respect to E-Commerce) is promising towards ease of doing business. Emerging Compliances in the area of Data Privacy/Protection, Cyber world, Digital Transformations, Consumer Protection, will further enable Consumer Protection and help us winning their confidence. Deep discounting across online and offline channels continues to disrupt the market. With a number of new entrants and global retailers arriving, the quality of retail space may be an impediment to growth.

In recent years, affordable luxury and value-based fashion have gained considerable ground. Several iconic brands have introduced sister brands that offer more value for a similar product at a lesser price point. Of late, athleisure segment that combines sport and comfort has also seen rise in popularity. Further, aspirational consumer groups, particularly middle class and urban youth, drive the demand for 'fast fashion'. New-age Indian consumers have evolved from traditional mindset of product-based shopping to experience-led shopping. Departmental models have thus taken shape and are proving to be value-accretive propositions for players in the field. Technology has emerged as a key differentiator among participants in the industry, bringing customers closer to brands.

## Risk mitigation

The Company has constituted a Risk Management Committee as a measure of good governance. The Committee is tasked with the responsibility to frame, implement and monitor the risk management plan for the Company. It is responsible for reviewing the risk management plan and ensuring its effectiveness. The Company has adopted a Risk Management Policy to identify and evaluate business risks and opportunities for mitigation on a continual basis. The Risk Management framework seeks to create transparency, minimise adverse impact on business objectives and enhance the Company's competitive advantage. It defines the risk management approach across the enterprise at various levels including documentation and reporting.

The Company is faced with risks of different types, each of which need varying approaches for mitigation. It has identified each of the risks and implemented measures to mitigate such risks with the help of competent senior



management and outside specialist consultants. The mitigation measures include:

- Improving supply chain technology, brand management (with partner brands), promotions and customer loyalty programs, and customer service
- Introducing high-definition stores
- Deploying dedicated teams to capture trends/moods/aspirations of customers
- Widening the customer base by way of geographical spread to ensure consumption even in the case of slowdown of economic environment or disruptive events
- Sustaining a multi-format approach to help the Company remain in business even with changes in policies, etc.

In addition to the above, the management's efforts in increasing per store efficiency and improving product margins will deliver better profitability for the Company and enable it to sustain it in adverse scenarios. The management team has set standards and policies for each of the identified risks. Technology is extensively used to minimise risk from

execution. The risk register is reviewed periodically and appropriate risk mitigating measures are implemented for the new risks identified in the review.

## Internal control systems and their adequacy

The scope and authority of the Internal Audit function is well defined in the organisation. To maintain its objectivity and independence, the Internal Audit function reports to the Chairperson of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of the Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal financial controls as laid down are adequate and were operating effectively during the year.

The Company has identified key external and internal risks associated with the operations as well as control process to mitigate such risks. Further, regular review of identification of risks and control process to mitigate such identified risks ensures new evolved risks are identified well within time and appropriate control process to counter such risks is established. The Company also makes appropriate use of its ERP system (SAP) and various applications to put checks and controls to strengthen the internal control framework for financial reporting, organisational structure, authorities and procedures, which are also reviewed and validated by the external experts.

All such internal controls and their adequacy, financial and risk management policies, significant audit findings, compliance with accounting and or other standards are regularly reviewed by the Audit Committee.

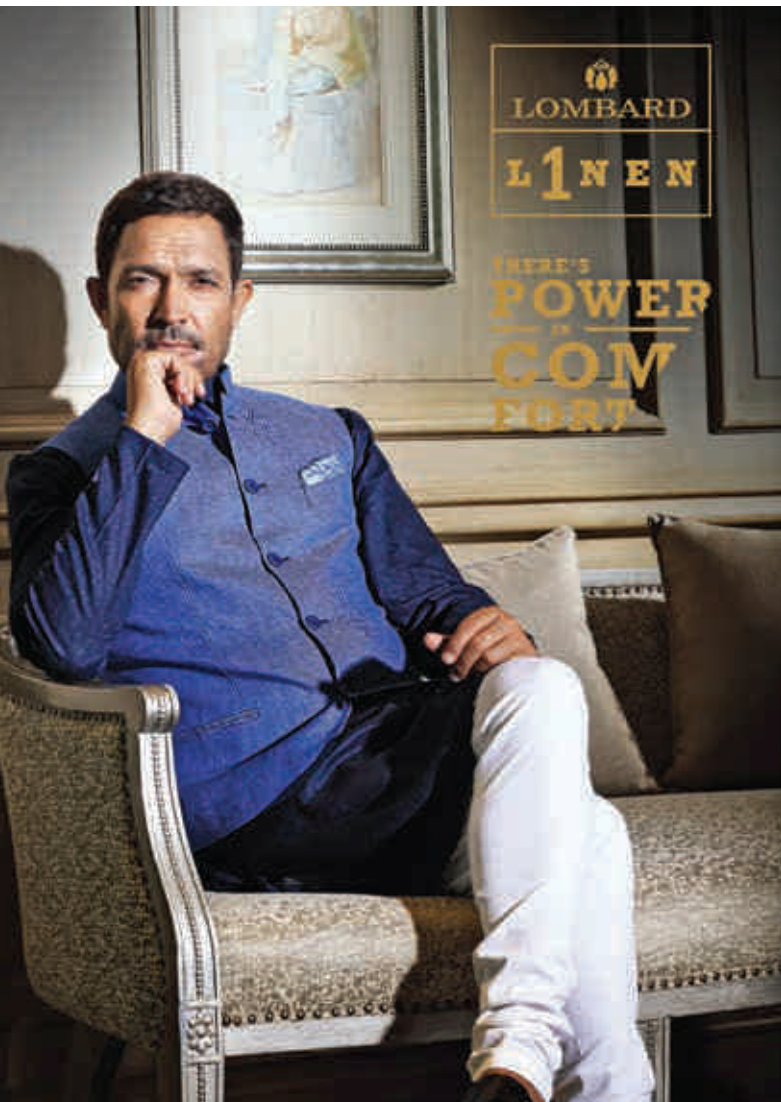
## Human resources

Our people are at the heart of how we do business. It is their talent and skills that will take us to the next level. We continue to invest in building best-in-class fashion teams. We focus on creating a workplace that fosters thought leadership, innovation and a culture of involvement, participation and transparency. We strive to provide employees opportunities to collaborate, learn and grow within the organization.



A structured talent acquisition process through a behavioural assessment for mid-level and above is implemented, wherein certain benchmarks are defined for key parameters, with proper monitoring, leading to a structured appraisal process.

The HR department of FLF follows a nine-grid Model Matrix for the assessment of employees across all levels. As an outcome of the model, we have introduced the Leadership Academy as a part of Leadership Development Program wherein we have selected employees with high potential and high performance. They are mentored by the top management to complete various projects as part of succession planning. A succession plan for identified talent in commercial and finance team is also rolled out under program named Extended Finance Leadership Team.



FLF ensures continuous skill and competence upgradation by providing equal and non-discriminatory learning opportunities to all. Our talent development team has been instrumental in creating a culture of learning in the organization. Group level guidance and customized growth plans with regards to overall development has helped establish a robust retention scheme. A job analysis is conducted to ensure employees are well equipped in terms of functional as well as skill based competencies required for the job.

Technical training forms the core interface for customer service excellence. The HR conducts various training modules at stores including in-store training, brand sensitisation and new store training. The concept of Atithee Devo Bhav is imbibed in the people through various connect sessions at the stores. There are various customised online training modules designed for constant knowledge & skill upgradation of the employees.

At FLF we believe that engaged employees contribute more effectively and optimally towards organizational growth. Thus it is our constant endeavour to provide opportunities to engage employees and create a positive workplace environment and conduct various engagement initiatives in this regard.

Additionally, as an organisation we have started our journey to be driven by technology and data that would help us take real-time decisions and make our execution extremely agile. With this belief in mind we have worked towards getting HR as the first function to start operating real-time. To enable this, we have moved to a forward looking, agile and data driven Human Resource Management System called Future360.

This system is a mobile-first-system and uses Artificial Intelligence and Machine Learning to cater to all human resource needs. It helps take away a lot of negative labour from our day to day chores and brings all HR transactions on one platform and with an effortless user interface. Future360 brings together HR transactions, Recruitment, Learning and Development and Collaboration through a chat application, all at one place and on a real-time basis.

With over 12,601 employees (FLF Standalone employee no. is 11,498), the Company believes investing in the most treasured capital in an organisation – the people.

## Financial performance

Income statement (₹ Crore)	Standalone			Consolidated		
	FY 18	FY 19	Y-o-Y Growth (%)	FY 18	FY 19	Y-o-Y Growth (%)
Revenue from operations	4,219	5,377	27.5%	4,498	5,728	27.3%
Cost of goods sold	2,651	3,459	30.5%	2,847	3,689	29.6%
<b>Gross profit</b>	<b>1,568</b>	<b>1,918</b>	<b>22.3%</b>	<b>1,651</b>	<b>2,039</b>	<b>23.5%</b>
<b>Gross margin %</b>	<b>37.2%</b>	<b>35.7%</b>		<b>36.7%</b>	<b>35.6%</b>	
Employee benefits expense	243	297	22.1%	265	331	24.9%
Rent including lease rental	451	546	21.3%	453	550	21.4%
Other expenditures	508	614	20.7%	520	632	21.5%
Total expenditure	1,202	1,457	21.2%	1,238	1,513	22.2%
Other Income	33	39	15.9%	34	38	12.4%
<b>EBITDA</b>	<b>400</b>	<b>500</b>	<b>25.2%</b>	<b>448</b>	<b>564</b>	<b>26%</b>
<b>EBITDA margin%</b>	<b>9.5%</b>	<b>9.3%</b>		<b>10%</b>	<b>9.8%</b>	
Depreciation	149	197	31.7%	154	207	34.6%
EBIT	250	303	21.3%	294	357	21.5%
Finance costs	95	104	10.2%	108	117	7.9%
PBT	156	199	28.0%	186	240	29.4%
Tax expense	45	54	19.3%	59	47	20.6%
Share in Net Loss of Associates and JVs				1	5	394.8%
<b>Net profit</b>	<b>110</b>	<b>145</b>	<b>31.5%</b>	<b>126</b>	<b>189</b>	<b>49.9%</b>

## Key ratios

Creditors Turnover

**115**

Debtors Turnover

**25**

Inventory Turnover

**129**

Interest Coverage Ratio

**5.26**

Current Ratio

**1.20**

Debt Equity Ratio

**0.42**

Gross Margin

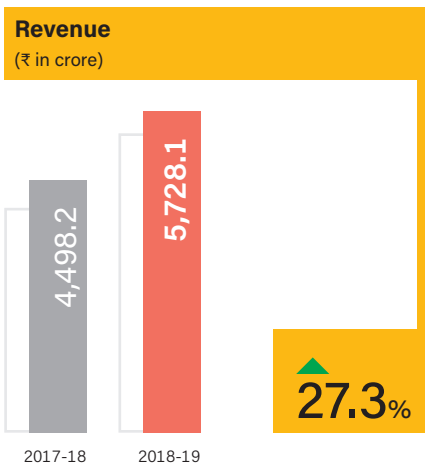
**35.6%**

Net Profit Margin

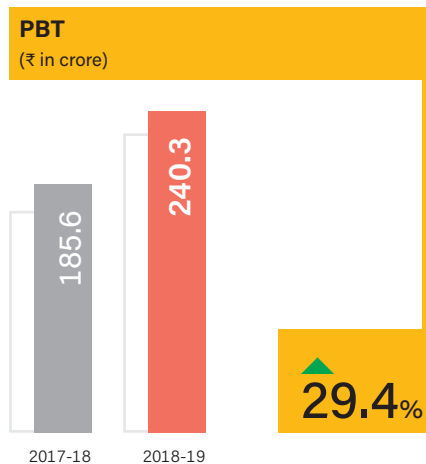
**4.2%**

Return on Net Worth

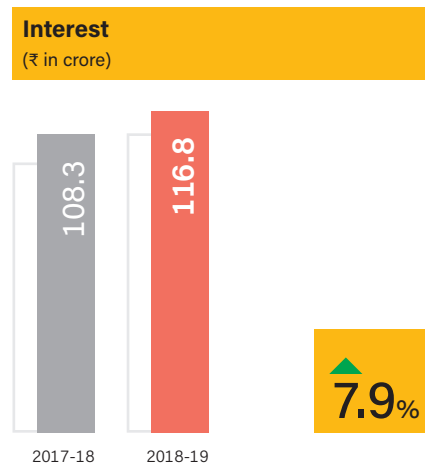
**14.4%**



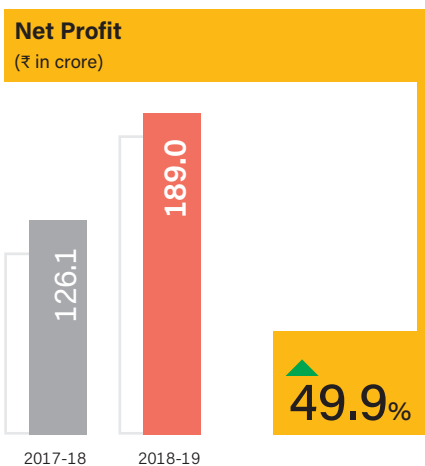
During the year, FLF delivered revenue from operations of ₹ 5,728 crore, a 27.3% increase from the previous fiscal's ₹ 4,498 crore. Strong revenue growth was on the back consistent same store sales growth coupled with expansion in Central and Brand Factory. Robust performance by own brands have also aided in stellar revenue growth.



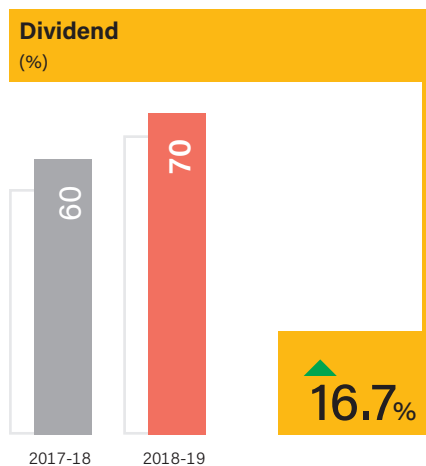
The consolidated profit before tax stood at ₹ 240 crore. It has increased from the previous financial year, - owing to the operating leverage in own store and prudence in cost management.



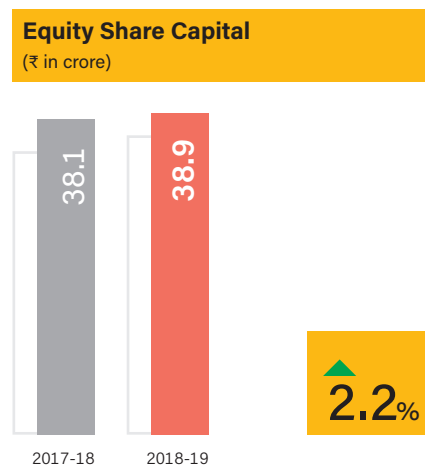
The finance costs increased marginally compared previous fiscal due strong fiscal budget management and capital allocation coupled with lower interest cost financial products.



The net profit for the period stood at ₹ 189 crore, a ~50% n increase from previous fiscal, driven by strong operating profit growth across formats and lower cost of interest.



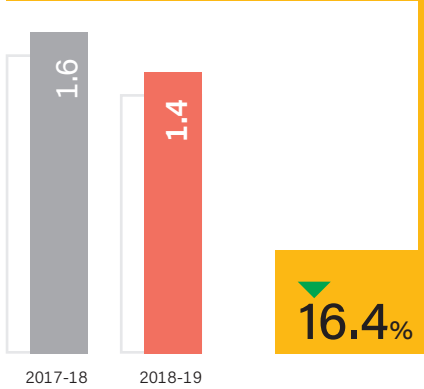
The Board of Directors have recommended a dividend of ₹ 1.40 per equity shares of face value ₹ 2.



The equity share capital has increased by ~0.8 crore due to subscription of the Company's equity shares by L Catterton a global private equity firm as part of the 9.99% stake it has picked up in FLF.

**Net Debt to EBITDA**

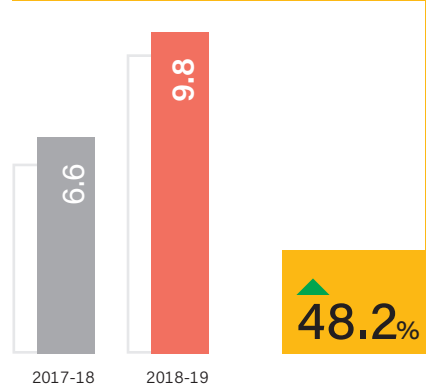
(in times)



Net debt-to-EBITDA ratio has come down to 1.4 from 1.6 in the previous fiscal. Net debt increased by 5.4% while EBITDA increased by 26.0%, leading to fall in the ratio.

**Basic EPS**

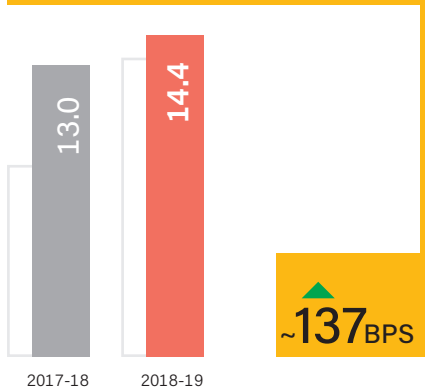
(₹)



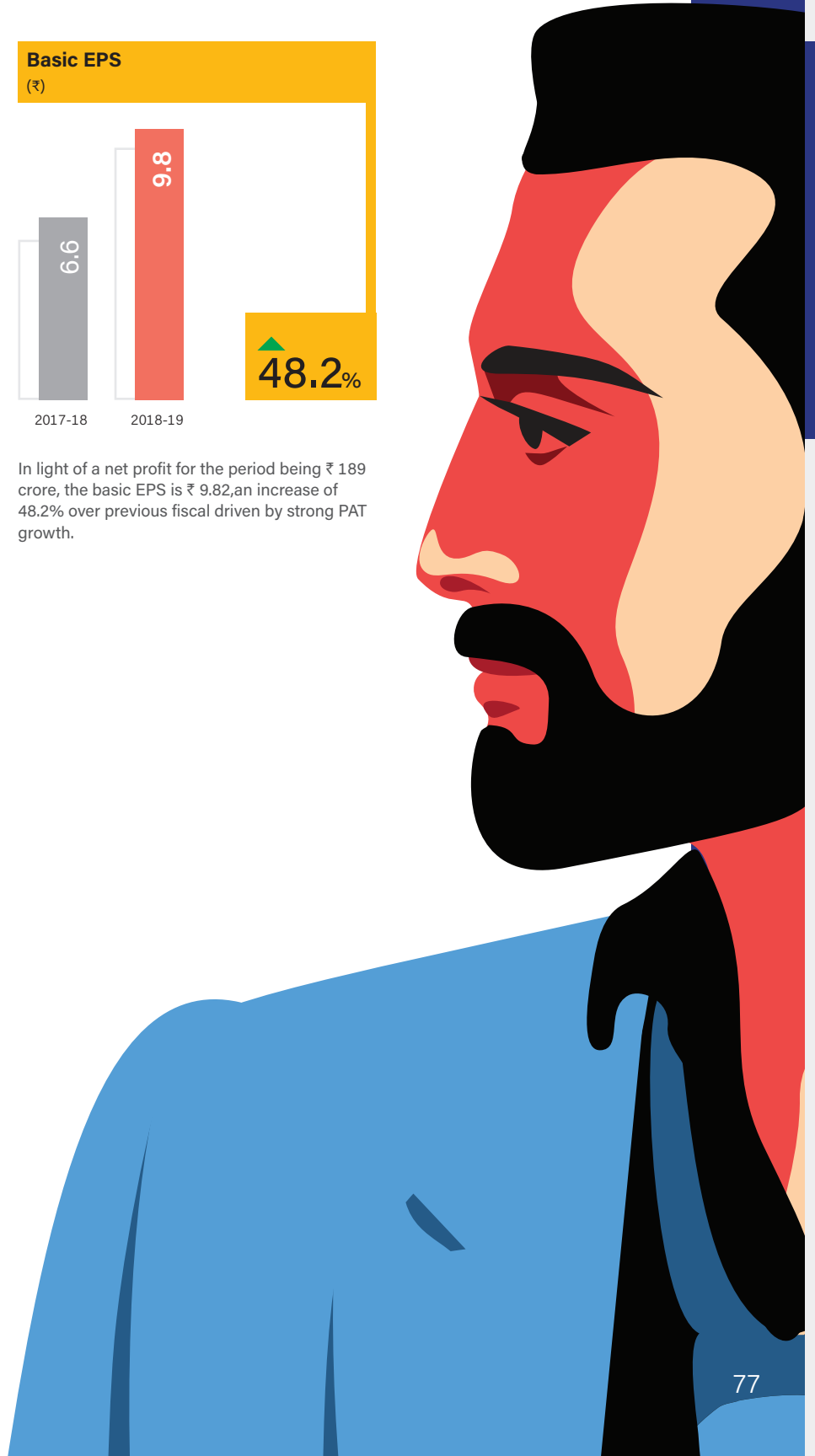
In light of a net profit for the period being ₹ 189 crore, the basic EPS is ₹ 9.82, an increase of 48.2% over previous fiscal driven by strong PAT growth.

**Return on Net worth**

(%)



Return on net worth increased by ~137 BPS due to growth in net profit by ~50%.



# Board's Report

Dear Members,

Your Directors present the Seventh Annual Report of the Company together with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2019.

## Financial Performance

The financial performance of the Company is as follows:

Particulars	Consolidated		Standalone	
	Financial Year 2018-19	Financial Year 2017-18	Financial Year 2018-19	Financial Year 2017-18
Revenue from Operations	5,728.12	4,498.22	5,377.41	4,219.15
Other Income	38.31	34.10	38.60	33.30
Total Revenue	5,766.43	4,532.32	5,416.01	4,252.45
Profit before Depreciation and Amortisation expense, Finance Costs and Tax expense	564.19	447.79	500.13	399.62
Less: Depreciation and Amortisation expense	207.10	153.89	196.65	149.33
Less: Finance Costs	116.82	108.26	104.38	94.72
Profit before Tax	240.27	185.64	199.10	155.57
Less: Tax expense	46.52	58.59	53.73	45.06
Profit after Tax	193.75	127.05	145.37	110.51
Share of Loss in Associates and Joint Ventures (Net)	4.75	0.96		
Non-controlling interests	0.01	0.01		
Other Comprehensive Income	1.23	2.54	1.16	2.54
Total Comprehensive Income	190.22	128.62	146.53	113.05
Balance brought forward from previous year	413.65	303.35	477.75	383.02
Surplus available for appropriation	603.87	431.97	624.28	496.07
Transfer to Debenture Redemption Reserve	50.00	-	50.00	-
Dividend paid on Equity Shares	23.33	15.22	23.33	15.22
Dividend Distribution Tax	4.80	3.10	4.80	3.10
Balance carried forward	525.74	413.65	546.15	477.75

(₹ in crore)

## Review of Performance

During the year under review, your Company has recorded an increase of 27.34% in Consolidated Revenue from operations at ₹5,728.12 crore as compared to ₹4,498.22 crore in the previous financial year. Your Company reported an increase of 52.50% in the Consolidated Profit after Tax of ₹193.75 crore for the year under review as compared to ₹127.05 crore for the previous financial year.

During the year under review, your Company on standalone basis recorded an increase of 27.45% in Revenue from operations at ₹5,377.41 crore as compared to ₹4,219.15 crore in the previous financial year and an increase of 31.54% in the Profit after Tax of ₹145.37 crore for the year under review as compared to ₹110.51 crore for the previous financial year.

## Review of Operations

During the year under review, your Company's high definition fashion retail format 'Central' and off price branded fashion retail format 'Brand Factory,' have performed very well and growth in business of these two formats have been very strong.

Your Company's power brands viz. Lee Cooper, Scullers, Indigo Nation, John Miller, BARE casuals, aLL and Jealous 21 are continuing to drive the growth of the fashion business of the

Company. Lee Cooper positioned in India as an aspirational Mid-Premium brand focused at young Men, Women and Kids and having strong presence in both Apparel and Footwear categories and providing a distinct competitive edge to the brand and a strong recall among consumers.

The Company's retail network includes 44 Central stores (40 stores in the previous year), 93 Brand Factory stores (63 store in the previous year) and 202 Exclusive Brand Outlets (EBOs) (229 EBOs in the previous year), which are spread in more than 90 cities across the country. This retail network covers over 6.76 million sq. ft. of retail space and collectively attracted over 66.20 million customer footfalls during the year under review. This retail network is backed by strong sourcing network, in house trend spotting and design teams, coupled with robust logistics, warehousing network.

Your Company with the support of Future Group's Consumer and Digital Lab (C&D Lab) and new initiative "Tathastu - Building a limitless future", would ensure better customer satisfaction together with increased penetration with the targeted customers and products range.

A detailed analysis of the Company's performance and outlook, is included in the Management Discussion and Analysis Report, which forms part of this Annual Report.



## Dividend

The Board has recommended a dividend of ₹1.40 (70%) per Equity Share of ₹2.00 each for the financial year ended March 31, 2019, subject to the approval of the Members of the Company at the forthcoming Annual General Meeting (AGM).

The Dividend, if approved by the Members would entail an outflow of ₹32.84 crore (including Dividend Distribution Tax of ₹5.60 crore) for the financial year 2018-19 as compared to ₹28.13 crore (including Dividend Distribution Tax of ₹4.80 crore) for the financial year 2017-18. The dividend pay-out is in accordance with the Company's Dividend Distribution Policy.

## Transfer to General Reserves

The Board has decided not to transfer any amount to the General Reserve for the year under review.

## Dividend Distribution Policy

As per regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), the Company has a Dividend Distribution Policy, which endeavours for fairness, consistency and sustainability while distributing profits to the Members of the Company. It is given as **Annexure A**, which forms part of this Report and has also been disclosed on the Company's website [www.futurelifestyle.in](http://www.futurelifestyle.in)

## Credit Rating

Your Company has obtained ratings from CRISIL Limited (CRISIL) and Credit Analysis & Research Limited (CARE). During the year under review, CRISIL and CARE have reaffirmed their ratings to the Company's long term credit facility, short term credit facility, commercial papers and Non-Convertible Debentures.

For more details, please refer to the Corporate Governance Report, which forms part of this Annual Report.

## Issue of Equity Shares

### Allotment under Employee Stock Options Schemes

During the year under review, an aggregate of 3,31,776 Equity Shares of ₹2 each have been allotted to the eligible employees of the Company upon exercise of vested Stock Options in terms of FLFL Employees' Stock Option Scheme - 2013 (FLFL ESOS-2013) and FLFL Employees' Stock Option Plan - 2015 (FLFL ESOP-2015).

### Preferential Allotment

During the year under review, pursuant to the approval of the Members of the Company at their Extraordinary General Meeting held on June 14, 2018, the Company has allotted 38,22,464 Equity Shares of ₹2 each to Spectacular Investments Pte Limited at a price of ₹445.50 per Equity Share for an aggregate amount of ₹170.29 crore, by way of preferential allotment on June 21, 2018.

Consequent to the above allotments, the paid-up Equity Share Capital of the Company as at March 31, 2019 was ₹38,91,36,154/- divided into 19,45,68,077 Equity Shares of ₹2 each, fully paid-up.

During the year under review, the Company has not issued any sweat equity shares or bonus shares or equity shares with differential rights.

## Debentures

During the year under review, the Company has made timely payment of interest in respect to 3,500 8.70% Senior, Secured, Listed, Rated, Redeemable Non-Convertible Debentures of face value of ₹10.00 lakh each.

## Significant Events occurred during the year

### Investment in Koovs plc

During the year under review, your Company has subscribed 5,78,76,600 new Ordinary Shares of Koovs plc at a price of £0.10 per Ordinary Share.

Koovs plc is a public company, incorporated in England and listed on Alternative Investment Market of London Stock Exchange. Koovs plc is engaged in the e-commerce fashion business. This investment would enable the Company to access design capabilities of Koovs plc as well as online e-commerce platform to gain online presence of its fashion brands.

It would also help to build an offline presence of apparels brands of the Koovs plc and enhance equity value of the aforesaid investment through enhanced distribution, reduction in sourcing and logistic costs, etc.

Your Company holds 16.25% of Ordinary Share Capital of Koovs plc as on March 31, 2019.

### Investment in Joint Ventures

During the year under review, your Company in joint venture with Travel Retail Services Private Limited, has incorporated the following Special Purpose Vehicles (SPVs) as Subsidiary Companies on May 30, 2018, in the ratio of 51:49, to develop, market, setup, operate, maintain and manage the retail outlets / space at airports located at Goa, Bhubaneswar, Lucknow and Guwahati:

FLFL Travel Retail West Private Limited  
FLFL Travel Retail Lucknow Private Limited  
FLFL Travel Retail Guwahati Private Limited  
FLFL Travel Retail Bhubaneswar Private Limited

## Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, ("the Act"), your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

## Board's Report

- c) they have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down Internal Financial Controls, which are adequate and are operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

### Directors and Key Managerial Personnel

Mr. Rakesh Biyani and Ms. Avni Biyani, retire by rotation at the forthcoming AGM and being eligible, offer themselves for re-appointment.

During the year under review, Mr. Ravinder Singh Thakran was appointed as an Additional Director by the Board with effect from May 21, 2018. Subsequently, based on the recommendation of the Nomination and Remuneration Committee and the Board, the Members of the Company at their Annual General Meeting held on August 29, 2018 have appointed Mr. Ravinder Singh Thakran as Director of the Company.

The Board, based on the nomination by Mr. Thakran and recommendation by the Nomination and Remuneration Committee, has appointed Mr. Narayan Ramachandran as an Alternate Director to Mr. Thakran with effect from August 07, 2018.

Mr. Shailesh Haribhakti and Dr. Darlie Koshy were appointed as Independent Directors on the Board of the Company for a period of five years with effect from August 08, 2014. The first tenure of Mr. Shailesh Haribhakti and Dr. Darlie Koshy as Independent Directors would come to an end on August 07, 2019.

The Board, based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out by the Board, have unanimously re-appointed Mr. Shailesh Haribhakti and Dr. Darlie Koshy as Independent Directors of the Company for the second term of five consecutive years with effect from August 08, 2019, subject to the approval of the Members of the Company.

Mr. Kishore Biyani was appointed as the Managing Director of the Company for a period of three years with effect from June 25, 2016. Accordingly, the present tenure of Mr. Kishore Biyani as the Managing Director of the Company would come to an end on June 24, 2019.

The Board, based on the recommendation of the Nomination and Remuneration Committee and performance evaluation carried out by the Board, have unanimously re-appointed Mr. Kishore Biyani as the Managing Director of the Company for the period of five

years with effect from June 25, 2019, subject to the approval of the Members of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that each of them meet the criteria of independence as provided in section 149(6) of the Act along with Rules framed thereunder and regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The necessary resolutions for re-appointment of Mr. Shailesh Haribhakti, Dr. Darlie Koshy and Mr. Kishore Biyani, are being placed before the Members for their approval at the forthcoming AGM.

Additional information on appointment/re-appointment of directors as required under regulation 36 of the Listing Regulations is given in the Notice convening the forthcoming AGM.

### Number of Meetings of the Board

During the year under review, six meetings of the Board of Directors of the Company were held. The details of dates of Board meetings and attendance of Directors, are given in the Corporate Governance Report, which forms part of this Annual Report.

### Subsidiary / Associate / Joint Venture Companies

#### Subsidiary Companies

##### Future Trendz Limited (FTL)

FTL is holding company of Future Speciality Retail Limited. Presently, your Company holds 100.00% of the paid-up equity capital of FTL.

##### Future Speciality Retail Limited (FSRL)

FSRL is inter-alia carrying on fashion retail business of the Brand 'Lee Cooper'. FSRL is continuously striving towards its vision of being in the top three Jeans wear brands in the country by leveraging the proposition of its vital spark – Denim and creating a repository of innovation and design every year. The brand's strategic approach to focus on social media and digital promotions has garnered the right targeted visibility. Its public relation efforts is widening its reach to millennial and Generation Z.

During the year under review, FSRL has secured a long-term footwear license for the agreed territory including India, Nepal and Bhutan. This license along with the existing apparel license has enabled FSRL to expand its offering across multiple opportunities for all consumers spanning men, women and kids.

Over the years, Brand "Lee Cooper" has rapidly expanded and has increased its footprint to 796 doors with 1528 Point of Sales (POS) and presence in more than 200 cities. FSRL also piloted Lee Cooper exclusive brand outlets with complete brand offerings and the results are encouraging.

**FLFL Business Services Limited (FBSL)**

FBSL is engaged in the business of providing services to fashion retail business. Presently, your Company holds 100.00% of the paid-up equity capital of FBSL.

**FLFL Travel Retail West Private Limited (FTRWPL)**

FTRWPL is engaged in the business of developing, marketing, setting up, operating, maintaining and managing the retail outlets at the Goa airport. Presently, your Company holds 51.00% of the paid-up equity capital of FTRWPL.

**FLFL Travel Retail Lucknow Private Limited (FTRLPL)**

FTRLPL is engaged in the business of developing, marketing, setting up, operating, maintaining and managing the retail outlets at the Lucknow airport. Presently, your Company holds 51.00% of the paid-up equity capital of FTRLPL.

**FLFL Travel Retail Guwahati Private Limited (FTRGPL)**

FTRGPL is engaged in the business of developing, marketing, setting up, operating, maintaining and managing the retail outlets at the Guwahati airport. Presently, your Company holds 51.00% of the paid-up equity capital of FTRGPL.

**FLFL Travel Retail Bhubaneswar Private Limited (FTRBPL)**

FTRBPL is engaged in the business of developing, marketing, setting up, operating, maintaining and managing the retail outlets at the Bhubaneswar airport. Presently, your Company holds 51.00% of the paid-up equity capital of FTRBPL.

**Associate Company****FLFL Lifestyle Brands Limited (FLBL)**

FLBL is, inter-alia, engaged in the business of making investment in fast growing fashion companies and fashion brands such as Turtle, Clarks, Cover Story, ancestry, Mineral, Spunk, celio\*, Holii, Tresmode, Giovanni, Mother Earth, etc. FLBL believes in nurturing the brands value by making them recognisable and competitive in the fashion industry. Presently, your Company holds 49.02% of the paid-up equity capital of FLBL.

**Joint Ventures****Clarks Future Footwear Private Limited (Clarks)**

Clarks, joint venture between the Company, C&J Clark International Limited and FLBL, is engaged in the business of single brand wholesale and retailing of footwear and accessories. The Brand "CLARKS" is world's largest casual and smart shoe brand. Presently, your Company holds 1.00% of the paid-up equity capital of Clarks and 49.00% of the paid-up equity capital of Clarks is held by FLBL, an associate company of the Company.

**Celio Future Fashion Private Limited (Celio)**

Celio deals in the retail trading and distribution of men's ready to wear garments under single brand "celio\*". Decoding trends to offer smart and contemporary menswear is the brand's forte. Showcasing collections oriented to the different moments of a man's life, Celio captures effortless style for men. Presently, FLBL, an associate company of the Company holds 2.09% of the paid-up equity capital of Celio.

**Consolidated Financial Statements**

As on March 31, 2019, the Company has six direct subsidiaries, one step down subsidiary and one associate company.

During the year under review, the Board has reviewed the affairs of the subsidiaries. The Consolidated Financial Statements of the Company and its subsidiaries and associate companies, prepared in accordance with the Act and applicable Indian Accounting Standards (Ind AS) along with all relevant documents and the Auditors' Report thereon, which forms part of this Annual Report.

Pursuant to the provisions of section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries and associates as on March 31, 2019 in the prescribed Form AOC-1 is attached to the Financial Statements of the Company, which forms part of this Annual Report.

In accordance with the provisions of section 136(1) of the Act, the Annual Report of the Company, containing therein the standalone and consolidated Financial Statements of the Company and the audited financial statements of each of the subsidiary companies have been placed on the website of the Company at [www.futurelifestyle.in](http://www.futurelifestyle.in). The audited financial statements in respect of each subsidiary company shall also be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of forthcoming AGM.

The aforesaid documents relating to subsidiary companies would be made available to any Member interested in obtaining the same upon a request made to the Company.

**Audit Committee**

The details of composition of the Audit Committee as required under the provisions of section 177 of the Act and Listing Regulations are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

There were no instances where the Board had not accepted any of the recommendations of the Audit Committee.

**Auditors and Auditors' Report****Statutory Auditors**

Pursuant to the provisions of section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. NGS & Co. LLP, Chartered Accountants (Firm Registration No.119850W) has been appointed as the Statutory Auditors of the Company to hold office for a term of five years from the conclusion of the Fifth AGM of the Company held on August 29, 2017 until the conclusion of the Tenth AGM of the Company to be held in the year 2022.

The Company has received a certificate from the Statutory Auditors confirming that they are eligible to continue as Statutory Auditors of the Company under section 141 of the Act.

The Auditors' Report on the Financial Statements of the Company for the financial year ended March 31, 2019 is issued with unmodified opinion.

## Board's Report

### Secretarial Auditor

M/s. Sanjay Dholakia & Associates, Practicing Company Secretary (Membership No. 2655 / Certificate of Practice No.1798) were appointed as Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2018-19, as required under section 204 of the Act and Rules made thereunder.

The Secretarial Audit Report for the financial year 2018-19 is given as **Annexure B**, which forms part of this Report.

The said Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### Business Responsibility Report

Pursuant to regulation 34(2)(f) of the Listing Regulations, a Business Responsibility Report forms part of this Annual Report.

### Risk Management and Internal Financial Control

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

A systematic risk culture has been evolved in the Organisation by following various standard operating processes and corporate policies for mapping, assessing and monitoring of various risks and their mitigation measures. Risks associated to the business of the Company were being periodically reviewed by the Management at 'Samiksha' meetings and updates on risk management were presented to the Risk Management Committee.

The Audit Committee and the Board periodically reviewed the risk assessment and minimisation procedures.

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

### Significant and Material Orders

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

### Board Evaluation

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

The Nomination and Remuneration Committee, in order to facilitate the performance evaluation process, laid down the evaluation criteria for the performance of Executive / Non-Executive / Independent Directors, Committees and the Board as a whole and approved specific evaluation templates. These templates were circulated to each of the Director, as applicable, to provide feedbacks and onward submission

to the Chairperson of the Board or separate meeting of Independent Directors.

The Directors were requested to provide their valuable feedbacks and suggestions on the overall functioning of the Board and its Committees and the areas of improvement for a higher degree of engagement with the management. Accordingly, Directors submitted their feedbacks on various parameters such as composition, meetings, dynamics, participations, oversight on functioning, risk management, execution of specific duties, quality, quantity and timeliness of flow of information, deliberations at the meeting, value addition, independence of judgement, decision making, management actions, etc.

The performance evaluation of individual Directors were reviewed on parameters such as engagement, leadership, analysis, quality of decision making, interactions, integrity, corporate governance, responsibility towards stakeholders, contribution, attendance, inter-personal relationship, etc.

The Independent Directors at their separate meeting held on May 01, 2019, based on the feedbacks received from the Directors, reviewed the performance evaluation of Directors, the Board as a whole, the Chairperson of the Board after taking into account the views of executive directors and non-executive directors of the Company and also assessed the quality, quantity and timelines of flow of information between the Company Management and the Board.

The Independent Directors were satisfied with the overall functioning of the Board, its various Committees and with the performance of other Non-Independent Directors. They also appreciated the exemplary leadership role of the Chairperson of the Board, in upholding the highest values and standards of corporate governance.

The Board expressed its satisfaction with the evaluation results, which reflects the high degree of engagement of the Board and its Committees with the Company and its Management.

### Policy on Directors' Remuneration

The Company's remuneration policy for Directors, Key Managerial Personnel and other employees of the Company, has been disclosed in the Corporate Governance Report, which forms part of this Annual Report, and also available at the Company's website at [www.futurelifestyle.in](http://www.futurelifestyle.in)

### Corporate Social Responsibility (CSR)

The composition and terms of reference of the Corporate Social Responsibility ("CSR") Committee is provided in the Corporate Governance Report, which forms part of this Annual Report.

The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure C** of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

## Employees Stock Options

The Company has in force Future Lifestyle Fashions Limited Employee Stock Options Scheme – 2013 (FLFL ESOS-2013) and Future Lifestyle Fashions Limited Employee Stock Options Plan – 2015 (FLFL ESOP-2015).

The disclosures as required under the Act and SEBI (Share Based Employee Benefits) Regulations, 2014 with regard to the FLFL ESOS-2013 and FLFL ESOP-2015 are given in **Annexure D** to this Report and also available on the Company's website [www.futurelifestyle.in](http://www.futurelifestyle.in)

## Deposits from Public

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as at March 31, 2019.

## Corporate Governance

The Company's Corporate Governance Report for the year under review, forms part of this Annual Report.

A certificate from the Statutory Auditors of the Company regarding the compliance with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C and D of Schedule V of the Listing Regulations, is annexed to Corporate Governance Report and forms part of this Report.

## Management Discussion and Analysis

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

## Particulars of Employees

The information pertaining to remuneration and other details as required under section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure E**, which forms part of this Report.

In terms of the provisions of section 197(12) of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement of particulars of the employees as required under the said Rules is provided in a separate Annexure forming part of this Report.

In accordance with the provisions of the second proviso to section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of forthcoming AGM.

The aforesaid information would be made available to any Member interested in obtaining the same upon a request made to the Company.

## Secretarial Standards

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

## Disclosure Requirements

- Details of familiarisation programs imparted to Independent Directors are available on the website of the Company at the link [https://www.futurelifestyle.in/Admin/pdf/Details\\_Familiarization\\_Programs\\_Imparted\\_to\\_Independent\\_Directors\\_2018-19.pdf](https://www.futurelifestyle.in/Admin/pdf/Details_Familiarization_Programs_Imparted_to_Independent_Directors_2018-19.pdf)
- Policy for determining material subsidiaries of the Company is available on the website of the Company at the link [https://www.futurelifestyle.in/Admin/pdf/Mat\\_Sub\\_Policy.pdf](https://www.futurelifestyle.in/Admin/pdf/Mat_Sub_Policy.pdf)
- Policy for determining Materiality of Events of the Company is available on the website of the Company at the link [https://www.futurelifestyle.in/Admin/pdf/Policy\\_for\\_Determining\\_Materiality\\_of\\_Events.pdf](https://www.futurelifestyle.in/Admin/pdf/Policy_for_Determining_Materiality_of_Events.pdf)
- Policy for archival of documents of the Company is available on the website of the Company at the link [https://www.futurelifestyle.in/Admin/pdf/Archival\\_Policy.pdf](https://www.futurelifestyle.in/Admin/pdf/Archival_Policy.pdf)
- The code of conduct for Directors and senior management of the Company is available on the website of the Company at the link [https://www.futurelifestyle.in/Admin/pdf/FLFL\\_Code\\_of\\_Conduct\\_of\\_Directors\\_and\\_Senior\\_Management.pdf](https://www.futurelifestyle.in/Admin/pdf/FLFL_Code_of_Conduct_of_Directors_and_Senior_Management.pdf)
- Policy on dealing with related party transactions is available on the website of the Company at the link [https://www.futurelifestyle.in/Admin/pdf/RPT\\_Policy.pdf](https://www.futurelifestyle.in/Admin/pdf/RPT_Policy.pdf)
- Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.
- There are no material changes affecting the financial position of the Company, subsequent to the end of the financial year 2018-19 till the date of this Report.
- There has been no change in the nature of business of the Company.

## Vigil Mechanism and Whistle Blower Policy

The Company has Vigil Mechanism and Whistle Blower Policy for Stakeholders of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company and also available on the Company's website at [www.futurelifestyle.in](http://www.futurelifestyle.in)

## Disclosure under the Sexual Harassment of Women at workplace (prevention, prohibition and redressal) act, 2013

Your Company has always endeavoured to provide a safe, secured and harassment free workplace for every individual working in the Company through various training, awareness and practices and to create an environment that is free from any discrimination and sexual harassment.

## Board's Report

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company has an Internal Complaints Committee (ICC), in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. ICC has its presence at the Company's offices and stores.

During the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Particulars of Loans, Guarantees and Investments

The details of loans, guarantees, investments and security, as required under the provisions of section 186 of the Act are provided in the note no. 38 in Notes forming part of the Financial Statements, which forms part of this Annual Report.

### Particulars of Contracts or Arrangements with Related Parties

During the year under review, all transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. Particulars of contracts or arrangements with related parties as required under section 134(3)(h) of the Act, in the prescribed Form AOC-2 is given in **Annexure F**, which forms part of this Report.

Disclosure of transactions with related parties as required under Listing Regulations and the applicable Accounting Standards is given in the note no. 34 in the Notes forming part of the Financial Statements.

### Particulars Regarding Conservation of Energy, Technology absorption and Foreign Exchange Earnings and outgo

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

### Investors Education and Protection Fund (IEPF)

Pursuant to section 124 of the Act, dividends that are unclaimed for a period of seven years are required to be transferred to the IEPF, established by the Government of India. During the year under review, there were no outstanding amount of unclaimed dividends which was liable to transfer to the IEPF.

The details of unclaimed dividends / entitlements, liable to be transferred to IEPF are as under:

Particulars	Date of declaration	Last date for claiming due amount
Fractional share entitlement	January 15, 2014	February 20, 2021
Dividend 2013-14	August 08, 2014	September 13, 2021
Dividend 2014-15	August 26, 2015	October 01, 2022
Dividend 2015-16	August 29, 2016	October 04, 2023
Dividend 2016-17	August 29, 2017	October 04, 2024
Dividend 2017-18	August 29, 2018	October 03, 2025

### Extract of Annual Return

In accordance with section 134(3)(a) of the Act, an extract of annual return in the prescribed Form MGT-9 is given in **Annexure H**, which forms part of this Report. The copy of the draft Annual Return is also available on the Company's website at [www.futurelifestyle.in](http://www.futurelifestyle.in)

### Awards and Recognition

During the year under review, the Company's retail formats/brands have been conferred the following awards and recognition:

#### Brand Factory

- Brand Factory's #MadeForMumbai Campaign by Ideate Labs - Special Mention at vIDEA 2019 - Video Content in a Social Media Marketing Campaign
- 'Silver (Grand Prix AWARD) - Social Media Brand of the Year' in ACEF Global Customer Engagement Award.
- GOLD for its 'Free Shopping Week' at Digixx 2019.
- Global Awards for Retail Excellence at ET Now for Best Use of Social Media for 'Free Shopping Week'

#### Central

- Central at Vasant Kunj, Delhi won Gold for 'Best Department Store' at VM&RD Retail Design award 2019.
- 'Best Brand Activation Retail' at The Activation Venues Forum (TAVF) 2018.

#### aLL

- GOLD in Brand Equity's Kaleido Award, for the Best Campaign in Fashion, Beauty and Lifestyle category.

### Acknowledgement

The Board thanks our customers, bankers, investors, shareholders, vendors and other stakeholders for their continued support and patronage, extended to the Company and places on records its sincere appreciation of the wholehearted contribution made by our employees, for the Company's consistent growth and achievements.

For and on behalf of the Board of Directors

Mumbai  
May 01, 2019

**Shailesh Haribhakti**  
Chairperson

# Annexure A

## Dividend Distribution Policy

### a) Company's philosophy:

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

FLFL looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long term stakeholder value creation. Good Corporate Governance practices enable a Company to attract high quality financial and human capital. In turn, these resources are leveraged to maximise long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large.

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

### b) Declaration of Dividend:

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

### c) Per share basis:

The dividend will be declared on per share basis only.

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

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

### e) Financial parameters considered while declaring dividend:

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

### f) Internal and external factors considered while declaring dividend:

The Board leads the strategic management of the Company on behalf of the Shareholders, exercise supervision through direction and control and appoints various committees to handle specific areas of responsibilities. In this endeavour, the Board reviews various types of information provided to it which has a bearing on declaring dividend. Key internal and external factors are listed below (not exhaustive):

#### Internal:

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

#### External:

- Macro - economic environment
- Competition
- Legislations impacting business
- Statutory restriction
- Changes in accounting policies and applicable standards
- Any other matter /risks appended by the Board
- Client related risks

### g) Usage of retained earnings:

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

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

Currently, the Company has only one class of shares. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares. To the extent permitted, the Company would aim for highest level of transparency and equitable treatment of all investors.

# Annexure B

## FORM NO. MR-3

### Secretarial Audit Report

For the financial year ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**Future Lifestyle Fashions Limited**  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Lifestyle Fashions Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns, filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (Not applicable to the Company during the Audit Period);
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Portfolio Investors and Portfolio Investment in overseas entity;
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period); and
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, as mentioned above. The Company has filed all requisite forms and returns under the Act within the prescribed time except three forms which were filed with requisite additional fee, as prescribed under the Act.



We further report that:

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

Based on the representation given by the Management of the Company and as verified by us, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda

items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

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

This Report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this Report.

For **Sanjay Dholakia & Associates**  
Practising Company Secretary

**Sanjay Dholakia**  
Proprietor

Place : Mumbai  
Date : May 01, 2019

Membership No. 2655 /CP No. 1798

## Annexure I to Secretarial Audit Report

To,  
The Members  
**Future Lifestyle Fashions Limited**  
Mumbai

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
- Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

- The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Dholakia & Associates**  
Practising Company Secretary

**Sanjay Dholakia**  
Proprietor

Place : Mumbai  
Date : May 01, 2019

Membership No. 2655 /CP No. 1798

# Annexure C

## Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR Policy of the Company inter-alia includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ("the Act"), read with applicable rules thereto.  CSR Policy of the Company is available on the website of the Company at the link:  <a href="https://www.futurelifestyle.in/Admin/pdf/FLFL_CSR_Policy.pdf">https://www.futurelifestyle.in/Admin/pdf/FLFL_CSR_Policy.pdf</a>
2. The Composition of the CSR Committee.	Mr. Kishore Biyani – Managing Director (Chairperson) Dr. Darlie Koshy – Independent Director Ms. Sharda Agarwal – Independent Director Mr. C. P. Toshniwal – Non-Executive Director
3. Average net profit of the Company for last three financial years.	₹107.41 crore
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹2.15 crore
5. Details of CSR spent during the financial year 2018 -19:	
a. Total amount to be spent for the financial year 2018-19	₹2.25 crore (including unspent amount of ₹0.10 crore for the previous financial year).
b. Amount unspent, if any	Nil
c. Manner in which the amount spent during the financial year in detailed below:	

							(₹ in crore)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the Reporting period	Amount spent direct or through implementing agency <sup>#</sup>
a.	Program 'Odha do Zindagi' undertaken by 'Goonj'\$	Reducing Inequalities (Activity No. (iii) of Schedule VII of the Act)	State: Jammu & Kashmir	1.97	1.97	1.97	Implementing agency <sup>#</sup>
b.	Extended support to youth undergoing training through 'Magic Bus India Foundation'\$	Reducing Inequalities (Activity No. (iii) of Schedule VII of the Act)	District: New Delhi Union Territory: Delhi	0.00*	0.00*	0.00*	Implementing agency <sup>#</sup>
c.	Creating access to basic goods for the Bhotia tribe under project undertaken by 'Seva Sahayog Foundation'\$	Reducing Inequalities (Activity No. (iii) of Schedule VII of the Act)	District: Chamoli, Uttarakhand	0.03	0.03	0.03	Implementing agency <sup>#</sup>
d.	Promoting education amongst children through 'Friends of Tribal Society'\$	Promoting Education (Activity No. (ii) of Schedule VII of the Act)	PAN India basis	0.01	0.01	0.01	Implementing agency <sup>#</sup>

(₹ in crore)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the Reporting period	Amount spent direct or through implementing agency <sup>#</sup>
e.	Construction of School building with better facility undertaken by 'Gram Vikas Shikshan Mandal'\$	Promoting Education (Activity No. (ii) of Schedule VII of the Act)	District: Kolhapur, State: Maharashtra	0.10	0.10	0.10	Implementing agency <sup>#</sup>
f.	Palliative care of cancer patients undertaken by 'Parmarth Seva Samiti'\$	Promoting healthcare (Activity No. (i) of Schedule VII of the Act)	District: Mumbai, State: Maharashtra	0.04	0.04	0.04	Implementing agency <sup>#</sup>
g.	Eye check-up camps organised by 'Bansilal Kishnidevi Biyani Charitable Trust'\$	Promoting healthcare (Activity No. (i) of Schedule VII of the Act)	District: Nagour, State: Rajasthan	0.05	0.05	0.05	Implementing agency <sup>#</sup>
h.	Eye and health check-up camps organised by Bhajandas Bhajaj Foundation / 'Eyebetes Foundation'\$	Promoting healthcare (Activity No. (i) of Schedule VII of the Act)	District: Mumbai, State: Maharashtra	0.05	0.05	0.05	Implementing agency <sup>#</sup>

Notes:

Overheads: NIL

\$ Not for profit Organisation

\* Represent ₹14,000/-.

# Sone Ki Chidiya Foundation ('SKC Foundation') has been set up inter-alia with objectives of undertaking the projects and activities for the benefits of various sections of the Society within India, supporting economically challenged people to meet their social needs and corporate social responsibility activities as defined under Schedule VII to the Act, as amended from time to time. In order to attain the above objective, SKC Foundation aligns its activities and works towards promoting, encouraging, supporting and assisting education and medical activities while reducing inequalities in society.

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

The Company contributes its CSR spent to SKC Foundation, which in-turn spends through various eligible implementation partners, which undertakes projects, in line with the activities identified by the CSR Committee.

The Company is committed to continually explore new avenues or areas which align to its CSR objectives and create maximum impact and incrementally invest in CSR activities to spend the prescribed amount in the subsequent years.

There was no unspent amount for the financial year 2018-19. The unspent amount of ₹0.10 crore for the financial year 2017-18 has been spent in the year under review for the projects identified by the CSR Committee.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Mumbai  
May 01, 2019

**Kishore Biyani**  
Chairperson of Corporate Social Responsibility Committee

# Annexure D

## DISCLOSURE WITH RESPECT TO FLFL EMPLOYEES STOCK OPTIONS SCHEME - 2013 (FLFL ESOS - 2013) AND FLFL EMPLOYEES STOCK OPTIONS PLAN - 2015 (FLFL ESOP - 2015) OF THE COMPANY AS AT MARCH 31, 2019

Sl. No.	Particulars	FLFL ESOS - 2013	FLFL ESOP - 2015
A.	Disclosures in terms of the relevant Indian Accounting Standards, as prescribed from time to time	Refer note. no. 37 in Notes forming part of the Standalone Financial Statements.	
B.	Diluted Earnings Per Share (EPS) on issue of Shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Indian Accounting Standard 33, as prescribed from time to time	Refer note. no. 37 in Notes forming part of the Standalone Financial Statements.	
C.	Description and general terms and conditions of ESOSs		
I.	Date of Shareholders' approval	December 16, 2013.	August 26, 2016.
II.	Total number of Options approved	15,00,000 (Fifteen Lakh only)	35,00,000 (Thirty - Five Lakh only)
III.	Vesting requirements	Options granted under FLFL ESOS - 2013 would vest not less than 1 year and not more than 3 years from the Grant Date of such Options. The Options granted to employees pursuant to the Composite Scheme of Arrangement and Amalgamation, had been vested as per the original vesting period in the respective companies.	Options granted under FLFL ESOS - 2015 would vest not less than 1 year and not more than 3 years from the Grant Date of such Options.
IV.	Exercise price or pricing formula	Exercise price for Options granted under the Scheme was ₹10/- per Option.	Exercise price for Options granted under the Scheme was ₹10/- per Option for Grant - I & II and ₹189/- per Option for Grant -III.
V.	Maximum term of Options granted	Three years from the respective date of vesting of Options.	Three years from the respective date of vesting of Options.
VI.	Source of shares (primary, secondary or combination)	Primary	Primary and Secondary
VII.	Variation in terms of Options	None	None
VIII.	Method used to account for ESOS - Intrinsic or fair value	Fair Value Method	Fair Value Method
IX.	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	N.A.	N.A.
X.	Option movement during the financial year ended on March 31, 2019		
	Number of Options outstanding at the beginning of the year	1,75,824	16,87,768
	Number of Options granted during the year	Nil	Nil
	Number of Options forfeited / lapsed during the year	-	-
	Number of Options vested during the year	-	6,17,942
	Number of Options exercised during the year	41,232	2,90,544
	Number of shares arising as a result of exercise of Options	41,232	2,90,544
	Money realised by exercise of Options, if scheme is implemented directly by the Company	₹4,12,320/-	₹63,51,190/-
	Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.
	Number of Options outstanding (in force) at the end of the year	1,34,592	13,97,224
	Number of Options exercisable at the end of the year	1,34,592	3,81,724

## D. Weighted average Fair Value / Exercise Price of Options granted during the financial year ended on March 31, 2019

Particulars	Fair Value	Exercise Price
(i) Price equals market price	N.A.	N.A.
(ii) Price is greater than market price	N.A.	N.A.
(iii) Price is less than market price	N.A.	N.A.

## E. Employee-wise details of Options granted during the financial year ended on March 31, 2019

Particulars	Name of Employee	No. of Options
(i) Senior managerial personnel / Key managerial personnel	N.A.	None
(ii) Employees who were granted, during any one year, Options amounting to five percent or more of the Options granted during the year	N.A.	None
(iii) Identified employees who were granted Options, during any one year equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants	N.A.	None

## F. Method and significant assumptions used to estimate the fair value of Options granted during the financial year ended March 31, 2019

N.A.

**Details of the Company's Employees' Welfare Trust:**

The following details inter-alia, in connection with transactions made by the Trust meant for the purpose of administering the FLFL ESOP - 2015 are as under:

<b>I. General Information of Trust</b>	
Name of the Trust	Future Lifestyle Fashions Limited Employees' Welfare Trust
Details of the Trustee(s)	Milestone Trusteeship Services Private Limited
Amount of loan disbursed by company / any company in the group, during the year	Nil
Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	Nil
Amount of loan, if any, taken from any other source for which company/ any company in the group has provided any security or guarantee.	Nil
Any other contribution made to the Trust during the year	Nil
<b>II. Brief details of transactions in Shares by the Trust</b>	None
<b>III. In case of secondary acquisition of Shares by the Trust</b>	N.A.

# Annexure E

## DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- I. The ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company and the percentage increase in remuneration of each Director and Key Managerial Personnel (KMP), for the financial year 2018-19 are as under:

Name and Designation	Increase in Remuneration (%)	Ratio of remuneration of each Director to MRE
<b>Managing Director:</b>		
Mr. Kishore Biyani	35.03	209.00
<b>Independent Directors:</b>		
Mr. Shailesh Haribhakti	Nil	18.95
Dr. Darlie Koshy	Nil	18.95
Ms. Sharda Agarwal	Nil	18.95
Mr. Bijou Kurien	Nil	18.95
<b>Non-Executive Director:</b>		
Mr. Ravinder Singh Thakran*	Nil	Nil
Mr. Narayan Ramachandran*	Nil	Nil
Mr. Rakesh Biyani	Nil	Nil
Mr. C. P. Toshniwal	Nil	Nil
Ms. Avni Biyani	Nil	Nil
<b>Key Managerial Personnel:</b>		
Mr. Kaleeswaran Arunachalam, Chief Financial Officer	20.40	N.A.
Mr. Sanjay Kumar Mutha, Company Secretary	20.31	N.A.

**Note:**

1. \* Voluntarily waived to receive the sitting fees and commission.
  2. The Remuneration to Non-Executive Directors include commission payable for FY 2018-19 and does not include sitting fees paid during the FY 2018-19.
  3. Remuneration is excluding of perquisite on Employee Stock Options (ESOPs) exercised during the year under review.
- II. The increase in MRE in the financial year 2018-19, as compared to the financial year 2017-18 was 4.35%;
- III. There were 11,498 permanent employees on the rolls of the Company as on March 31, 2019;
- IV. Average percentage increase in the salaries of employees other than the managerial personnel for the financial year 2018-19 was in the range of 4% to 12%. There was an increase of 35.03% in the remuneration to Managing Director for the same period; and
- V. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Mumbai  
May 01, 2019

**Shailesh Haribhakti**  
Chairperson

# Annexure F

## FORM NO. AOC. 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which were not at arm's length basis.

### 2. Details of material contracts or arrangements or transactions at arm's length basis:

The details of material contracts or arrangements or transactions at arm's length basis entered into during the year ended March 31, 2019 are as follows:

Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangements/transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in core)	Date(s) of approval by the Board/ Shareholders, if any	Amount paid as advances, if any
Future Enterprises Limited (FEL) (Related party)	The Company entered into transactions including procurement of apparel and other products and services with FEL in the ordinary course of business.	FY 2018-19	Maximum value of the contracts / arrangements / transactions was ₹700 crore.	Necessary approvals of the Board and Shareholders have been obtained on May 18, 2018 and August 29, 2018, respectively.	N.A.

For and on behalf of the Board of Directors

Mumbai  
May 01, 2019

**Shailesh Haribhakti**  
Chairperson

# Annexure G

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo etc

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo, pursuant to the provisions of section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is provided as under:

<b>(A) Conservation of Energy:</b>	
(i) the steps taken or impact on conservation of energy	The operations of FLFL are not energy intensive; however adequate measures have been taken to reduce energy consumption, wherever possible through consumption of renewable energy, installation of temperature-controlled air conditioners, replacement of old lighting fixtures with LED lights, use of natural lights in offices/stores premises. Display of signages have also been created to promote awareness on conservation of energy.
(ii) the steps taken by the Company for utilising alternate sources of energy	
(iii) the capital investment on energy conservation equipment's	Nil
<b>(B) Technology absorption:</b>	
(i) the efforts made towards technology absorption	The Company continues to adopt and use the latest technology to improve the services and products with the help of Future Group's consumer and digital (C&D) Lab, which deals in the consumer and digital space to bring in next generation innovations using Artificial Intelligence, Big Data Analytics, Blockchains, Internet of Things, robotics and allied technologies.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	N.A.
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons there of.	
(iv) the expenditure incurred on Research and Development.	Nil

### (C) Foreign Exchange Earnings and Outgo:

Foreign Exchange earnings and outgo during the year under review are as follows:

Particulars	₹ in crore)	
	Financial Year 2018-19	Financial Year 2017-18
Foreign Exchange Earnings*	54.55	39.80
Foreign Exchange Outgo	111.64	72.69

\* Included ₹54.47 crore (2017-18: ₹36.17 crore) being indirect foreign exchange earnings during the year through credit cards, as certified by the bankers.

For and on behalf of the Board of Directors

Mumbai  
May 01, 2019

**Shailesh Haribhakti**  
Chairperson



# Annexure H

## FORM MGT-9

### Extract of Annual Return

As on the financial year ended on March 31, 2019

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

### I. Registration and Other Details

i. CIN	L52100MH2012PLC231654
ii. Registration Date	May 30, 2012
iii. Name of the Company	Future Lifestyle Fashions Limited
iv. Category / Sub-Category of the Company	Public Company / Limited by shares
v. Address of the Registered office and contact details	Knowledge House, Shyam Nagar, Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060. Tel No: +91 22 6644 2200 Fax No: +91 22 6644 2201 E-mail id: investorrelations@futurelifestyle.in Website: www.futurelifestyle.in
vi. Whether listed company Yes / No	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel No : +91 22 4918 6270 Fax No: +91 22 4918 6060 E-mail id: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

### II. Principal Business Activities of the Company

All the business activities contributing 10.00% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the Company
1	Footwear, Apparels and other fashion goods/accessories.	477	100.00%

## Board's Report

### III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name of the company	Address of the company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable section
1	Ryka Commercial Ventures Private Limited	5th Floor, Sobo Central, 28, P. T. Madan Mohan Malviya Road, Tardeo, Mumbai, Maharashtra, 400034	U74120MH2012PTC231350	Holding	52.25	2(46)
2	Future Trendz Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2016PLC285892	Subsidiary	100.00	2(87)
3	Future Speciality Retail Limited*	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2016PLC286295	Subsidiary	99.96	2(87)
4	FLFL Business Services Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2017PLC292998	Subsidiary	100.00	2(87)
5	FLFL Travel Retail West Private Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2018PTC310118	Subsidiary	51.00	2(87)
6	FLFL Travel Retail Lucknow Private Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2018PTC310115	Subsidiary	51.00	2(87)
7	FLFL Travel Retail Guwahati Private Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74994MH2018PTC310116	Subsidiary	51.00	2(87)
8	FLFL Travel Retail Bhubaneswar Private Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2018PTC310110	Subsidiary	51.00	2(87)
9	FLFL Lifestyle Brands Limited	Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (E), Mumbai, Maharashtra, 400060	U74999MH2017PLC292590	Associate	49.02	2(6)

\* Subsidiary of Future Trendz Limited

## IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Shareholding

Category code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoters and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	38,933	-	38,933	0.02	38,933	-	38,933	0.02	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	11,52,02,132	-	11,52,02,132	60.50	10,40,09,238	-	10,40,09,238	53.46	(7.04)
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>11,52,41,065</b>	<b>-</b>	<b>11,52,41,065</b>	<b>60.52</b>	<b>10,40,48,171</b>	<b>-</b>	<b>10,40,48,171</b>	<b>53.48</b>	<b>(7.04)</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>11,52,41,065</b>	<b>-</b>	<b>11,52,41,065</b>	<b>60.52</b>	<b>10,40,48,171</b>	<b>-</b>	<b>10,40,48,171</b>	<b>53.48</b>	<b>(7.04)</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds	1,09,92,725	-	1,09,92,725	5.77	1,04,03,058	-	1,04,03,058	5.35	(0.42)
(b)	Financial Institutions/ Banks	1,32,385	-	1,32,385	0.07	1,12,459	-	1,12,459	0.06	(0.01)
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	2,17,27,950	-	2,17,27,950	11.41	1,39,37,079	-	1,39,37,079	7.16	(4.25)
(e)	Insurance Companies	38,14,251	-	38,14,251	2.00	84,00,268	-	84,00,268	4.32	2.32
(f)	Foreign Institutional Investors	1,02,41,915	-	1,02,41,915	5.38	2,93,54,468	-	2,93,54,468	15.09	9.71
	<b>Sub-Total (B)(1)</b>	<b>4,69,09,226</b>	<b>-</b>	<b>4,69,09,226</b>	<b>24.64</b>	<b>6,22,07,332</b>	<b>-</b>	<b>6,22,07,332</b>	<b>31.97</b>	<b>7.35</b>
<b>(2)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	1,18,28,285	9,214	1,18,37,499	6.22	1,42,42,244	9,214	1,42,51,458	7.32	1.10
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹1 lakh	44,21,075	3,56,072	47,77,147	2.51	41,52,531	3,30,603	44,83,134	2.30	(0.21)
	ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	1,01,97,618	-	1,01,97,618	5.36	89,43,596	-	89,43,596	4.60	(0.76)
(c)	Any Other									
	1. N R I	2,18,616	733	2,19,349	0.12	1,05,263	733	1,05,996	0.05	(0.07)
	2. Directors and Relatives	4,66,422	-	4,66,422	0.24	1,02,154	-	1,02,154	0.05	(0.19)
	3. Clearing Member	3,32,619	-	3,32,619	0.17	2,40,780	-	2,40,780	0.12	(0.05)
	4. Trust	467	-	467	-	334	-	334	-	-
	5. Foreign Nationals	33	-	33	-	33	-	33	-	-
	6. Hindu Undivided Family	4,32,070	322	4,32,392	0.23	1,84,767	322	1,85,089	0.10	(0.13)
	<b>Sub-Total (B)(2)</b>	<b>2,78,97,205</b>	<b>3,66,341</b>	<b>2,82,63,546</b>	<b>14.84</b>	<b>2,79,71,702</b>	<b>3,40,872</b>	<b>2,83,12,574</b>	<b>14.55</b>	<b>(0.31)</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>7,48,06,431</b>	<b>3,66,341</b>	<b>7,51,72,772</b>	<b>39.48</b>	<b>9,01,79,034</b>	<b>3,40,872</b>	<b>9,05,19,906</b>	<b>46.52</b>	<b>7.04</b>
	<b>TOTAL (A)+(B)</b>	<b>19,00,47,496</b>	<b>3,66,341</b>	<b>19,04,13,837</b>	<b>100.00</b>	<b>19,42,27,205</b>	<b>3,40,872</b>	<b>19,45,68,077</b>	<b>100.00</b>	<b>-</b>
<b>(C)</b>	<b>Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>19,00,47,496</b>	<b>3,66,341</b>	<b>19,04,13,837</b>	<b>100.00</b>	<b>19,42,27,205</b>	<b>3,40,872</b>	<b>19,45,68,077</b>	<b>100.00</b>	<b>-</b>

## Board's Report

### (ii) Shareholding of Promoters and Promoter Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% change in share holding during the year
		No. of Shares	% of total Shares of the Company	No. of Shares pledged	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	No. of Shares pledged	% of Shares Pledged/ encumbered to total shares	
1	Future Enterprises Limited*	-	-	-	-	-	-	-	-	-
2	Lifestyle Trust	-	-	-	-	-	-	-	-	-
3	Ryka Commercial Ventures Private Limited	10,46,47,747	54.96	1,23,20,655	6.47	10,16,64,765	52.25	2,20,21,528	11.32	(2.71)
4	Future Capital Investment Private Limited	2,197	-	-	-	2,197	-	-	-	-
5	Central Departmental Stores Private Limited	100	-	-	-	100	-	-	-	-
6	Future Ideas Company Limited	36,00,195	1.89	17,13,576	0.90	17,13,576	0.88	17,13,576	0.88	(1.01)
7	Future Corporate Resources Private Limited**	63,93,522	3.36	5,65,789	0.30	4,69,440	0.24	3,50,789	0.18	(3.12)
8	Surplus Finvest Private Limited	5,58,038	0.29	-	-	1,58,827	0.09	-	-	(0.20)
9	Akar Estate and Finance Private Limited	333	-	-	-	333	-	-	-	-
10	Retail Trust #	-	-	-	-	-	-	-	-	-
11	Consumer Goods Trust #	-	-	-	-	-	-	-	-	-
12	Infra Trust #	-	-	-	-	-	-	-	-	-
13	Ashni Biyani	16,770	0.01	-	-	16,770	0.01	-	-	-
14	Avni Biyani	19,499	0.01	-	-	19,499	0.01	-	-	-
15	Vivek Biyani	333	-	-	-	333	-	-	-	-
16	Sunil Biyani	333	-	-	-	333	-	-	-	-
17	Anil Biyani	333	-	-	-	333	-	-	-	-
18	Kishore Biyani	333	-	-	-	333	-	-	-	-
19	Gopikishan Biyani	333	-	-	-	333	-	-	-	-
20	Laxminarayan Biyani	333	-	-	-	333	-	-	-	-
21	Rakesh Biyani	333	-	-	-	333	-	-	-	-
22	Vijay Biyani	333	-	-	-	333	-	-	-	-
	<b>Total</b>	<b>11,52,41,065</b>	<b>60.52</b>	<b>1,46,00,020</b>	<b>7.67</b>	<b>10,40,48,171</b>	<b>53.48</b>	<b>2,40,85,893</b>	<b>12.38</b>	<b>(7.04)</b>

\* Formerly known as Future Retail Limited.

\*\* Formerly known as Suhani Trading and Investment Consultants Private Limited

# Included in the Promoters / PACs of the Company as per disclosures under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, furnished by the Promoters / PACs.

### (iii) Change in Promoters and Promoter Group Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	11,52,41,065	60.52	11,52,41,065	60.52
May 21, 2018 - Decrease	(1,11,92,894)	(5.88)	10,40,48,171	54.64
At the end of the year	-	-	10,40,48,171	53.48

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)**

Sl. No.	Name, Date and Reasons*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Spectacular Investments Pte Limited</b>				
	At the beginning of the year	-	-	-	-
	May 21, 2018 - Increase	1,55,81,743	8.18	1,55,81,743	8.18
	June 21, 2018 - Increase - Allotment	38,22,464	1.97	1,94,04,207	9.98
	At the end of the year			1,94,04,207	9.97
<b>2</b>	<b>Life Insurance Corporation of India</b>				
	At the beginning of the year	37,07,621	1.95	37,07,621	1.95
	April 06, 2018 - Increase	8,70,793	0.46	45,78,414	2.40
	April 13, 2018 - Increase	2,01,757	0.11	47,80,171	2.51
	June 01, 2018 - Increase	71,000	0.04	48,51,171	2.55
	June 08, 2018 - Increase	1,51,706	0.08	50,02,877	2.62
	June 15, 2018 - Increase	5,35,266	0.28	55,38,143	2.90
	June 22, 2018 - Increase	4,91,818	0.25	60,29,961	3.10
	June 30, 2018 - Increase	2,49,829	0.13	62,79,790	3.23
	September 21, 2018 - Increase	48,951	0.03	63,28,741	3.25
	September 29, 2018 - Increase	1,44,439	0.07	64,73,180	3.33
	January 18, 2019 - Increase	3,50,000	0.18	68,23,180	3.51
	January 25, 2019 - Increase	2,98,000	0.15	71,21,180	3.66
	February 15, 2019 - Increase	4,20,628	0.22	75,41,808	3.88
	February 22, 2019 - Increase	3,60,145	0.19	79,01,953	4.06
	March 01, 2019 - Increase	2,76,847	0.14	81,78,800	4.20
	March 08, 2019 - Increase	1,57,555	0.08	83,36,355	4.28
	March 15, 2019 - Increase	1,60,066	0.08	84,96,421	4.37
	At the end of the year			84,96,421	4.37
<b>3</b>	<b>Bennett, Coleman and Company Limited</b>				
	At the beginning of the year	45,62,748	2.40	45,62,748	2.40
	May 25, 2018 - Increase	34,02,022	1.79	79,64,770	4.18
	March 15, 2019 - Decrease	(5,000)	-	79,59,770	4.09
	At the end of the year			79,59,770	4.09
<b>4</b>	<b>Pioneer Investment Fund</b>				
	At the beginning of the year	1,55,27,950	8.15	1,55,27,950	8.15
	May 21, 2018 - Decrease	(77,90,871)	(4.09)	77,37,079	4.06
	At the end of the year			77,37,079	3.98
<b>5</b>	<b>L&amp;T Mutual Fund Trustee Limited - L and T India Value Fund</b>				
	At the beginning of the year	76,19,297	4.00	76,19,297	4.00
	April 06, 2018 - Increase	25,000	0.01	76,44,297	4.01
	April 13, 2018 - Increase	1,24,554	0.07	77,68,851	4.08
	April 20, 2018 - Increase	70,000	0.04	78,38,851	4.12
	May 04, 2018 - Increase	5,000	-	78,43,851	4.12
	May 25, 2018 - Increase	15,000	0.01	78,58,851	4.13
	June 08, 2018 - Decrease	(2,00,000)	(0.10)	76,58,851	4.02
	August 31, 2018 - Increase	52,000	0.03	77,10,851	3.96
	September 21, 2018 - Decrease	(74,464)	(0.04)	76,36,387	3.93
	September 29, 2018 - Decrease	(28,971)	(0.01)	76,07,416	3.91
	October 05, 2018 - Increase	4,971	-	76,12,387	3.91
	November 16, 2018 - Increase	10,000	0.01	76,22,387	3.92
	November 23, 2018 - Increase	67,579	0.03	76,89,966	3.95
	November 30, 2018 - Increase	1,32,690	0.07	78,22,656	4.02
	December 07, 2018 - Increase	20,350	0.01	78,43,006	4.03
	December 14, 2018 - Increase	70,876	0.04	79,13,882	4.07
	December 21, 2018 - Increase	42,654	0.02	79,56,536	4.09
	December 28, 2018 - Increase	94,759	0.05	80,51,295	4.14
	January 18, 2019 - Decrease	(3,70,875)	(0.19)	76,80,420	3.95
	January 25, 2019 - Decrease	(1,40,796)	(0.07)	75,39,624	3.88
	February 01, 2019 - Increase	80,861	0.04	76,20,485	3.92
	February 08, 2019 - Increase	93,230	0.05	77,13,715	3.96

## Board's Report

Sl. No.	Name, Date and Reasons*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	February 15, 2019 - Decrease	(3,24,865)	(0.17)	73,88,850	3.80
	February 22, 2019 - Decrease	(3,96,482)	(0.20)	69,92,368	3.59
	March 01, 2019 - Decrease	(2,42,778)	(0.12)	67,49,590	3.47
	March 29, 2019 - Increase	2,26,796	0.12	69,76,386	3.59
	At the end of the year			69,76,386	3.59
<b>6</b>	<b>PI Opportunities Fund I</b>				
	At the beginning of the year	62,00,000	3.26	62,00,000	3.26
	At the end of the year			62,00,000	3.19
<b>7</b>	<b>TIMF Holdings</b>				
	At the beginning of the year	51,04,291	2.68	51,04,291	2.68
	At the end of the year			51,04,291	2.62
<b>8</b>	<b>Lata Bhanshali</b>				
	At the beginning of the year	34,97,905	1.84	34,97,905	1.84
	May 25, 2018 - Decrease	(1,34,495)	(0.07)	33,63,410	1.77
	At the end of the year			33,63,410	1.73
<b>9</b>	<b>IDFC Multi Cap Fund</b>				
	At the beginning of the year	30,49,501	1.60	30,49,501	1.60
	April 06, 2018 - Decrease	(41,098)	(0.02)	30,08,403	1.58
	April 13, 2018 - Decrease	(14,177)	(0.01)	29,94,226	1.57
	April 27, 2018 - Increase	22,644	0.01	30,16,870	1.58
	May 04, 2018 - Increase	27,356	0.01	30,44,226	1.60
	May 11, 2018 - Increase	10,000	0.01	30,54,226	1.60
	May 25, 2018 - Increase	11,761	0.01	30,65,987	1.61
	June 01, 2018 - Increase	1,04,007	0.05	31,69,994	1.66
	June 15, 2018 - Increase	19,232	0.01	31,89,226	1.67
	June 30, 2018 - Increase	15,000	0.01	32,04,226	1.65
	July 27, 2018 - Increase	16,314	0.01	32,20,540	1.66
	August 03, 2018 - Increase	3,686	-	32,24,226	1.66
	August 24, 2018 - Increase	10,000	0.01	32,34,226	1.66
	September 21, 2018 - Increase	10,000	0.01	32,44,226	1.67
	October 19, 2018 - Increase	11,530	0.01	32,55,756	1.67
	October 26, 2018 - Increase	18,470	0.01	32,74,226	1.68
	November 09, 2018 - Increase	25,000	0.01	32,99,226	1.70
	November 16, 2018 - Increase	10,000	0.01	33,09,226	1.70
	November 23, 2018 - Increase	20,000	0.01	33,29,226	1.71
	December 07, 2018 - Increase	2,061	-	33,31,287	1.71
	December 14, 2018 - Increase	11,006	0.01	33,42,293	1.72
	December 21, 2018 - Increase	7,939	-	33,50,232	1.72
	December 28, 2018 - Increase	5,000	-	33,55,232	1.72
	December 31, 2018 - Increase	5,000	-	33,60,232	1.73
	January 04, 2019 - Increase	18,124	0.01	33,78,356	1.74
	January 11, 2019 - Increase	5,616	-	33,83,972	1.74
	January 18, 2019 - Increase	12,279	0.01	33,96,251	1.75
	March 15, 2019 - Increase	37,366	0.02	34,33,617	1.76
	March 22, 2019 - Decrease	(27,829)	(0.01)	34,05,788	1.75
	March 29, 2019 - Decrease	(1,04,333)	(0.05)	33,01,455	1.70
	At the end of the year			33,01,455	1.70
<b>10</b>	<b>HSBC Global Investment Funds - Indian Equity</b>				
	At the beginning of the year	21,41,418	1.12	21,41,418	1.12
	June 01, 2018 - Decrease	(64,002)	(0.03)	20,77,416	1.09
	June 08, 2018 - Decrease	(98,399)	(0.05)	19,79,017	1.04
	June 22, 2018 - Decrease	(2,08,313)	(0.11)	17,70,704	0.91
	August 31, 2018 - Decrease	(46,012)	(0.02)	17,24,692	0.89
	September 07, 2018 - Decrease	(23,376)	(0.01)	17,01,316	0.87
	At the end of the year			17,01,316	0.87

\* Date wise Increase / Decrease in Shareholding during the year are taken based on the weekly benpos and do not reflect the actual date of transactions. Reasons for increase / decrease unless stated, may be trade / transfer.

## (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name, Date and Reasons*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Mr. Kishore Biyani - Managing Director</b>				
	At the beginning of the year	333	-	333	-
	At the end of the year			333	-
<b>2</b>	<b>Mr. C. P. Toshniwal - Non-Executive Director</b>				
	At the beginning of the year	57,233	0.03	57,233	0.03
	October 31, 2018 - Increase - ESOP Allotment	36,232	0.02	93,465	0.05
	At the end of the year			93,465	0.05
<b>3</b>	<b>Mr. Rakesh Biyani - Non-Executive Director</b>				
	At the beginning of the year	333	-	333	-
	At the end of the year			333	-
<b>4</b>	<b>Mr. Shailesh Haribhakti - Independent Director</b>				
	At the beginning of the year	3,94,800	0.21	3,94,800	0.21
	August 17, 2018 - Decrease	(367)	-	3,94,433	0.20
	August 28, 2018 - Decrease	(50,689)	(0.03)	3,43,744	0.18
	August 31, 2018 - Decrease	(36,733)	(0.02)	3,07,011	0.16
	September 03, 2018 - Decrease	(32,400)	(0.02)	2,74,611	0.14
	September 04, 2018 - Decrease	(35,000)	(0.02)	2,39,611	0.12
	September 14, 2018 - Decrease	(13,537)	(0.01)	2,26,074	0.12
	September 18, 2018 - Decrease	(1,23,033)	(0.06)	1,03,041	0.05
	September 19, 2018 - Decrease	(5,000)	-	98,041	0.05
	October 01, 2018 - Decrease	(9,935)	(0.01)	88,106	0.05
	October 03, 2018 - Decrease	(1,954)	-	86,152	0.04
	October 12, 2018 - Decrease	(30,051)	(0.02)	56,101	0.03
	October 17, 2018 - Decrease	(244)	-	55,857	0.03
	December 12, 2018 - Decrease	(55,857)	(0.03)	Nil	Nil
	At the end of the year			Nil	Nil
<b>5</b>	<b>Dr. Darlie Koshy - Independent Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
<b>6</b>	<b>Mr. Bijou Kurien - Independent Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
<b>7</b>	<b>Ms. Sharda Agarwal - Independent Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
<b>8</b>	<b>Ms. Avni Biyani-Non-Executive Director</b>				
	At the beginning of the year	19,499	0.01	19,499	0.01
	At the end of the year			19,499	0.01
<b>9</b>	<b>Mr. Ravinder Singh Thakran - Non-Executive Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
<b>10</b>	<b>Mr. Narayan Ramachandran - Alternate Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
<b>11</b>	<b>Mr. Kaleeswaran Arunachalam - Chief Financial Officer</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
<b>12</b>	<b>Mr. Sanjay Kumar Mutha - Company Secretary</b>				
	At the beginning of the year	2,845	-	2,845	-
	June 06, 2018 - Increase - ESOP Allotment	2,845	-	5,690	-
	October 31, 2018 - Increase - ESOP Allotment	2,500	-	8,190	-
	At the end of the year			8,190	-

\* Date wise Increase / Decrease in Shareholding during the year are taken based on the weekly benpos and do not reflect the actual date of transactions. Reasons for increase / decrease unless stated, may be trade / transfer.

## Board's Report

### V. Indebtedness

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

(₹ in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	722.50	-	-	722.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.13	-	-	12.13
<b>Total (i+ii+iii)</b>	<b>734.63</b>	<b>-</b>	<b>-</b>	<b>734.63</b>
<b>Change in Indebtedness during the financial year</b>				
i) Addition in principal amount	174.91	-	-	174.91
ii) Reduction in principal amount	(36.55)	-	-	(36.55)
<b>Net Change</b>	<b>138.36</b>	<b>-</b>	<b>-</b>	<b>138.36</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	860.86	-	-	860.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	14.74	-	-	14.74
<b>Total (i+ii+iii)</b>	<b>875.60</b>	<b>-</b>	<b>-</b>	<b>875.60</b>

### VI. Remuneration of Directors and Key Managerial Personnel

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in crore)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Kishore Biyani Managing Director	Total Amount
(1)	Gross salary:		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.38	2.38
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
(2)	Stock Option	-	-
(3)	Sweat Equity	-	-
(4)	Commission - as % of profit	1.25	1.25
(5)	Others, specify Contribution to Funds	0.22	0.22
	<b>Total (A)</b>	<b>3.85</b>	<b>3.85</b>
	<b>Ceiling as per the Act</b>	₹11.59 crore (being 5% of net profits calculated as per section 198 of the Act)	

#### B. Remuneration to other Directors

(₹ in crore)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
(1)	<b>Independent Directors</b>	<b>Shailesh Haribhakti</b>	<b>Dr. Darlie Koshy</b>	<b>Sharda Agarwal</b>	<b>Bijou Kurien</b>	
	Fee for attending board/committee Meetings	0.07	0.08	0.07	0.03	0.25
	Commission	0.35	0.35	0.35	0.35	1.40
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>0.42</b>	<b>0.43</b>	<b>0.42</b>	<b>0.38</b>	<b>1.65</b>
(2)	<b>Other Non-Executive Directors</b>	<b>C. P. Toshniwal</b>	<b>Rakesh Biyani</b>	<b>Avni Biyani</b>		
	Fee for attending board/committee Meetings	0.06	0.03	0.03		0.12
	Commission	Nil	Nil	Nil		Nil
	Others, please specify	#	-	-		-
	<b>Total (2)</b>	<b>0.06</b>	<b>0.03</b>	<b>0.03</b>		<b>0.12</b>
	<b>Total (B) = (1 + 2)</b>					<b>1.77</b>
	<b>Total Managerial Remuneration (A+B)</b>					<b>5.62</b>
	Overall Ceiling as per the Act	₹13.91 crore (being 6% of net profits) and ₹25.50 crore (being 11% of net profits), as calculated under section 198 of the Act				

# Excluding perquisite on exercising of Employee Stock Options (ESOPs). The Members at their Annual General Meeting held on August 29, 2017 have approved the perquisite arising upon the exercise of vested ESOPs held by Mr. C. P. Toshniwal - Non-Executive Director of the Company, in one or more tranches within the exercise schedule, in terms of the FLFL ESOS-2013.



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

Sl. No	Particulars of Remuneration	(₹ in crore)	
		Key Managerial Personnel Chief Financial Officer	Company Secretary
(1)	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.76	0.47
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961#	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
(2)	Stock Option	-	-
(3)	Sweat Equity	-	-
(4)	Commission - as % of profit	-	-
(5)	Others - Contribution to Funds	0.04	0.03
	<b>Total</b>	<b>1.80</b>	<b>0.50</b>

# Excluding perquisite on exercising of ESOPs.

**VII. Penalties /Punishment/Compounding of Offences:**

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2019

# Corporate Governance Report

## Company's Philosophy on Corporate Governance

Your Company followed the Future Group's vision, to help every Indian to realise their dreams and aspirations of living a better life, with pride in Indianness and inclusive development at the core and committed to uphold its core values of Indianness, Leadership, Respect & Humility, Introspection, Openness & Adaptability, Valuing and Nurturing Relationships, Simplicity & Positivity and Flow.

Your Company is also committed to follow the principles of good corporate governance and strives to enhance the stakeholders' relationship, e-governance initiatives, while upholding the values of integrity, transparency, fairness, responsibility and accountability and to create an organisation working towards sustainable growth to create long-term value for our people, business partners, customers and shareholders.

The Company has laid down a Code of Conduct ("Code") for Directors and Senior Management Personnel of the Company. The Company has also adopted Code of Conduct for Independent Directors as prescribed under Schedule IV of Companies Act, 2013 ("the Act"). The Code aims to ensure consistent standards of conduct and ethical business practices across the Company.

The Company's corporate governance has been further strengthened by adoption of various policies such as Business Responsibility Policies, Anti-Bribery and Anti-Corruption Policy, Code of fair disclosure of Unpublished Price Sensitive Information, Code for Prevention of Insider Trading, etc.

The Company has complied with all the provisions as stipulated in regulations 17 to 27 and clause (b) to clause (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), for the financial year ended March 31, 2019.

## Board of Directors

The composition of the Board of Directors of the Company ("the Board") is in conformity with the requirement of regulation 17 of the Listing Regulations. As on March 31, 2019, the Board of Directors of the Company comprises of ten Directors.

The Board consists of a balanced combination of Executive Directors, Non-executive Directors, Independent Directors and Woman Directors. The Chairperson of the Board is Non-Executive Independent Director and the number of Independent Directors are more than one-third of the total number of Directors. The number of Non-Executive Directors (NEDs) are more than one-half of the total number of Directors.

None of the Directors on the Board are serving as an Independent Director in more than seven / three listed entities, as specified in regulation 25 of the Listing Regulations.

None of the Directors on the Board is a Member of more than ten Committees or Chairperson of more than five Committees, as specified in regulation 26 of Listing Regulations, across all the public companies in which he/she is a Director. Further, the maximum tenure of Independent Directors is in line with the provisions of sections 149(10) and 149(11) of the Act and Rules made thereunder.

The information on composition of the Board, category and their Directorships and Committees' Membership / Chairpersonship across all the companies in which they are Directors, as on March 31, 2019 is as under:

Name of Director	DIN	Category	No. of Directorships*		**No. of Memberships / Chairpersonships of Committees in public companies	
			Public	Private / Non profit	Memberships	Chairpersonships
Mr. Shailesh Haribhakti	00007347	Chairperson-Independent	10	6	10	5
Mr. Kishore Biyani	00005740	Managing Director (Promoter Group)	7	2	3	1
Dr. Darlie Koshy	00023527	Independent	1	-	2	1
Mr. Bijou Kurien	01802995	Independent	6	4	7	2
Ms. Sharda Agarwal	00022814	Independent	3	1	2	1
Mr. Rakesh Biyani	00005806	Non-Executive (Promoter Group)	6	6	3	-
Mr. C. P. Toshniwal	00036303	Non-Executive	7	3	3	1
Mr. Ravinder Singh Thakran <sup>s</sup>	01077387	Non-Executive	1	1	-	-
Mr. Narayan Ramachandran <sup>ss</sup>	01873080	Alternate Director	2	8	-	-
Ms. Avni Biyani	02177900	Non-Executive (Promoter Group)	2	3	0	0

\* No. of directorships held by the Directors does not include directorships in foreign companies.

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

<sup>s</sup> Appointed as an Additional Director by the Board with effect from May 21, 2018, subsequently, he was appointed as Director by the Members of the Company at their Annual General Meeting held on August 29, 2018.

<sup>ss</sup> Appointed as an Alternate Director to Mr. Ravinder Singh Thakran with effect from August 07, 2018.

The details of directorships in other listed entities as on March 31, 2019 are as under:

Name of Director	Name of the other listed entities where he/she is a director	Category of directorship
Mr. Shailesh Haribhakti	• Torrent Pharmaceuticals Limited	Independent
	• ACC Limited	Independent
	• Ambuja Cements Limited	Independent
	• Blue Star Limited	Independent
	• Mahindra Lifespace Developers Limited	Independent
	• L&T Finance Holdings Limited	Independent – Chairman
Mr. Kishore Biyani	• Future Retail Limited	Managing Director - Chairman
	• Future Enterprises Limited	Non-executive - Vice Chairman
	• Future Consumer Limited	Non-executive
	• Inox Leisure Limited	Independent
Mr. Rakesh Biyani	• Future Retail Limited	Jt. Managing Director
	• Future Supply Chain Solutions Limited	Non-executive - Chairman
	• Dollar Industries Limited	Independent
Mr. C. P. Toshniwal	• Future Supply Chain Solutions Limited	Non-executive
Mr. Bijou Kurien	• Timex Group India Limited	Independent
	• Mindtree Limited	Independent
	• Brigade Enterprises Limited	Independent
Ms. Sharda Agarwal	• Motilal Oswal Financial Services Limited	Independent
Mr. Narayan Ramachandran	• Teamlease Services Limited	Non-executive

The details of Shares held by the Directors in the Company as on March 31, 2019 are as follows:

Name of Director	Number of Shares held
Mr. Kishore Biyani	333
Mr. Rakesh Biyani	333
Mr. C. P. Toshniwal	93,465
Ms. Avni Biyani	19,499

Note: Except Shares held by the Directors as above and 98,360 Vested Employee Stock Options held by Mr. C. P. Toshniwal, none of the Non-executive directors holds shares/ convertible instruments in the Company.

The details of the familiarisation program of the Independent Directors are available on the website of the Company at the link [http://futurelifestyle.in/corporate\\_governance.aspx#parentHorizontalTab4](http://futurelifestyle.in/corporate_governance.aspx#parentHorizontalTab4)

In terms of regulation 25(8) of Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board of Directors, based on the declarations received from the Independent Directors, have confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the Listing Regulations read with section 149(6) of the Act along with rules framed thereunder and that they are independent of the management.

### Board Meetings

During the year under review, six Board meetings were held on May 18, 2018, July 04, 2018, August 07, 2018, October 31, 2018, February 01, 2019 (adjourned meeting on February 02, 2019) and March 27, 2019.

The gap between two meetings did not exceed one hundred and twenty days as prescribed under the Act and in the Listing Regulations. Sixth Annual General Meeting (AGM) of the Company was held on August 29, 2018.

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

Name of Director	No. of Board Meetings		AGM
	Held	Attended	
Mr. Shailesh Haribhakti	6	6	Yes
Mr. Kishore Biyani	6	5	Yes
Dr. Darlie Koshy	6	6	No
Mr. Bijou Kurien	6	6	No
Ms. Sharda Agarwal	6	6	Yes
Mr. Rakesh Biyani	6	3	Yes
Mr. C. P. Toshniwal	6	6	Yes
Mr. Ravinder Singh Thakran*	5	0	No
Mr. Narayan Ramachandran**	4	4	No
Ms. Avni Biyani	6	5	Yes

\* Appointed as an Additional Director with effect from May 21, 2018.

\*\* Appointed as an Alternate Director to Mr. Ravinder Singh Thakran with effect from August 07, 2018.

### Matrix setting out Skills/ Expertise/ Competence as Identified by the Board

The composition of the Board comprising of directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation. The Members of the Board are eminent persons with the considerable professional expertise and experience.

The Board evaluate their composition and effectiveness to identify not only the individual capabilities across the Board members, but also to review the qualitative aspects of effectiveness, the dynamics, relationships and overall success of the Board as a team.

## Corporate Governance Report

The Board identified the core skills/ expertise/ competence matrix which provides a guide as to the skills, knowledge, experience and other criteria appropriate in the context of its business(es) and sector(s), for the Board to function effectively.

The above matrix includes attributes/ expertise towards technical skills and experience, decision-making, analysis, strategic thinking, communication, leadership and Influencing, a strong sense of innovation and creativity, independent and performance oriented mind-set, corporate governance, stakeholders' relations, strategy, finance and industry experience.

### Audit Committee

The Audit Committee of the Company comprises of four Directors, out of whom three are Independent Directors. Ms. Sharda Agarwal, Chairperson of the Committee is an Independent Director. All Members of the Committee possess accounting and financial management expertise. The Chairperson of the Committee was present at the Sixth Annual General Meeting of the Company held on August 29, 2018.

The Company Secretary functions as Secretary to the Committee.

During the year under review, six meetings of the Committee were held on May 18, 2018, July 04, 2018, August 07, 2018, October 31, 2018, February 02, 2019 and March 27, 2019. The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations.

The composition of the Committee and the attendance of the Members at the above meetings are as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Ms. Sharda Agarwal	Chairperson	6	6
Mr. Shailesh Haribhakti	Member	6	6
Dr. Darlie Koshy	Member	6	6
Mr. C. P. Toshniwal	Member	6	6

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

### Terms of Reference

The Committee has been mandated to comply with the terms of reference as specified in Part C of Schedule II of the Listing Regulations, section 177 of the Act and other terms of reference, as may be assigned to the Committee from time to time by the Board. Brief terms of reference of the Committee are as under:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examine, review and recommend the financial results, financial statements and the auditors' report thereon;

- (iv) approval or any subsequent modification of transactions of the Company with related parties including granting of omnibus approval for related party transactions;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the Company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.
- (ix) review of compliances under Code for prevention of insider trading, Whistle blower policy, etc.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprises of four Non-Executive Directors, out of whom three are Independent Directors.

Dr. Darlie Koshy, Chairperson of the Committee could not attend the Sixth Annual General Meeting (AGM) of the Company held on August 29, 2018. He had requested and nominated Mr. Shailesh Haribhakti, Member of the Committee for addressing relevant queries of the Members at the AGM.

During the year under review, three meetings of the Committee were held on May 18, 2018, August 07, 2018 and October 31, 2018.

The composition of the Committee and the attendance of the Members at the above meetings are as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Dr. Darlie Koshy	Chairperson	3	3
Mr. Shailesh Haribhakti	Member	3	3
Mr. Rakesh Biyani	Member	3	2
Ms. Sharda Agarwal	Member	3	3

The Committee's composition meets with the requirements of section 178(1) of the Act and regulation 19 of the Listing Regulations.

### Terms of Reference

The Committee has been mandated to comply with the terms of reference as specified in Part D of the Schedule II of the Listing Regulations, section 178 of the Act, the Securities and Exchange Board of India (Share Based Employee Benefits) regulation, 2014 and as may be assigned by the Board from time to time.

The role of the Committee inter-alia includes the following:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

- To formulate criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent director, on the basis of the report of performance evaluation of Independent directors;
- To establish and from time to time review the policy for ESOP and ESOS as well as issuance of SWEAT equity shares and recommend the grants to be made under ESOP / ESOS;
- To review Company's remuneration and human resources policy; and
- To recommend to the board, all remuneration, in whatever form, payable to senior management (effective from April 01, 2019).

## Remuneration of Director

### Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retrial benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in the overall corporate growth, profitability and financial success of the organisation. The remuneration policy is in consonance with the existing industry practice.

### Remuneration policy for Executive Directors

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission or performance bonus (variable component) to the Managing Director and/or the Executive Director, as approved by the Board and the Members of the Company. In determining the remuneration package of the Executive

Directors, the Nomination and Remuneration Committee (NRC) evaluates experience, qualification, positive attributes and the remuneration paid by comparable organisation and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration approved by the Members of the Company. NRC also reviews and decides on the quantum of commission or performance bonus payable to the Managing Director and the Executive Director as per terms of appointment and based on the performance of the individual as well as the Company. Performance criteria for Managing Director and Executive Director, entitled for Commission or Performance Bonus are determined by NRC.

### Criteria of making payments to Non-Executive Directors

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

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

Further, the Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Independent Directors were evaluated on the criteria such as engagement, leadership, analysis, quality of decision making, interactions, integrity, corporate governance, responsibility towards stakeholders, contribution, attendance, inter-personal relationship, etc.

## Remuneration to Directors

### a. Managing Director

The remuneration paid to the Managing Director for the year under review is given below:

(₹ in crore)								
Name	Salary (basic)	Performance Bonus / Commission*	Company's Contribution to Funds	Perquisites and Allowances	Total	Total Contract Period	Notice period in months	Stock Options granted
Mr. Kishore Biyani Managing Director	1.85	1.25	0.22	0.53	3.85	June 25, 2016 to June 24, 2019	6	N.A.

\* Commission was paid for the financial year 2017-18.

#### Notes:

1. All the above components of remuneration, except performance bonus / commission, are fixed in nature.
2. There is no separate provision for payment of severance fees.

### b. Non-Executive Directors

The details of sitting fees and commission to Non-Executive Directors are as under:

(₹ in crore)					
Name of Director	Category	Sitting Fees		Commission	
		Paid for FY 2018-19	Paid for FY 2017-18	Payable for FY 2018-19	
Mr. Shailesh Haribhakti	Independent	0.07	0.35	0.35	
Dr. Darlie Koshy	Independent	0.08	0.35	0.35	
Ms. Sharda Agarwal	Independent	0.07	0.35	0.35	
Mr. Bijou Kurien	Independent	0.03	0.35	0.35	
Mr. Rakesh Biyani	Non-Executive	0.03	Nil	Nil	
Mr. C. P. Toshniwal	Non-Executive	0.06	Nil	Nil	
Ms. Avni Biyani	Non-Executive	0.03	Nil	Nil	
Mr. Ravinder Singh Thakran*	Non-Executive	Nil	Nil	Nil	
Mr. Narayan Ramachandran*	Non-Executive	Nil	Nil	Nil	

\* voluntarily waived to receive the sitting fees.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration for Non-Executive Directors as entitled under the Act, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management, which in their judgment would affect their independence.

Ms. Avni Biyani is daughter of Mr. Kishore Biyani. Except them, none of the Directors of the Company is inter-se related to each other.

### Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company comprises of Dr. Darlie Koshy, Chairperson of the Committee, Mr. Kishore Biyani and Mr. Rakesh Biyani as the other Members of the Committee.

Mr. Sanjay Kumar Mutha, Company Secretary of the Company is the Compliance Officer of the Company.

Dr. Darlie Koshy, Chairperson of the Committee could not attend the Sixth Annual General Meeting (AGM) of the Company held on August 29, 2018. He had requested and

nominated Mr. Kishore Biyani, Member of the Committee for addressing relevant queries of the Members at the AGM.

During the year under review, three meetings of the Committee were held on May 18, 2018, August 07, 2018 and October 31, 2018.

The attendance of the Members at the above meetings is as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Dr. Darlie Koshy	Chairperson	3	3
Mr. Kishore Biyani	Member	3	3
Mr. Rakesh Biyani	Member	3	2

The Committee's composition is in line with the provisions of section 178(5) of the Act and regulation 20 of the Listing Regulations.

#### Terms of reference

During the year under review, the role of the Stakeholders Relationship Committee inter-alia included the following:

- To resolve the grievances of the security holders of the Company including complaints related to

transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc; and other allied matters;

- To review of measures taken for effective exercise of voting rights by shareholders;
- To review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
- To review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- To determine on behalf of the Board the Company's policy on serving the stakeholders in line with best corporate governance norms;
- To periodically review stakeholders' grievance mechanism of the Company;

### Share Transfer Committee

The Share Transfer Committee comprises of Mr. Kishore Biyani, Mr. Rakesh Biyani and Mr. C. P. Toshniwal. The Committee meets as and when required to consider and attend Investors' grievances, transmission of shares, split, consolidation, issue of duplicate share certificate, dematerialisation and rematerialisation of shares. During the year under review, eleven meetings of the Committee were held.

### Investors' Grievance Redressal

Details of investor grievances received and resolved during the year under review are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	8	8	Nil

### Code of Conduct for Prevention of Insider Trading

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

### Code of Fair Disclosure of Unpublished Price Sensitive Information

The Board has also laid down the Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information ('Fair Disclosure Code') in accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, with a view to regulate communication of unpublished price sensitive information for any purpose other than the legitimate purpose as defined under the said Fair Disclosure Code. The Fair Disclosure

Code is posted on Company's website at the weblink - [https://futurelifestyle.in/corporate\\_governance.aspx](https://futurelifestyle.in/corporate_governance.aspx)

### Independent Directors' Meeting

During the year under review, a separate meeting of Independent Directors of the Company was held on May 18, 2018. The said meeting was attended by all the Independent Directors of the Company.

The Independent Directors at the said meeting, based on the feedbacks received from the Directors, reviewed the performance evaluation of directors, the Board as a whole, the Chairperson of the Board after taking into account the views of executive directors and non-executive directors of the Company and also assessed the quality, quantity and timelines of flow of information between the Company management and the Board.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Company constituted under the provisions of section 135 of the Act, comprises of Mr. Kishore Biyani as a Chairperson, Dr. Darlie Koshy, Mr. C. P. Toshniwal and Ms. Sharda Agarwal as the other Members of the Committee. During the year under review, two meetings of the Committee were held on May 18, 2018 and August 7, 2018.

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

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

### Risk Management Committee

The Risk Management Committee comprises of Mr. Rakesh Biyani, Mr. C. P. Toshniwal and Mr. Kaleeswaran Arunachalam.

The Committee functions in accordance with the terms of reference as specified by the Board from time to time, which inter-alia includes implementing and monitoring of risk management plan and policy of the Company. During the year under review, one meeting of the Committee was held on March 20, 2019.

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

## Corporate Governance Report

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

### Committee of Directors

The Committee of Directors comprises of Mr. Kishore Biyani, Mr. Rakesh Biyani and Mr. C. P. Toshniwal. The Board has delegated powers to the Committee of Directors to carry out various activities for day to day operations of the Company and other specific activities as may be assigned by the Board of Directors from time to time. Twenty-Eight meetings of the Committee were held during the year under review.

### General Body Meetings

#### Annual General Meeting

The details of the last three Annual General Meetings (AGM) of the Company are as follows:

Year	Date and Time of AGM	Venue	Special Resolutions passed
2018	August 29, 2018 at 02:30 pm	Rangaswar Hall, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400021.	<ul style="list-style-type: none"><li>Adoption of new set of Articles of Association.</li><li>Approval for revision in remuneration payable to Mr. Kishore Biyani as the Managing Director.</li></ul>
2017	August 29, 2017 at 04:00 pm	- do -	<ul style="list-style-type: none"><li>Approval for remuneration arising upon the exercise of vested Employee Stock Options held by Mr. C. P. Toshniwal.</li><li>Approval for revision in remuneration payable to Mr. Kishore Biyani as the Managing Director.</li><li>Issue of Non-Convertible Debentures for an amount upto ₹750 crore.</li></ul>
2016	August 29, 2016 at 04:30 pm	- do -	<ul style="list-style-type: none"><li>Re-appointment of Mr. Kishore Biyani, as the Managing Director.</li><li>Issue of Non-Convertible Debentures for an amount upto ₹500 crore.</li></ul>

#### Extraordinary General Meeting

During the year under review, the following Extraordinary General Meeting (EGM) was held:

Year	Date and Time of EGM	Venue	Special Resolutions passed
2018	June 14, 2018 at 10:00 am	Rangaswar Hall, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400021.	<ul style="list-style-type: none"><li>Increase the aggregate limit for Registered Foreign Portfolio Investors ("RFPs") and Foreign Institutional Investors ("FIIs") investment in the Equity Share Capital of the Company.</li><li>Issue of Equity Shares on Preferential basis.</li></ul>

#### Postal Ballot

During the year under review, no business was carried out through postal ballot.

#### Means of Communication

The Company regularly submits quarterly / half yearly / annual Financial Results to the Stock Exchanges, as soon as these are approved by the Board. The Financial Results are published in leading English and Marathi dailies, viz. 'The Free Press Journal' (English Daily) and 'Nav Shakti' (Marathi Newspaper).

The Company's Annual Report, Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website [www.futurelifestyle.in](http://www.futurelifestyle.in) and also posted by the Stock Exchanges on their website. The Company's presentations to institutional investors and analysts are posted on the Company's website [www.futurelifestyle.in](http://www.futurelifestyle.in)

The Company sends Annual Report, Intimation for dividend payment, Notices related to General Meetings and Postal Ballot by e-mail to those shareholders whose e-mail ids are registered with the Company / Depository Participants and



in hard copies to those shareholders whose e-mail ids are not registered.

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

## General Shareholders Information

### Date, Time and Venue of the Seventh Annual General Meeting:

Tuesday, July 30, 2019 at 02:30 pm at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021.

### Financial Year

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

### Dividend Payment Date

The Board of Directors of the Company has recommended a dividend of ₹1.40 (70%) per Equity Share of ₹2.00 each of the Company. The proposed dividend, if declared, at the forthcoming Annual General Meeting, will be paid/ credited within a period of 30 days from the date of declaration, to those Members whose names appear in the Company's Register of Members or in the list of beneficial owners as per the particulars to be furnished by the Depositories as on the record date i.e. July 23, 2019.

## Listing on Stock Exchanges

### Equity Shares

The Equity Shares of the Company are listed on the following Stock Exchanges:

- BSE Limited (BSE)  
Phiroze JeeJee Bhoy Towers, Dalal Street, Mumbai - 400 001.
- National Stock Exchange of India Limited (NSE)  
Exchange Plaza, C - 1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

### Debt Securities

8.70% rated, listed, senior, secured redeemable Non-Convertible Debentures (Series IV) of the Company is listed on the Wholesale Debt Market (WDM) Segment of BSE Limited.

### Listing Fees

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

### Debenture Trustee

Centbank Financial Services Limited  
Central Bank – MMO Building, 3rd Floor (East Wing),  
55, M. G. Road, Fort, Mumbai – 400 001.  
Tel No: +91 22 2261 6217, Fax No: +91 22 2261 6208

## Securities Code

Security	ISIN	Stock Code	
		BSE	NSE
Equity	INE452O01016	536507	FLFL
Non-Convertible Debentures (Series IV)	INE452O07047	957150	-

## Credit ratings

During the year under review, CRISIL Limited ("CRISIL") and Credit Analysis & Research Limited ("CARE") have reaffirmed their ratings assigned to the Company's Long term Bank facilities, Short term Bank facilities and other instruments as under:

Sl. No.	Facility/ Instrument	Name of the Agency	
		CRISIL	CARE
1.	Short term Bank facilities	CRISIL A1+	CARE A1+
2.	Commercial Papers	CRISIL A1+	CARE A1+
3.	Long term Bank facilities	CRISIL AA- (Positive)	CARE AA- (Positive)*
4.	Non-Convertible Debentures (Series IV)	CRISIL AA- (Positive)	CARE AA- (Positive)*

\* Outlook has been revised from 'Stable' to 'Positive'

## Corporate Identification Number (CIN)

The Company's CIN as allotted by the Ministry of Corporate Affairs is L52100MH2012PLC231654.

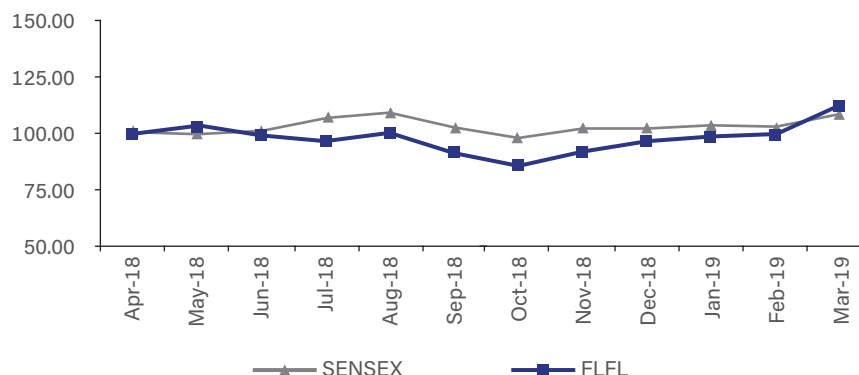
## Stock Performance

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

Months	BSE (in ₹)		NSE (in ₹)	
	High	Low	High	Low
Apr-18	476.70	388.95	477.00	387.50
May-18	481.00	403.00	482.00	403.95
Jun-18	459.05	402.00	450.45	400.55
Jul-18	439.00	373.65	435.80	375.40
Aug-18	459.40	409.55	452.00	408.05
Sep-18	440.35	376.90	439.70	380.00
Oct-18	408.00	358.50	408.00	357.30
Nov-18	404.00	362.00	405.95	361.40
Dec-18	464.00	386.65	434.00	385.00
Jan-19	442.20	381.95	444.00	385.00
Feb-19	447.80	414.15	449.00	415.85
Mar-19	499.90	423.65	499.00	424.15

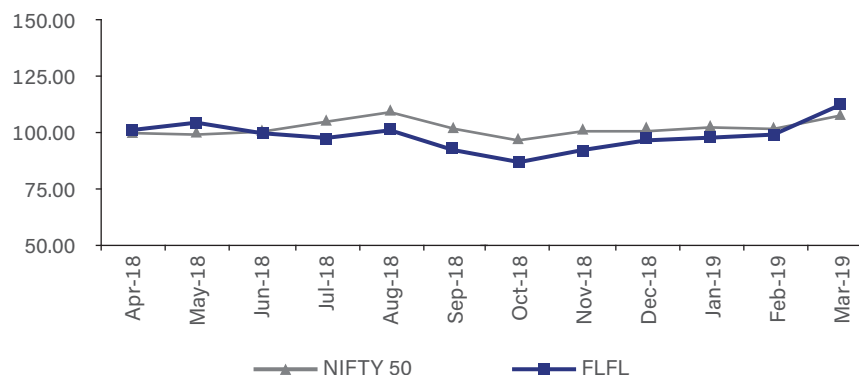
[Source: This information is compiled from the data available on the websites of BSE and NSE]

### Price Performance compared to SENSEX



**Note:** Base 100 = Closing price of Equity Share and value of Sensex on the last trading day of April, 2018.

### Price Performance compared to NIFTY 50



**Note:** Base 100 = Closing price of Equity Share and Value of Nifty 50 on the last trading day of April, 2018.

#### Share Transfer System

In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 01, 2019, except in case of transmission or transposition of securities. Transfers of equity shares in dematerialised form are effected through the depositories with no involvement of the Company. In case of other matters relating to Shares, the Share Transfer Committee and Stakeholders' Relationship Committee meet as and when required to consider and attend Investors' grievances and request for transmission of shares, split, consolidation, issue of duplicate share certificate, dematerialisation and rematerialisation of shares, etc.

#### De-materialisation of Shares

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their Shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialised form.

Status of Dematerialisation of Equity Shares as on March 31, 2019 is as under:

Particulars	No. of Shares	% of total Shares
NSDL	17,78,57,197	91.41
CDSL	1,63,70,008	8.41
Dematerialised	19,42,27,205	99.82
Physical	3,40,872	0.18
<b>Total</b>	<b>19,45,68,077</b>	<b>100.00</b>

#### Distribution of Shareholding as on March 31, 2019

No. of Shares	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1-500	35,621	96.46	19,56,603	1.00
501-1000	614	1.66	4,44,119	0.23
1001-2000	204	0.55	2,98,396	0.15
2001-3000	94	0.26	2,39,952	0.12
3001-4000	62	0.17	2,11,424	0.11
4001-5000	41	0.11	1,88,367	0.10
5001-10000	107	0.29	7,51,125	0.39
10001 and above	184	0.50	19,04,78,091	97.90
<b>Total</b>	<b>36,927</b>	<b>100.00</b>	<b>19,45,68,077</b>	<b>100.00</b>

#### Shareholding Pattern as on March 31, 2019

Category	No. of Shares	% of total Shares
Promoters and Promoter Group	10,40,48,171	53.48
Mutual Funds	1,04,03,058	5.35
Banks, Financial Institutions	1,12,459	0.06
Alternate Investment Funds	1,39,37,079	7.16
Insurance Companies	84,00,268	4.32
Foreign Portfolio Investors	2,93,54,468	15.09
Non Resident Indians	1,05,996	0.05
Bodies Corporate	1,42,51,458	7.32
Indian Public (Individual)	1,34,26,730	6.90
Directors and their Relatives	1,02,154	0.05
Clearing Members	2,40,780	0.12
Trust	334	0.00
Hindu Undivided Family	1,85,089	0.10
Foreign Nationals	33	0.00
<b>Total</b>	<b>19,45,68,077</b>	<b>100.00</b>

#### Outstanding Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments, conversion date and likely impact on equity.

The Company has not issued any Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments during the year under review. There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2019.

#### Unclaimed Shares

In accordance with the requirement of regulation 34(3) and Part F of Schedule V of Listing Regulations, the Company reports the following details in respect of Equity Shares lying in the suspense account:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding Shares in the suspense account lying as on April 01, 2018	186	34,170
Number of shareholders who approached the Company for transfer of Shares from suspense account during the year	NIL	NIL
Shareholders to whom Shares were transferred from the suspense account during the year	NIL	NIL
Aggregate number of shareholders and the outstanding Shares in the suspense account lying as on March 31, 2019	186	34,170

## Corporate Governance Report

The voting rights on the Shares outstanding in the suspense account as on March 31, 2019, shall remain frozen till the rightful owner of such Shares claims the Shares.

### Plant Locations

In view of the nature of the Company's business i.e. lifestyle fashion retail, the Company operates through various stores in India.

### Address for Correspondence

#### Registrar and Transfer Agents

Link Intime India Private Limited  
C-101, 1<sup>st</sup> Floor, 247 Park,  
Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083  
Tel. No.: +91 22 4918 6270, Fax No.: +91 22 4918 6060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### For securities held in demat form

The investors may write to the concerned Depository Participant(s) of the Investors or the Registrar and Transfer Agents of the Company.

### Registered Office of the Company:

The Company Secretary  
Future Lifestyle Fashions Limited  
Knowledge House, Shyam Nagar,  
Off Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060.  
Tel. No.: +91 22 6644 2200, Fax No.: +91 22 6644 2201  
Email: [investorrelations@futurelifestyle.in](mailto:investorrelations@futurelifestyle.in)  
Website: [www.futurelifestyle.in](http://www.futurelifestyle.in)

### Commodity price risk or Foreign exchange risk and hedging activities

The Company does not have any exposure hedged through commodity derivatives and hence, the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be disclosed.

The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily on account of import of trading goods and capital goods. The Company hedges its foreign exchange risk using foreign exchange forward contracts as per guidelines laid down by Risk Management Policy of the Company.

The details of foreign currency exposure are disclosed in note no. 39 in the Notes forming part of the Financial Statements.

## Disclosures

### Related Party Transactions

During the year under review, there were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. All related party transactions were reviewed and approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. Disclosure of transactions with related parties (including entity

belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company) as required under SEBI Listing Regulations and the applicable Accounting Standards have been given in the note no. 34 in the Notes forming part of the Financial Statements. Policy on dealing with related party transactions is available on the website of the Company at the link [https://www.futurelifestyle.in/Admin/pdf/RPT\\_Policy.pdf](https://www.futurelifestyle.in/Admin/pdf/RPT_Policy.pdf)

### Disclosure of Accounting Treatment

During the year under review, the Company followed the Accounting Standards as specified under section 133 of the Act, in the preparation of its financial statements.

### Management

Management Discussion and Analysis (MDA) forms part of the Board's Report.

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

### CEO/CFO Certification

The Managing Director and the Chief Financial Officer of the Company have furnished their Certificate to the Board of Directors of the Company, regarding financial statements and the cash flow statement for the financial year ended March 31, 2019 as required under regulation 17(8) of Listing Regulations.

### Code of Conduct for Directors and Senior Management Personnel

All the Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Managing Director to this effect is attached at the end of this Report. This Code is available on the Company's website [www.futurelifestyle.in](http://www.futurelifestyle.in).

### Subsidiary Company

The Company has one material unlisted Indian subsidiary. The Company's policy for determining material subsidiaries of the Company is available on the website of the Company at the link [https://www.futurelifestyle.in/Admin/pdf/Mat\\_Sub\\_Policy.pdf](https://www.futurelifestyle.in/Admin/pdf/Mat_Sub_Policy.pdf)

### Details of non-compliance

During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

### Vigil Mechanism and Whistle Blower Policy

The Company has Vigil Mechanism and Whistle Blower Policy for Stakeholders to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices. This Policy inter-alia provides to a Whistle Blower a direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel have been denied access to the Audit Committee.

### Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the Listing Regulations

During the year under review, the funds raised through preferential issue has been fully utilised for the purposes as mentioned in the Offer documents which included investments in fashion brands (including investment in Koovs Plc.), capital expenditure and general corporate purpose.

### Certificate on Non-disqualification of Directors

The Company has received a certificate from a M/s. Sanjay Dholakia & Associates, Company Secretary in practice, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

### Recommendations of the Committees of the Board

During the year under review, there was no such instances, where the Board has not accepted any recommendations of any Committee of the Board, which is mandatorily required.

### Total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors of the Company and all entities in the network firm/network entity of which the Statutory Auditors is a part, is given below:

Particulars	(₹ in crore)
Audit fees (includes audit related services)	0.84
Tax audit and other services	0.12
<b>Total</b>	<b>0.96</b>

### Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year.
Nil	Nil	Nil

### Compliance with Mandatory requirements

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

### Compliance with discretionary requirements

**The Board:** The Chairperson of the Board is an Independent Director. The Company did not maintain a Chairperson's office at the Company's expense or reimburse expenses incurred in performance of his duties, during the year under review.

**Shareholders' Rights:** Quarterly, half yearly and annual financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Significant events / Investors' Presentations are also posted on the Company's website under the Investors section. Hence, no half yearly results and significant events were sent to each of household of Shareholders.

**Modified opinion(s) in audit report:** During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continues to adopt best practices and has ensured a track record of financial statements with unmodified audit opinion.

**Reporting of Internal Auditor:** Internal Auditors report to Audit Committee and present their Internal Audit Report and their observations at the meeting of the Audit Committee.

## Auditors' Certificate on Corporate Governance

To,  
The Members of  
**Future Lifestyle Fashions Limited**

We have examined the compliance of conditions of Corporate Governance by Future Lifestyle Fashions Limited ("the Company") for the financial year ended on March 31, 2019 as stipulated in regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

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

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

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

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

Mumbai  
May 01, 2019

## Declaration on Compliance of Code of Conduct

To,  
The Members,  
**Future Lifestyle Fashions Limited**

I hereby declare that the Directors and Senior Management of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, for Directors and Senior Management during the year ended March 31, 2019.

For Future Lifestyle Fashions Limited

Mumbai  
May 01, 2019

**Kishore Biyani**  
Managing Director

# Business Responsibility Report

## OVERVIEW

Your Company is India's leading lifestyle fashion retail Company, which retails own and market leading fashion brands, through its in-house retail formats 'Central,' 'Brand Factory,' exclusive brand outlets (EBOs) and other multi-brand outlets (MBOs). The Company's operations extend from design to distribution and make products available for all segments in India's fashion industry. Your Company empowers its consumers with the "Power of Choice". The spirit of design thinking in an evolving fashion market creates experiences that build relations, set trends and provide fulfilment of aspirational needs of the consumers accessible at an affordable price.

Your Company embraces the Group's sustainability vision "Striving to grow responsibly and achieve our dual goal of a happy environment and society, both of which are necessary ingredients for business continuity and growth."

Consequently, the Company's principles are focused on creating environmental, social and economic value.

Your Directors present the Business Responsibility Report ("BRR") of the Company for the financial year ended March 31, 2019, pursuant to regulation 34 (2)(f) of the Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

This BRR delineates the Company's endeavours to conduct business with responsibility and accountability towards all its stakeholders in keeping with the nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' ("NVGs"). This BRR is in line with the format proposed by SEBI.

### Part A: General Information about the Company

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L52100MH2012PLC231654
2	Name of the Company	Future Lifestyle Fashions Limited
3	Registered address	Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.
4	Website	www.futurelifestyle.in
5	E-mail id	investorrelations@futurelifestyle.in
6	Financial Year reported	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Fashion Retail Business NIC Code: 477
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Retailing of: (i) Apparels / Garments (ii) Footwear (iii) Other fashion goods / accessories
9	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	The Company does not have any stores in International markets as on March 31, 2019
	(b) Number of National Locations	As on March 31, 2019, the Company has a pan India presence with 339 stores in more than 90 cities covering various formats of the Company
10	Markets served by the Company - Local/State/National/International	National



**Part B: Financial details of the Company**

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	₹38.91 crore
2	Total Turnover (INR)	₹5,416.01 crore (standalone)
3	Total profit after taxes (INR)	₹145.37 crore (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	<p>During the year under review, the Company has spent ₹2.15 crore on CSR activities (equivalent to 2% of the average net profits of the Company made during the three immediately preceding financial years), as calculated under section 198 of the Companies Act, 2013 ("the Act")</p> <p>The unspent amount of ₹0.10 crore for the financial year 2017-18 was also spent during the year under review.</p>
5	List of activities in which expenditure in 4 above has been incurred	<p>During the year under review, the Company spent its CSR contribution through the "Sone Ki Chidiya Foundation" ("SKC Foundation"), which in-turn has deployed these funds towards the following CSR activities:</p> <ul style="list-style-type: none"> <li>▪ Measures for reducing inequalities faced by socially and economically backward groups through access to basic goods and services.</li> <li>▪ Promoting education (including special education) and employment enhancing vocational skills among differently abled and livelihood enhancement projects.</li> <li>▪ Promoting healthcare (including preventive healthcare).</li> </ul> <p>(For further details please refer Principle 8 given herein)</p>

**Part C: Other Details**

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has six subsidiaries and one step down subsidiary as on March 31, 2019.
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Subsidiary companies define their own initiatives, specific to their business context whilst having access to information and expertise residing with the Parent Company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Your Company encourages adoption of BR initiatives by its Business Partners. Based on dialogue with the suppliers and distributors of the Company, currently less than 30% of other entities participate in the BR initiatives of the Company.

**Part D: BR Information****1. Details of Director and BR Head responsible for implementation of the BR policy / policies (DIN, Name, Designation):**

Sr. No.	Particulars	Details
1	Director Identification Number (if applicable)	00005740
2	Name	Mr. Kishore Biyani
3	Designation	Managing Director
4	Telephone number	022-6644 2200
5	E-mail ID	investorrelations@futurelifestyle.in

## Business Responsibility Report

### 2. Principle-wise BR Policy / Policies (as per NVGs) (Reply in Y/N):

NVGs released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

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

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, the policies have been approved by the Board and signed by the Managing Director.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of policy?	Yes, the Company's officials / respective departments are authorised to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	<a href="http://www.futurelifestyle.in/statutory_documents.aspx">http://www.futurelifestyle.in/statutory_documents.aspx</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Company will integrate sustainability in FY 2019-20 and undertake materiality studies with internal and external stakeholders, deploy key policies, process and benchmarks, measure and deploy performance measurement indicators.								

### 3. Governance related to BR:

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Managing Director of the Company periodically reviews the BR performance. The Board of Directors of the Company and its Committees assess BR initiatives undertaken by the Company annually.
b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This Report is forming part of the Annual Report for the financial year 2018-19 and is also available on website of the Company at <a href="http://www.futurelifestyle.in">www.futurelifestyle.in</a>

## Part E: Principle-wise Performance

### Principle 1: Ethics, Transparency and Accountability Business should conduct and govern themselves with ethics, transparency and accountability

Your Company's philosophy aims at realising dreams and aspirations of its stakeholders by helping them live a better life, with dignity and pride. Your Company consistently follows the principles of good corporate governance and strives to enhance the stakeholders' relationship through its e-governance initiatives, while upholding the core values of integrity, transparency, fairness, responsibility and accountability.

#### Governance

Your Company has laid down a Code of Conduct ("Code") for its Directors and Senior Management Personnel, which ensures directors and employees adherence to the highest standards of corporate ethics across the Company. The Code is available on the Company's website at [https://www.futurelifestyle.in/corporate\\_governance.aspx](https://www.futurelifestyle.in/corporate_governance.aspx)

Your Company's robust governance structure comprising of the Board of Directors and various Committee of the Board viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee, which address the concerns with respect to policies and procedures enforced across the Company's business.

Your Company's business activities encompass around various policies, which inter-alia include the Anti-Bribery and Anti-Corruption Policy, Code of fair disclosure of Unpublished Price Sensitive Information, Code for Prevention of Insider Trading and Sustainability Policies that provide necessary guidelines to manage business risks.

Your Company discloses all necessary legal and financial disclosures to its stakeholders through the Stock Exchanges, Company's website, Annual Report, Newspapers and other media as required.

Your Company is strengthening its sustainability framework and integrate the same with business. Your Company will extend the same to its value chain stakeholders and impress upon them the need to adopt the same.

#### Vigil Mechanism and Whistle Blower Policy

Your Company has Vigil Mechanism and Whistle Blower Policy which provides stringent processes that treat any suspected actions of fraud, misconduct, unethical behaviour, bribery and

corruption or any violation of the Code of Conduct or ethics policy with seriousness and expects its business partners to adopt the same approach. Your Company's Whistle Blower Policy protects the identity of the whistle blower and their rights to raise concerns on any such suspicious behaviour that undermines the Company's policies.

During the reporting year, the Loss Prevention Cell in your Company has undertaken trainings on loss prevention viz. recognition and understanding of potential corruption risks, risk assessment study, root cause analysis and improvement measures. Suspicious incidents are analysed with root cause and corrective action taken to strengthen the process.

No complaints under Whistle Blower Policy were pending at the beginning of the reporting year and were received during the reporting year.

#### Grievance Redressal Mechanism

Your Company has grievance redressal mechanisms to address stakeholders' grievances / queries and to ensure that the Company resolves such grievances satisfactorily, thus improving its relationship with its stakeholders.

#### Investors

The Stakeholders' Relationship Committee regularly meets, inter-alia, to review and resolve the grievances of security holders of your Company and implement the Company's policy on serving the stakeholders in line with best corporate governance norms.

Your Company has designated e-mail id [investorrelations@futurelifestyle.in](mailto:investorrelations@futurelifestyle.in) for receiving and addressing investor grievances. Eight investor grievances were received during the year under review, all investor grievances have been satisfactorily resolved by the Company and no investor grievance was pending as on March 31, 2019.

#### Employees

Your Company has in place a robust Policy on Prevention of Sexual Harassment ("POSH") at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. Your Company has an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. ICC has its presence at the Company offices/ stores.

A POSH policy is also available on the intranet for easy access to all employees. Any complaints with regard to sexual harassment

## Business Responsibility Report

can be reported at [posh@futuregroup.in](mailto:posh@futuregroup.in), in order to resolve grievance. There was no complaint filed on sexual harassment during the reporting year.

For other grievances, employees are given option to drop the grievances, in the grievance box made available at most of the locations. Such grievances are reviewed and resolved by the local management at the location itself.

### Customers

Your Company has institutionalised effective grievance redressal mechanism for receiving and dealing with the concerns, complaints of its stakeholders which in turn resulted into efficient business processes. For further details, refer to Principle 4 herein.

There were 188 consumer cases which were pending at the beginning of the reporting year. 231 cases were filed and 57 cases were resolved during the reporting year. There were 362 consumer cases pending at the end of the reporting year, which was largely pertaining to interpretation of chargeability of tax on transaction value, within the maximum retail price.

### Principle 2 : Product Stewardship / Products contributing to Sustainability

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

Your Company operates through its retail formats viz., 'Central' which operates in 44 Stores, 'Brand Factory' which operates in 93 Stores and 202 Exclusive Brand Outlets (EBOs), across India.

Your Company provides an assortment of brand preferences, which provides latest trends based on consumer choices thereby fulfilling aspirational needs of the customers. Your Company focuses on building brands and product portfolios in the fashion space, attract new customers and develop new markets.

### Responsible Suppliers

Your Company remains committed towards sourcing garments from responsible suppliers, compliant with the local laws and produces products which contain raw materials derived from natural sources and contains no harmful chemicals. Your Company's stringent mechanisms aim at achieving product quality, safety and having zero impact on environment. Out of products variants shelved at the store, more than 90% of products are made of 100% cotton and approximate 6% of the products are made of biodegradable viscose fibre.

Your Company prefers sourcing from SA 8000 (Social Accountability Certificate) certified facilities which ensure customers that the products are sourced from entities which are social welfare compliant, (for further details refer to Principle 5).

### Sustainable Sourcing

Your Company endeavours to put on shelf fashion products made from raw materials sourced from certified sources. The brands DJ&C (ladies western), Shrishti (ladies ethnic) and Shyla (night wear) source garments made from EU Ecolabel certified viscose fibres derived from certified renewable wood services using an eco-responsible production process by meeting high environmental standards.

Better Cotton Initiative (BCI) certified cotton is less water intensive and ensures compliance to human rights requirements across the supply chain. The Company endeavours to source from manufacturers of woven shirts and bottoms made from BCI cotton in the upcoming reporting year.

Further the suppliers of denim are being encouraged to replace the traditional bleaching process using sodium hypochlorite with ozone bleaching. The process involves lesser use of water, energy and chemicals while discharging lower volumes of effluent.

### Local Procurement

Your Company strives to promote social enterprise networks and sourcing from local suppliers. The Ethnic lines brand promotes the traditional Bagru and Sanganer prints in their product line by sourcing such printed textiles from small scale units run by local women.

Local (state region) vendors comprise approx. 30% of the total vendors of your Company.

In compliance with the recent ban on plastic in the state of Maharashtra, your Company substituted all plastic carry bags with paper bags. In this process, the Company has provided livelihood earning opportunities to small and medium enterprises including local vendors. Your Company is also keen to introduce cotton bags in the year 2019-20.

### Product labelling

Your Company practices responsible messaging and does not use any graphic or message that is objectionable. Your Company endeavours to provide necessary information related to type of fabric, content, country of origin and other applicable statutory information on product labels. The product label provides information with regards to use and wash care of garments, customer feedback, email id, and contact point in addition to the labelling requirements as per Legal Metrology Act, 2009.

### Recycling

Your Company's Retail formats, 'Brand Factory' and 'Central', developed a platform 'Unbranded to Branded Campaign', whereby customers are invited to deposit their unbranded clothes at the stores and to avail additional discounts.

In order to promote responsible consumption and disposal, 'Brand Factory' stores at AJC Bose and Garia, in Kolkata donated the clothes collected to the not-for-profit organisation, Indian Mother and Child Care, while 'Central' stores donated to 'Goonj', a not-for-profit organisation. The coming reporting year will see more stores adopting this approach in addition to working with recyclers to further the circular economy wherever possible.

### Principle 3: Welfare of employees

#### Businesses should promote the wellbeing of all employees

Your Company is committed to providing its employees safe and healthy working environments, equal opportunity, work-life balance and professional development.

The Future Group's values are the guiding principles to growth and development within the organisation (for more details refer to <https://www.futuregroup.in/aboutus>). The Company aspires to be

an employer of choice in Indian retail – offering new possibilities and encouraging people to rise up to new challenges every day.

#### Non-Discrimination in recruitment and employment

Your Company strives to create a working environment that focuses on equality, acceptance and understanding, where people are free to voice their ideas and are listened to. The Company conducts a fair and effective recruitment and career development process irrespective of caste, creed, age, colour or gender biases by ensuring communication of gender-neutral job descriptions and maintaining consistency and transparency in sourcing of candidates.

Your Company provides equal opportunities to people with disabilities. During the reporting year, the Company trained and hired 35 Persons with Disabilities (PWD) across Mumbai, Nasik and Hyderabad stores through Sarthak Educational Trust.

In order to build a pro-inclusion mind-set and create a positive environment amongst stakeholders, your Company has designed appropriate communication and training programs.

#### Campus Connect Program

Your Company through its Campus Connect program hires graduates and post-graduates from National Institute of Fashion Technology (NIFT) and Pearl Academy. These graduates are placed in a program that ensures learning in a fast-paced environment for up-to a year in a general management role. In the reporting year, 27 Management Trainees were hired.

#### Internships and Graduation Projects

Your Company provides summer internships for a period of 2 months and graduation project for a period of 4 months. They are mentored by Department Heads in their respective field and domain. Based on the project evaluation of the interns, your issues pre-placement offers to exceptional deserving candidates, purely based on department requirements. In the reporting year, we had 23 internships and 21 graduation projects.

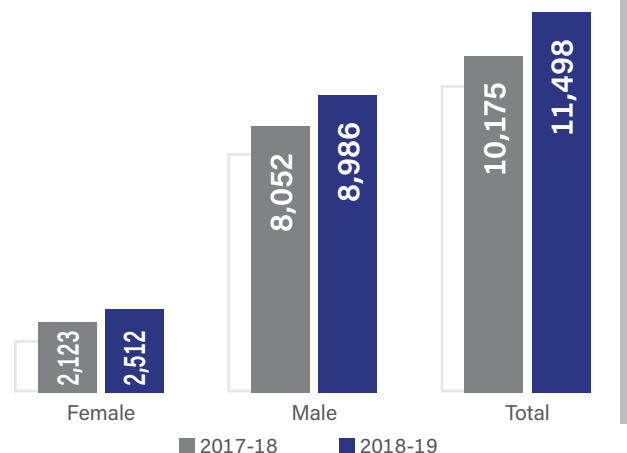
#### Employee strength as on March 31, 2019:

Levels (Bands)	Home Office		Stores		Grand Total
	Male	Female	Male	Female	
1	19	4	6852	2163	9038
2	193	67	1269	174	1703
3	253	67	194	13	527
4	119	18	45	1	183
5	38	5	4	0	47
<b>Grand Total</b>	<b>622</b>	<b>161</b>	<b>8364</b>	<b>2351</b>	<b>11498</b>

#### Gender Diversity and Women Empowerment

Your Company is keen to improve gender diversity, right from entry level bands to its senior leadership, with a focus on women's representation. Women comprise 21.85% of the workforce of your Company.

#### Gender Diversity



Your Company did not hire any employee on contract basis as on March 31, 2019.

#### Strengthening the Leadership pipeline

- **Leadership Academy:** The Group looks at creating its leadership pipeline across various businesses through its Leadership Academy, an intricately curated 10 months intervention for leaders which are being developed to identify employees with leadership potential and strengthen their capacities through adequate training and project exposure. Your Company invested 80 man-hours towards 5 employees through this exposure.
- **Assessor Certification:** Your Company invested 320 man-hours for 20 senior managers to strengthen their recruitment skills and become eligible members of the organisation in recruitment drives.

#### Promotions and Recognitions:

##### Inter Band Promotion for financial year 2018-19

Revised Band (1 to 5)	Band Description	No. of Employees
2	Specialist	184
3	Mid-Management	47
4	Management Advisory	21
5	Strategic	0
<b>Total</b>		<b>252</b>

##### Intra Band Promotion for 2018-19

Revised Band	Band Description	No. of Employees
1	Coordinator	13
2	Specialist	123
3	Mid-Management	38
4	Management Advisory	4
5	Strategic	0
<b>Total</b>		<b>178</b>

### Facilities for employee well-being ('Khushali')

Employees are benefitted through a host of corporate offerings under the Group's Khushali Program, which focuses on home, education and health.

#### Home

Your Company has negotiated with reputed real estate developers to offer additional benefits such as buy back offerings, flexi-payment plan, etc. to its employees, who wish to buy the house in their projects.

#### Education

Your Company partnered with organisations such as Jaro Education and NIIT on a PAN India basis to provide employees management and technical courses and technology programs from reputed institutes, universities and colleges for pursuing courses online.

#### Health

Your Company has forged a partnership with health care institutions like Fortis and diagnostic centres like Dr. Lal Path Labs and Welcome Cure. Employees and their family members can avail of priority treatment, free ambulance services, up-to 20% discounts on consultations, radiological diagnostic services, check-ups and alternative health care packages.

Health and Life Security Insurances including EDLI are being continued to cover eligible employees. Similarly, employees are also provided the liberty of a flexi time window in the office to enable them to achieve a work life balance.

#### Employee incentives

Your Company provides employee benefits to its employees and dependents that can be availed at any stores operated by the entities under the Future Group including Big Bazaar, fbb, Central, Brand Factory, Foodhall, Hometown, Easyday, Hypercity, Nilgiris to name a few. This helps to meet the daily and aspirational needs of the employees and its dependents in food, bakery, fashion, homecare, electronics and personal care products categories.

#### Employee Retention

Your Company is conscious that the success of the organisation is dependent on the growth and development of its employees. Your Company also creates equal opportunities for all employees regardless of their race, ethnicity, gender, identity, sexual orientation, age and religion. Your Company communicates to all its employees on current vacancies in Future Group Companies through Internal Job Postings to enable them to explore opportunities in other businesses and functions.

### Employee growth, training and development and overall well-being

Training of employees is key to the business, which requires constant innovation and teamwork. The Company ensures continuous upgradation of skill and competency of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. Training needs assessment are conducted at the store, head office and zonal offices with all employees and accordingly, trainings are imparted keeping in mind the personal and career developments of the employees.

The contents of training programs, focus on service in stores and customer orientation. The training programs conducted this reporting year are as follows:

**FutuReady - Induction and Orientation Program:** FutuReady is an interactive and engaging induction and orientation program for all new joiners which explains them an overview of Future Group, its businesses, its values and culture and prepares them for their journey at Future Group.

**Hero in You:** A two days training program for Fashion Consultants of aLL – the plus size store format which focusses on personalised selling, customer service excellence, visual merchandising and grooming.

**Power of One:** Power of One was a two days workshop for the store managers of aLL, with an emphasis on target achievement, leadership skills, ownership, succession planning and negotiation skills.

**CEO in you:** A two days workshop targeted towards Store Managers (SM) of aLL, focusing on enhancing leadership and entrepreneurship to encourage SMs to think like the CEO of their respective stores. It focused on a 360° change in the approach of store managers by enhancing their skills to tackle daily business challenges better.

**Disha:** A program planned for potential frontend women employees of 'Brand Factory', which gives them an opportunity for a complete role transformation into a role of their own interest (VM, CSD, Cashier, SPO or In-store trainer).

**Badi Soch Ka Baada Jadu:** A one day training for store managers aimed at improving their leadership skills, entrepreneur skills and store operations.

**Kamyabi unlimited:** A one day training for area managers aimed at sharpening their team management and leadership skills to smoothen their process of achieving their KRAs

**Kshitij:** A two days workshop for area managers of all format to improve their skills which include leadership, team management, planning and prioritization and decision making

**IGNITE:** A six days orientation programme for Management Trainees from fashion design and fashion management on retail design.

**Mystery shopping alertness session:** A one day training for store employees handling critical functions at store level to ensure cashier has sound knowledge of the standard operating procedures (SOPs) associated to the cashiering process related to time. Customer Service Desk (CSD) personnel are aware of the loyalty programs, category teams are aware of the product descriptions and the current stock levels and the store warehouse personnel are able to deploy sound inventory control processes.

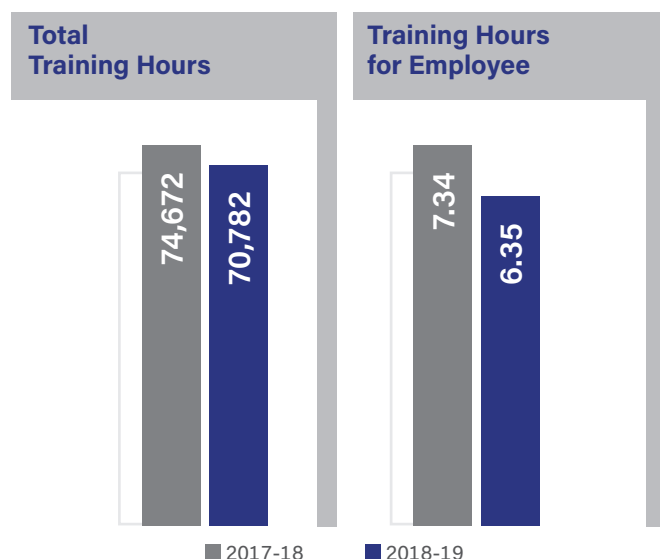
**Prarambh:** A one day store induction training for Brand Factory employees which involves sensitization of the Company overview, the policies and processes and training on customer service.

**Subh Arambh:** A one day training programme for Fashion consultants to understand the product line and the varieties that can be shelved or stored at the store warehouse.

**Outbound:** A one day team outing at the Head Office level for a workshop that involves experiential learning to nurture entrepreneurial skills-leadership, effective communication, planning and prioritizing and team building.

#### Training Performance

Your Company has invested a total of 70,782 man hours through these trainings



#### Employee Health and Safety

Your Company embraces the Group's policy of health and safety that ensures employee welfare through accident free operations. Your Company has a dedicated person at store level who is responsible for inspection of safety concerns.

Your Company ensures compliance to region specific fire safety Act and Rules. The Company also conducts mock drills at its offices and stores. Functioning of all equipment such as sprinklers and fire hydrants are checked at all its offices and stores for loss prevention in case of fire, emergency exits remain unblocked and can be easily identified through appropriate signage.

Your Company organises health check-up, eye check-up camps at different offices and stores to ensure good health of its employees.

#### POSH Training

Your Company has a Policy on Prevention of Sexual Harassment to create a awareness on the Code of Conduct and the sexual harassment policy is provided to all new employees during induction. Five POSH trainings were organised which was attended by 163 employees from the Future Group, who were sensitized about the definition of sexual harassment, how to identify sexual harassment, how to avoid and protect oneself from being a victim of sexual harassment and the reporting and resolution procedure of such complaints.

#### Principle 4: Stakeholder Engagement

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

The relationship of dialogue and collaboration that we maintain with stakeholders allows your Company to comply with our objective of creating value in a sustainable way. This common dialogue constitutes a fundamental tool for learning, understanding and facing challenges and opportunities that arise, makes the organisation perform better. Your Company has identified its stakeholders and established periodic and effective communication with them.

#### Engaging with Government and Regulators

Your Company interacts with various statutory bodies as and when required, during the course of its business and maintains statutory records and ensure compliances of applicable laws.

#### Investor Engagement

Your Company regularly interacts with its Shareholders and investors through results announcements, annual report, media releases, Company's website and subject-specific communications. The Annual General Meeting (AGM) gives the Shareholders an opportunity to engage directly with the Directors and the Management. During AGM, the Directors engage with Shareholders and answers their queries on varied subjects.

The Investor Relations team also interacts regularly with investors and analysts, through investor calls, one-on-one and group meetings, participation at investor conferences and the annual investors meet.

#### Employee Engagement

Your Company engages with its employees irrespective of rank and file across the organisation and organises various programs and activities to boost their morale, provide equal opportunities for them to nurture talent and develop their creativity. The employees in return are committed and passionate towards their individual goals and self-development.

Various employees engagement activities were organised across its offices, stores and EBOs, during the reporting year, which are highlighted as under:

1. Celebration of cultural and festival events.
2. Celebration of Independence day and Republic day.
3. Women's day celebration, kids' carnival and fun activities for employees and their families.
4. Health awareness and various sports activities.
5. Financial wellness workshop.
6. Induction cooking competition.
7. Monsoon photography competition.
8. Workshop on self-defence to women employee.

## Business Responsibility Report

9. Celebrated National Sports Day by organising the “Sweat on Challenge” competition.
10. Employee Connect - Surprise Home Visit of Zonal and Karta Team.
11. Employee Recognition - Long Service Awards and rewards and recognition.

### Customer Engagement

Your Company believes in developing long-term relationship with its consumers. The Company engages with its customers through different feedback mechanisms such as feedback forms, website, emails, social media, customer service desk, etc., have been developed by the Company to seek feedbacks on consumers' experience during shopping.

Your Company has framed product exchange policy which entails convenient exchange process of merchandise through credit note generation. To promote the products at all stores, the Company provided variety of offers and quick turnaround time for availing the offers/discounts.

### Supplier / Vendor Engagement

Your Company continuously works hand-in-hand with its suppliers, in line with the objective of establishing stable and lasting relationships. Your Company seek to cooperate closely with suppliers with a constant dialogue where trust is mutual. Your Company also interacts with its suppliers to build transparency and traceability within the supply chain and to ensure that quality considerations are met and there is a constant upgradation in knowledge with respect to the latest technologies, trends and sampling.

Supplier meets have been organised at Tirupur, Ludhiana, Delhi and Jaipur in the reporting year.

Your Company during vendor registration, assess suppliers through a self-assessment questionnaire to ensure compliance with the local regulations, adherence to social and environmental standards and monitor key aspects such as quality, compliance to applicable regulations, human rights, health, safety and environment.

### Media Engagement

Your Company engages with media through press releases, media events, results announcements, investors meets, etc. The Company also ensures timely and appropriate responses to media for any information requests within the disclosure norms.

### Community Engagement

The stores celebrate days of national and international importance, promotes local festivals. Your Company contributed towards community engagement by:

- a. Collaborating with various skill development institutes where students are offered the opportunity for on-the-job trainings during internship, candidates who complete these successfully get an opportunity to be employed in the ecosystem.

- b. Celebrating local festivals with the underprivileged:

- Rakhi festival with specially abled people.
- Diwali faral distribution to street kids and orphanage.
- Eid celebration with street children.
- Christmas celebration with specially abled kids

- c. Engagement through social activities:

- CSR Activities such as cleanliness drives, clothes donation drive, visits to old age homes and orphanages, water conservation for drought prone areas through the water cup campaign in Nashik, village Sonambe with the Paani foundation.
- 'Central' Stores across the country celebrated International Day of Happiness by donating ₹5.00 per invoice issued to Smile Foundation on March 20, 2019.
- 'Central' also sponsored the cause of breast cancer at "The Times Women's Drive"- the world's largest women's car rally.

Provision of nutritious food to the underprivileged children of Hope Foundation Kolkata. Providing access to quality clothing for slum children in urban areas. Supported an old age home at Hyderabad by providing blankets, RO & UV water purifier and other needs.

Through these initiatives, the Company aims to impact one of the pillars of the Group's sustainability framework - 'Happy Communities.' (For more details of the Social Responsibility initiatives of the Company refer to Principle 8)

## Principle 5: Human Rights

### Business should respect and promote human rights

Your Company is committed to upholding human rights. Your Company's human rights policy recognises the following priority issues: compliance with applicable labour laws, zero tolerance to child, forced or compulsory labour in operations and supply chains, equal opportunity, provide opportunities for all employees to express concerns and seek redressal, health and safety of our employees, respect and support of social and cultural norms of local communities.

Your Company ensures collection of age proofs of all candidates hired to ensure compliance to no child labour policy. Your Company ensures non-discrimination while communicating the job description through recruitment channels to give equal opportunity to all candidates irrespective of their caste, race, religion or gender. Employees are encouraged to identify and eliminate any foreseeable safety hazards and represent themselves jointly on any issues that affect their work and lives.

No complaints were received regarding human rights violation during the year.

### Collective Bargaining

Employees are provided with fair opportunities to express their feedback, suggestions or grievances to senior management.



Your Company's employees were not part of any collective bargaining agreement as on March 31, 2019.

#### **Principle 6: Environment**

##### **Business should respect, protect, and make efforts to restore the environment**

Your Company's resource efficiency is an important pillar of the sustainability framework. Your Company embraces the Group's sustainability, guidelines and policies with respect to the Environment including its Energy and Carbon, Waste to Wealth and Health and Safety policies in an endeavour to use resources efficiently and comply with applicable environmental norms within the local and national boundaries.

##### **Energy Efficiency and Climate Stewardship:**

Your Company is committed to reducing its energy consumption and enhance use of renewable energy.

##### **Some of these are mentioned herein:**

- Converted existing lighting fixtures to LED light fixtures.
- Piloted dynamic chiller control systems at 'Central' store at Vashi.
- Sourcing renewable energy from third party solar power generator at 'Central' Store in Pune.

Your Company endeavours to:

- Undertake a carbon foot-print study and set targets to showcase the commitment of the Company as a climate steward.
- Increase sourcing of renewable energy.
- Plan, budget and implement energy efficiency measures across the other stores.

##### **Material Use Efficiency and Waste Management:**

During the year under review, your Company launched a project "Accept the Challenge Go Paperless" on World Environment Day, with an aim to reduce paper consumption by 50% at store and office level by 2021. The Company sensitized its employees on the environmental impacts of each paper wasted and promoted the ways and means to reduce-reuse-recycle. The following initiatives were undertaken during the reporting year:

- National rollout of E-receipts was undertaken at all Central stores, which has resulted in 15% savings in POS roll consumption.
- Digitisation of documentations through the Pazo app for selected store registers, the same will be scaled up in the current financial year.
- Printer software to monitor user-wise paper consumption
- Digital invoicing
- Awareness creation and behaviour change programs

Your Company has employed Auto CAD markers to maximise fabric yield for all categories of garments produced.

Waste generated at its offices / stores is managed as per applicable norms and e-waste generated is disposed through e-waste recyclers. Your Company received no cautionary/show

cause notices of non-compliance with regulations or penalties or fines from State Pollution Control Board (SPCB)/Central Pollution Control Board (CPCB) concerning the activities undertaken at your Company's stores during the reporting year.

#### **Principle 7: Public Advocacy**

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

Your Company focuses on building excellence in fashion retail, while interacting with key stakeholders. The senior leadership team continue to share their experience to provide incisive insights at various conferences involving industry leaders that give inputs to key decision makers framing policies.

Your Company learns from the best practices of others. Along with collaborations with various trade and industry associations, your Company are also members of Retailers Association of India (RAI), The Clothing Manufacturers Association of India (CMAI) and Bangalore Chamber of Industry and Commerce (BCIC).

#### **Principle 8: Inclusive Growth**

##### **Business should support inclusive growth and equitable development**

Your Company works with various communities; it employs young Indians in rural and urban areas, engages with its consumers, works closely with factories, suppliers and distribution systems across the country and interacts with various stakeholders who are closely linked to its business.

##### **Humanitarian Relief**

A large part of Kerala was inundated for weeks with one of the most widespread and devastating floods and landslides. This impacted the community of the Company's stores based in Kochi and Trivandrum, including those employees who hail from underserved communities of neighbouring towns and cities. Your Company resorted to the situation by forming a dynamic team that provided relief material to people stranded at their homes and help people move to safety.

Further, your Company aggregated cash donations from employees pan India and 10% of the sales achieved by 'Central'-Trivandrum (as on September 07, 2018) to contribute towards Kerala CM's Distress Relief Fund (KCMDRF).

##### **Social Responsibility Programs**

Your Company has aligned its commitment towards community, environment and all its stakeholders with the vision of Future Group. Your Company has a CSR policy under the provisions of section 135 of the Companies Act, 2013 and Rules made thereunder.

Your Company contributes its CSR spent to Sone Ki Chidiya Foundation's ("SKC Foundation"), which in-turn spends through various eligible implementation partners, which undertakes projects, in line with the activities identified by the CSR Committee. Your Company plans to encourage its employees and value chain members to volunteer and participate on key issues that affect communities in areas where stores, warehouses and vendors are located.

## Business Responsibility Report

During the reporting year, your Company has spent an amount aggregating to ₹2.25 crore on CSR projects and activities as per Schedule VII of the Act.

Your Company has allocated and extended support to the following projects, during the reporting year:

### Reducing Inequalities through the Access to Basic Goods

1. SKC Foundation has extended support to Goonj to undertake the programme "Odha do Zindagi" under the "cloth for work" program at Jammu and Kashmir. Communities identified needs and issues in their locality and Goonj with the support of the locals in the spirit of volunteerism, undertook the following initiatives during the reporting period:
  - i. At Dingnari in Ramban district the footpath which was used by local and school children was heavily damaged due to a landslide posing a major threat for the people who traverse daily. 47 people within the local community collectively worked towards creating a path 300 mts. long and 1.2 mts. Wide, which has improved the safety criteria in the area.
  - ii. In the village of Ladsa of district Kishtwar, the drainage was blocked due to rain and snow, 46 people came forward and cleared the 120 ft. long drainage thereby maintaining hygiene conditions in the area.
  - iii. The villagers of Chuda of district Reasi, repaired a path to make water accessible from a local spring. 62 people worked to clear and widen the path.

In exchange communities receive kits comprising of garments, blankets, quilts, school materials, vegetable bags, sanitary pads, etc., the project impacted more than 1,000 households at Kishtwar, Ramban and Reasi districts of the Jammu and Kashmir.

2. Seva Sahayog Foundation works towards the development and welfare of those living in urban slums through interventions in education, livelihood generation and sanitation. SKC Foundation extended support to Seva Sahayog Foundation that impacted 230 families from the Bhotia tribe living in the remote Niti valley of Chamoli districts, Uttarakhand.
3. SKC Foundation supported 'Magic Bus Foundations' livelihood programme which is aligned with the Government of India's National Youth Policy through provision of shoes to 146 youth undergoing training at centres across Delhi, NCR.

### Enabling Better Livelihood through Education

1. SKC Foundation extended support to Gram Vikas Shikshan Mandal towards construction of a school in

Hebbal, Kolhapur, Maharashtra that creates better learning environment for children.

2. SKC Foundation extended supports to Friends of Tribal Society to promote education amongst tribal children.

### Creating Access to Better Healthcare Facilities

The scarcity of resources, infrastructure or financial support in itself is a challenge, which is compounded by the lack of an ecosystem to provide social rehabilitation and a dignified existence, in particular to those from rural or belong to economically underprivileged backgrounds. SKC Foundation extended support to Parmarth Sewa Samiti towards palliative care of cancer patients.

SKC Foundation also extended support to Bhajandas Bajaj Foundation and Bansilal Kishnidevi Biyani Charitable Trust to provide eye and health check-ups in Mumbai, Maharashtra and Nagour, Rajasthan, respectively which benefited over 23,000 people from the marginalised society.

### Principle 9: Value to customers and consumers

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

Your Company values its customers and works towards increasing customer loyalty by adhering to highest standards of quality and compliance requirements, while addressing social and environmental concerns of the community.

Your Company launched a new Survaider dashboard for Social Listening in the reporting year. Survaider primarily aggregates all the customer feedback vide social/digital space like Google, Facebook, Just Dial, Twitter and internal feedbacks. This data will help to reduce the turnaround time for resolving issues.

Your Company's Voice of Customer (VOC) initiative allow customers at 'Central' and 'Brand Factory' stores to evaluate different shopping attributes including billing experience, staff helpfulness, product availability, store ambience and price or promotions on products.

Your Company proactively interacts with customers for better and higher customer centricity (for further details refer to Principle 4) and has in place a robust grievance mechanism, conducted through CRM software to address complaints.

Your Company ensures that its marketing and advertising campaign and communications do not mislead the consumers or violate any of the principles in these Guidelines. (for further details refer to Principle 2).

There were no cases filed by any stakeholder against your Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour and pending as on end of the reporting year.

# Financial Statements

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# Independent Auditor's Report

To  
The Members of  
**Future Lifestyle Fashions Limited**

## Report on the Audit of the Standalone financial statements

### Opinion

We have audited the accompanying standalone financial statements of Future Lifestyle Fashion Limited ("the Company"), which comprises of the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, and its profit, total comprehensive income, its cash flows and the changes in equity 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 Responsibility for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters 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 matter described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	Auditor's Response
1.	Revenue Recognition Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	<p><b>Principal Audit Procedures</b></p> <p>We assessed the appropriateness of the revenue recognition accounting policies, including those relating to discounts by comparing with new revenue accounting standard.</p> <p>Tested the relevant information technology system's access and change management controls which govern revenue recognition interfaces between different systems and key management controls over revenue recognition to assess the completeness of the revenue entries being recorded in the accounting system.</p> <p>We performed substantive testing by selecting samples of discount transactions recorded during the year and comparing the parameters used in the calculation of discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of discounts was in accordance with the terms and conditions defined in the corresponding schemes.</p> <p>Performed analytical procedures for reasonableness of revenues.</p>
2.	Valuation of Inventory We identified this matter as key in our audit due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory.	<p><b>Principal Audit Procedures</b></p> <p>Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process.</p> <p>Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard.</p> <p>Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system.</p> <p>Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory.</p> <p>Verification of the determination of net realisable value on a representative sample basis</p>

Information Other than the Standalone financial statements and Auditor's Report thereon.

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

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

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

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

#### **Management's 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 including other comprehensive income, cash flows and changes in equity 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 Judgements 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 financial statement 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as 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 Judgement and maintain professional skepticism throughout the audit. We also:

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

## Independent Auditor's Report

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 matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matter 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 section 143(11) of the Act, we give in "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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section

133 of the Act. (All amounts in ₹ crore, unless otherwise stated)

- e) On the basis the written representations received from the directors as on March 31, 2019 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 the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

Mumbai  
May 01, 2019

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Future Lifestyle Fashions Limited on the standalone financial statements for the year ended March 31, 2019, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company did not have any immovable properties of freehold or leasehold land and building as at March 31, 2019. Therefore, paragraph 3(i) (c) of the Order is not applicable.
- ii. (a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the, Companies Act, 2013 (the "Act"). Therefore, paragraph 3 (iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public.
- vi. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of Customs, Goods and Service Tax, Value Added Tax, cess and other material statutory dues were in arrears as at March 31, 2019, for a period of more than six months from the date they became payable
- (b) According to the information and explanations given to us, there are no material dues of income tax, service tax which have not been deposited with the appropriate authorities on account of any dispute.
- However, according to information and explanations given to us, value added tax and stamp duty have not been deposited by the Company on account of disputes:
- | Name of the Statute     | Nature of the dues | Amount<br>(₹ In crore) | Period to which<br>the amount relates | Forum where dispute<br>is pending |
|-------------------------|--------------------|------------------------|---------------------------------------|-----------------------------------|
| MP VAT Act, 2002        | Sales Tax          | 0.05                   | 2013-14                               | Dy. Commissioner of Sales Tax     |
| Kerala VAT              | Sales Tax          | 0.52                   | 2013-14                               | Dy. Commissioner of Sales Tax     |
| Kerala CST              | Sales Tax          | 0.23                   | 2015-16                               | Dy. Commissioner of Sales Tax     |
| The Indian Stamp Act, 1 | Stamp Duty         | 1.55                   | 2008-09                               | Upper Collector, Gaziabad         |
- viii. Based on our audit procedures and on the basis information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings from banks and debenture holders. The company has not taken any loans from Government or any Financial Institution.
- ix. Based on our audit procedure and on the basis information and explanation given by the management, we are of the opinion that money raised by company by way of term loan have been applied for the purpose for which they were raised . The company did not raise any money by way of Initial Public offer or further public offer.

## Independent Auditor's Report

- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations 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 give 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 of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year in compliance with the requirement of section 42 of the Act and amount raised has been used for the purpose for which the funds were raised .
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with 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 **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

Mumbai  
May 01, 2019

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## 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 Lifestyle Fashions 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 judgement, 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 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 **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

Mumbai  
May 01, 2019

# Balance Sheet

as at March 31, 2019

(All amounts in INR crore, unless otherwise stated)

	Note	As at March 31, 2019	As at March 31, 2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	1,223.23	891.95
Capital work-in-progress		157.81	290.21
Intangible assets	3	5.30	8.37
<b>Financial assets</b>			
Investments	4	139.16	7.83
Loans	5	138.27	125.89
Others financial assets	6	0.06	0.05
Deferred tax assets (net)	25	95.80	112.26
Non-current tax assets (net)		7.36	5.97
Other non-current assets	7	102.76	76.94
<b>Total Non - Current Assets</b>		<b>1,869.75</b>	<b>1,519.47</b>
<b>Current Assets</b>			
Inventories	8	1,976.60	1,452.16
<b>Financial assets</b>			
Investments	4	44.46	42.35
Trade receivables	9	194.35	162.27
Cash and cash equivalents	10	90.76	35.13
Other balances with banks	11	9.09	9.13
Loans	5	195.36	96.65
Others financial assets	6	6.14	11.99
Other current assets	7	246.72	161.95
<b>Total Current Assets</b>		<b>2,763.48</b>	<b>1,971.63</b>
<b>Total Assets</b>		<b>4,633.23</b>	<b>3,491.10</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	12	38.91	38.08
Other equity	13	1,608.74	1,355.80
<b>Total Equity</b>		<b>1,647.65</b>	<b>1,393.88</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	653.05	573.87
Other financial liabilities	15	6.26	5.00
Provisions	16	8.47	8.50
<b>Total Non - Current Liabilities</b>		<b>667.78</b>	<b>587.37</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	136.31	135.63
Trade payables			
Dues of micro enterprises and small enterprises	35	15.53	6.02
Dues of creditors other than micro enterprises and small enterprises		1,653.68	1,041.09
Other financial liabilities	15	403.49	252.54
Other current liabilities	17	55.98	26.20
Provisions	16	52.81	48.37
<b>Total Current Liabilities</b>		<b>2,317.80</b>	<b>1,509.85</b>
<b>Total Equity and Liabilities</b>		<b>4,633.23</b>	<b>3,491.10</b>

The accompanying notes are forming part of the financial statements

1-42

As per our report of even date attached

For and on behalf of the Board of Directors

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Shailesh Haribhakti**  
Chairperson

**Kishore Biyani**  
Managing Director

**Sharda Agarwal**  
Director

**Rakesh Biyani**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

**Dr. Darlie Koshy**  
Director

**Bijou Kurien**  
Director

**C. P. Toshniwal**  
Director

**Narayan Ramachandran**  
Director

Mumbai  
May 01, 2019

**Avni Biyani**  
Director

**Kaleeswaran Arunachalam**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

# Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in INR crore, unless otherwise stated)

	Note	2018-2019	2017-2018
<b>Revenue</b>			
Revenue from operations	18	5,377.41	4,219.15
Other income	19	38.60	33.30
<b>Total Revenue</b>		<b>5,416.01</b>	4,252.45
<b>Expenses</b>			
Cost of materials consumed		1.65	22.22
Purchases of stock-in-trade		3,982.74	2,664.31
Changes in inventories of finished goods, stock-in-trade and work-in-progress	20	(525.40)	(36.06)
Excise duty on sales of goods		-	0.25
Employee benefits expense	21	296.91	243.07
Finance costs	22	104.38	94.72
Depreciation and amortisation expense	3	196.65	149.33
Other expenses	23	1,159.98	959.04
<b>Total Expenses</b>		<b>5,216.91</b>	4,096.88
<b>Profit Before Tax</b>		<b>199.10</b>	155.57
Tax Expense	24	53.73	45.06
<b>Profit for the Year</b>		<b>145.37</b>	110.51
<b>Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined employee benefit plans		0.84	1.26
(b) Change in fair value of investments in equity shares carried at fair value through OCI		0.62	0.67
Income tax relating to items that will not be reclassified to profit or loss		(0.30)	0.61
<b>Total Other Comprehensive Income, Net of Tax</b>		<b>1.16</b>	2.54
<b>Total Comprehensive Income for the year</b>		<b>146.53</b>	113.05
<b>Earnings per equity share of Face Value of ₹ 2 each</b>			
	31		
Basic (₹)		7.57	5.94
Diluted (₹)		7.54	5.93
The accompanying notes are forming part of the financial statements		1-42	

As per our report of even date attached

For and on behalf of the Board of Directors

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Shailesh Haribhakti**  
Chairperson

**Kishore Biyani**  
Managing Director

**Sharda Agarwal**  
Director

**Rakesh Biyani**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

**Dr. Darlie Koshy**  
Director

**Bijou Kurien**  
Director

**C. P. Toshniwal**  
Director

**Narayan Ramachandran**  
Director

Mumbai  
May 01, 2019

**Avni Biyani**  
Director

**Kaleeswaran Arunachalam**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

# Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts in INR crore, unless otherwise stated)

## A) Equity Share Capital

Balance as at April 01, 2017	38.00
Issue of Equity shares under employee share option plan (ESOP) (Refer Note 36)	0.08
Balance as at March 31, 2018	38.08
Issue of Equity shares under employee share option plan (ESOP) (Refer Note 36)	0.07
Issue on preferential basis (Refer Note 12)	0.76
<b>Balance as at March 31, 2019</b>	<b>38.91</b>

## B) Other Equity

	Reserve and Surplus							Total
	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	
Balance as at April 01, 2017	475.09	299.45	50.00	4.28	38.04	379.08	3.94	1,249.88
Profit for the Year	-	-	-	-	-	110.51	-	110.51
Other Comprehensive income for the year, Net of Income tax	-	-	-	-	-	0.83	1.71	2.54
Total Comprehensive income for the year	-	-	-	-	-	111.34	1.71	113.05
Transfer to Securities premium on exercise of ESOP	-	3.59	-	(3.59)	-	-	-	-
Issue of Equity shares on exercise of ESOP	-	0.33	-	-	-	-	-	0.33
Recognition of Share-based payments	-	-	-	10.86	-	-	-	10.86
Payment of Dividend on Equity Shares	-	-	-	-	-	(15.22)	-	(15.22)
Payment of tax on Dividend on Equity Shares	-	-	-	-	-	(3.10)	-	(3.10)
Balance as at March 31, 2018	475.09	303.37	50.00	11.55	38.04	472.10	5.65	1,355.80
Profit for the Year	-	-	-	-	-	145.37	-	145.37
Other Comprehensive income for the year, Net of Income tax	-	-	-	-	-	0.54	0.62	1.16
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	<b>145.91</b>	<b>0.62</b>	<b>146.53</b>
Transfer to Securities premium on exercise of ESOP	-	3.39	-	(3.39)	-	-	-	-
Received on Issue of Equity shares	-	170.14	-	-	-	-	-	170.14
Transfer to Debenture Redemption Reserve	-	-	50.00	-	-	(50.00)	-	-
Transfer to General Reserve	-	-	(50.00)	-	50.00	-	-	-
Impairment of Assets	(48.10)	-	-	-	-	-	-	(48.10)
Recognition of Share-based payments	-	-	-	12.48	-	-	-	12.48
Payment of Dividend on Equity Shares	-	-	-	-	-	(23.33)	-	(23.33)
Payment of tax on Dividend on Equity Shares	-	-	-	-	-	(4.80)	-	(4.80)
<b>Balance as at March 31, 2019</b>	<b>426.99</b>	<b>476.90</b>	<b>50.00</b>	<b>20.64</b>	<b>88.04</b>	<b>539.90</b>	<b>6.27</b>	<b>1,608.74</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Shailesh Haribhakti**  
Chairperson

**Kishore Biyani**  
Managing Director

**Sharda Agarwal**  
Director

**Rakesh Biyani**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

**Dr. Darlie Koshy**  
Director

**Bijou Kurien**  
Director

**C. P. Toshniwal**  
Director

**Narayan Ramachandran**  
Director

Mumbai  
May 01, 2019

**Avni Biyani**  
Director

**Kaleeswaran Arunachalam**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

# Statement of Cash Flows

for the year ended March 31, 2019

(All amounts in INR crore, unless otherwise stated)

	2018-19	2017-18
<b>A Cash Flows from Operating Activities</b>		
Profit for the year	145.37	110.51
<b>Adjustments to Reconcile Net Profit to Net Cash Generated by Operating Activities</b>		
Income tax expense	53.73	45.06
Finance costs	104.38	94.72
Interest income	(32.25)	(23.42)
Loss on disposal/discard of property, plant and equipment	27.44	21.96
Expected credit loss allowance (for doubtful debts)	0.42	0.13
Depreciation and amortisation of property, plant and equipment and intangible assets	196.65	149.33
Expense recognised in respect of equity-settled share-based payments	12.48	10.86
Bad Debts/(Sundry Balances written back)	0.32	(0.60)
<b>Cash Generated from Operations before Working Capital Changes</b>	<b>508.54</b>	408.55
<b>Movements in Working Capital:</b>		
(Increase)/Decrease in trade and other receivables	(111.73)	190.16
(Increase) in inventories	(524.44)	(34.14)
(Increase)/Decrease in other assets	(37.55)	36.86
Increase/(Decrease) in trade payables	622.08	(85.94)
Increase in provisions	5.26	22.81
Increase in other liabilities	51.28	77.70
<b>Cash Generated from Operations</b>	<b>513.44</b>	615.99
Direct Taxes Paid	(38.95)	(37.48)
<b>Net Cash Generated from Operating Activities</b>	<b>474.49</b>	578.51
<b>B Cash Flows from Investing Activities</b>		
Inter corporate deposit (Given) (Net)	(92.54)	(54.27)
Interest received	32.25	23.42
Payments for property, plant and equipment, intangible assets and capital advances	(403.33)	(461.16)
Proceeds from disposal of property, plant and equipment	0.73	1.09
Payment to acquire financial assets - Investment	(132.83)	(1.22)
Realisation of deposits/restricted deposits with banks	0.04	5.57
<b>Net Cash (Used in) Investing Activities</b>	<b>(595.68)</b>	(486.57)
<b>C Cash Flows from Financing Activities</b>		
Proceeds from issue of equity instrument of the company	170.97	0.41
Proceeds from borrowings	138.36	40.76
Interest paid	(104.38)	(94.72)
Dividend paid (including dividend distribution tax)	(28.13)	(18.31)
<b>Net Cash Generated by/(Used in) Financing Activities</b>	<b>176.82</b>	(71.86)
<b>Net Increase in Cash and Cash Equivalents</b>	<b>55.63</b>	20.08
Cash and cash equivalents at the beginning of the year	35.13	15.05
<b>Cash and Cash Equivalents at the End of the Year (Refer Note 10)</b>	<b>90.76</b>	35.13

As per our report of even date attached

For and on behalf of the Board of Directors

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Shailesh Haribhakti**  
Chairperson

**Kishore Biyani**  
Managing Director

**Sharda Agarwal**  
Director

**Rakesh Biyani**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

**Dr. Darlie Koshy**  
Director

**Bijou Kurien**  
Director

**C. P. Toshniwal**  
Director

**Narayan Ramachandran**  
Director

Mumbai  
May 01, 2019

**Avni Biyani**  
Director

**Kaleeswaran Arunachalam**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

# Notes Forming Part of the Financial Statements

## 1) Corporate information about the Company

Future Lifestyle Fashions Ltd ("the Company") is a company incorporated in India under the provisions of Companies Act, 1956 on May 30, 2012. The registered address of the Company is Knowledge House, Shyam Nagar, Off. Jogeshwari-Vikhroli Link Road, Jogeshwari (East) Mumbai – 400060. The Company is engaged in the business of Retailing of Fashion products through Departmental and neighbourhood stores under various formats across the country. The shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited. The Financial Statements were approved for issue by the Board of Directors on May 01, 2019. The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crore except where otherwise indicated.

## 2) Significant Accounting Policies

### 2.1 Statement of Compliances with Indian Accounting Standards (Ind AS)

The financial statements of the Company comply in all material aspects with Ind AS notified under section 133 of the Companies Act, 2013, [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other applicable laws.

### 2.2 Standard 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 (Ind AS)) 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 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17, "Leases" introducing a single on-balance sheet accounting model that will result in creation of Right of use asset and lease liability for all the leases subject to short term, low value leases and transition relaxations.

### 2.3 Basis of Preparation and Presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

### 2.4 Business Combination

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 of control of the business. Acquisition-related costs are generally recognised in 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 deferred tax assets or liabilities. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

## 2.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

An item of property, plant and equipment and any significant part initially recognised 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 or Loss when the asset is derecognised.

Depreciation on property, plant and equipment has been provided on Straight Line Method over their useful lives. Estimated useful lives of the assets are as below:

Property, Plant and Equipment	Number of Years
Plant and Equipment	15 years
Office Equipment	5 years
Furniture, Fixture and other Fittings*	7 years
Leasehold Improvement*	Lease term or 7 years, whichever is lower
Vehicle	8 years
Computers (End User Device)	3 years
Computers (Other than End User Device)	6 years

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

The residual values, estimated useful lives and methods of depreciation are reviewed at the end of each reporting period and the effect of any changes in estimate are accounted for prospectively.

# Notes

Forming Part of the Financial Statements

## 2.6 Intangible Assets

Intangible Assets are carried at acquisition cost less accumulated amortisation and accumulated impairment losses, if any. Acquisition cost includes Information system related Costs as well as costs incurred for enhancement and improvements. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period and the effect of any changes in estimates are accounted for prospectively.

Estimated useful lives of the Intangible assets are as follows:

Intangible Assets	Useful lives
Computer Software	6 years
License Rights	Over the period of License

## 2.7 Impairment of non-financial assets (including investment in subsidiary, associate and joint venture)

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets (including investment in subsidiary, associate and joint venture) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

## 2.8 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties including taxes. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Effective April 01, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the

cumulative catch-up transition method, applied to contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

### Sale of Goods

The Company deals in fashion products including apparel, footwear and accessories to both the large format stores and directly to customers through its own retail outlets.

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For sales of fashion products, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

### Rendering of services

Revenue from a contract to provide services is recognised as they are rendered based on arrangements with the customers.

### Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.

## 2.9 Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense in statement of profit and loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at commencement of the lease at the fair value

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of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss.

### 2.10 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 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 for all deductible temporary differences to the extent that it is probable that taxable profits will be available against those deductible temporary differences which can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference rises 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 are 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 2.11 Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share adjusts the figure used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity share that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 2.12 Borrowing costs

Borrowing costs that is directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

### 2.13 Employee benefits

#### Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus etc. are recognised as an expense at the undiscounted amount in statement of profit and loss for the period in which the related service is rendered.

#### Post-employment defined contribution benefits

Payment to defined contribution plans such as provident fund, employee state insurance etc. are recognised as expense when employees have rendered services entitling them to such contributions. Company has no further payment obligations once the contributions have been paid.

#### Post-employment defined benefit benefits

Cost of post-employment benefit plans such as gratuity are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using projected unit credit method, with actuarial valuation techniques at the



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end of each annual reporting period. Service cost (including current service cost, past service cost) and interest expense are recognised in the statement of profit and loss. Gains and losses through re-measurements of the net defined benefit liability are recognised in other comprehensive income. The effect of any plan amendments are recognised in statement of profit and loss.

### Other long term employee benefits

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. Cost of other long term benefits are determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period and the cost (including re-measurement) is recognised in statement of profit and loss.

### 2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Cost of inventories comprise of cost of purchase, cost of conversion and other related cost incurred in bringing the inventories to their present location and condition.

### 2.15 Foreign currencies

Indian rupees (₹) is the functional currency of the Company. In preparing these financial statements, transactions in currencies other than the functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise except for exchange differences which are regarded as an adjustment to interest cost as per policy on borrowing cost.

### 2.16 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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. Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.17 Financial instruments

#### Classification as financial liability or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

#### Financial assets and financial liabilities- Initial recognition

Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of investments, loans, deposits, trade receivables and cash and bank balances. Financial liabilities primarily comprise of borrowings, trade and other payables and financial guarantee contracts.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets/ issue of financial liabilities are added to the fair value of the financial assets/ subtracted from fair value of financial liabilities on initial recognition, except for financial asset/ liability is subsequently measured at fair value through profit or loss.

#### Subsequent measurement

##### Financial assets and financial liabilities at amortised cost

After initial recognition all financial assets (other than investment in equity instruments and derivative instruments) are subsequently measured at amortised cost using the effective interest method. All financial liabilities (other than derivative liabilities), subsequently after initial recognition, are measured at amortised cost using effective interest method. The Company has not designated any financial asset or financial liability as fair value through profit or loss ("FVTPL").

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## **Financial assets and financial liabilities at FVTPL**

All derivative assets and derivative liabilities are always measured at FVTPL with fair value changes is being recognised in statement of profit and loss.

## **Investment in equity instruments either at FVTPL or FVTOCI**

Investment in equity instruments are measured at FVTPL with fair value changes is being recognised in statement of profit and loss. However, on initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income.' The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

## **Financial guarantee obligation**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

After initial recognition of financial guarantee obligation at fair value, the Company subsequently measured it at the higher of:

- Amount of loss determined in accordance with impairment requirement under Ind AS 109 (see policy on impairment of financial asset); and
- The amount initially recognised less, when appropriate, the cumulative income recognised.

## **Impairment of financial asset**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

## **Derecognition of financial asset**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

## **2.18 Share-based payment arrangement**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/ option 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 share options outstanding reserve.

## **2.19 Operating segment**

The management views the Company's operation as a single segment engaged in business of Branding, Processing, Selling and Distribution of 'Fashion Products.' Hence there is no separate reportable segment under Ind AS 108 'Operating segment.'

## **2.20 Key sources of estimation uncertainty and critical accounting judgements**

In the course of applying the accounting policies, the Company is required to make judgements, 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

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the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

## Key sources of estimation uncertainty

### 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.

### Impairment of property, plant and equipment, investment in subsidiaries, joint ventures and associates

Determining whether the assets 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.

### Provisions, liabilities and contingencies

The timing of recognition of provision requires application of judgement to existing facts and circumstances which may be subject to change

### Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation.

The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of estimate is required in establishing fair values.

## 2.21 Application of new and revised standards

### Ind AS 116- Leases:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) 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 01, 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. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The standard permits two possible methods of transition:

**Full retrospective** - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

**Modified retrospective** - Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application, or

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

The Company's operating leases mainly relate to store Leases and Office Premises which are on lease terms ranging from 5 to 18 years. The Company is currently in the process of evaluating the impact, this standard will have on its financial statements.

(All amounts in INR crore, unless otherwise stated)

### 3) Property, Plant and Equipment and Intangible Assets

Descriptions of Assets	Gross Block (At cost / deemed cost)			Depreciation / Amortisation			Net Block	
	As at April 01, 2018	Additions	Deletions	As at April 01, 2018	For the Year	Deletions	As at March 31, 2019	As at March 31, 2018
<b>A Property, plant and equipment</b>								
Leasehold Improvements	167.78	124.34	8.21	283.91	34.35	3.18	59.07	139.88
Plant and Equipments	174.86	53.43	27.80	200.49	14.00	5.66	33.81	149.39
Office Equipments	23.57	10.46	0.61	33.42	5.49	0.32	11.32	17.42
Computers	40.05	20.35	2.64	57.76	11.11	2.02	25.51	23.63
Furniture, Fixtures and Other Fittings	698.93	392.34	75.56	1,015.71	128.32	27.52	238.99	560.74
Vehicles	1.06	-	0.21	0.85	0.12	0.08	0.21	0.89
<b>Total</b>	<b>1,106.25</b>	<b>600.92</b>	<b>115.03</b>	<b>1,592.14</b>	<b>193.39</b>	<b>38.78</b>	<b>368.91</b>	<b>891.95</b>
<b>B Intangible assets</b>								
Computer Software	14.02	0.19	0.00	14.21	3.20	0.00	9.31	7.91
Trademarks, Copyrights and Patents	0.54	-	-	0.54	0.06	-	0.14	0.46
<b>Total</b>	<b>14.56</b>	<b>0.19</b>	<b>0.00</b>	<b>14.75</b>	<b>3.26</b>	<b>0.00</b>	<b>9.45</b>	<b>8.37</b>
<b>Grand Total</b>	<b>1,120.81</b>	<b>601.11</b>	<b>115.03</b>	<b>1,606.89</b>	<b>196.65</b>	<b>38.78</b>	<b>378.36</b>	<b>900.32</b>
Previous Year	790.29	360.77	30.25	1,120.81	149.33	7.21	220.49	711.92

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(All amounts in INR crore, unless otherwise stated)

## 4) Investments

	Number of Units		Amount	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Non-Current Investments</b>				
<b>Trade Investments fully paid up of ₹10 each unless otherwise stated</b>				
<b>Quoted</b>				
Koovs plc (£ 0.10 per ordinary share)	5,78,76,600	-	52.53	-
<b>Aggregate book value of quoted Non-Current Investments</b>		-	<b>52.53</b>	-
<b>Unquoted</b>				
<b>Investment in Equity Instruments</b>				
<b>Subsidiaries (At cost / deemed cost)</b>				
Future Trendz Limited	5,50,000	5,50,000	1.05	0.55
FLFL Business Services Limited	1,50,000	1,50,000	0.15	0.15
<b>Joint Venture (At cost / deemed cost)</b>				
FLFL Lifestyle Brands Limited	50,000	50,000	1.12	0.57
FLFL Travel Retail Bhubaneswar Private Limited	5,100	-	0.01	-
FLFL Travel Retail Guwahati Private Limited	5,100	-	0.01	-
FLFL Travel Retail West Private Limited	5,100	-	0.01	-
FLFL Travel Retail Lucknow Private Limited	5,100	-	0.01	-
<b>Others (at fair value through other comprehensive income)</b>				
Renew Wind Power Karnataka Private Limited	6,400	6,400	0.06	0.06
<b>Investment in Optionally Convertible Debentures</b>				
<b>Joint Venture (accounted for using the equity method)</b>				
FLFL Lifestyle Brands Limited -Series I	65,00,000	65,00,000	6.50	6.50
FLFL Lifestyle Brands Limited -Series II	7,77,30,000	-	77.73	-
<b>Aggregate book value of unquoted Non-Current Investments</b>			<b>86.63</b>	7.83
			<b>139.16</b>	7.83
<b>Current Investments</b>				
<b>Trade Investments fully paid up of ₹10 each unless otherwise stated</b>				
<b>Unquoted</b>				
<b>Investment in Equity Instruments</b>				
<b>Joint Ventures (At cost / deemed cost)</b>				
Clarks Future Footwear Private Limited	9,80,000	9,80,000	3.63	2.13
Holii Accessories Private Limited	1,90,000	1,90,000	0.24	0.24
<b>Others (at fair value through other comprehensive income)</b>				
SSIPL Retail Limited	6,09,197	6,09,197	40.60	39.98
<b>Aggregate book value of unquoted Current Investments</b>			<b>44.46</b>	42.35

## 5) Loans (Unsecured, Considered Good)

	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Security Deposits	138.27	125.89
	<b>138.27</b>	125.89
<b>Current</b>		
Security Deposits	28.10	21.93
Inter Corporate Deposits	167.26	74.72
	<b>195.36</b>	96.65

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(All amounts in INR crore, unless otherwise stated)

## 6) Others Financial Assets

	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Bank deposits more than 12 months maturity	0.06	0.05
	<b>0.06</b>	<b>0.05</b>
<b>Current</b>		
Insurance Claim Receivable	5.17	6.66
Other Receivables	0.97	5.33
	<b>6.14</b>	<b>11.99</b>

## 7) Other Assets

	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
Capital Advances	14.96	8.14
Prepaid Expenses	87.80	68.80
	<b>102.76</b>	<b>76.94</b>
<b>Current</b>		
Balance with Government authorities	163.15	66.33
Advance to suppliers	57.75	71.03
Prepaid Expenses	13.27	16.73
Others	12.55	7.86
	<b>246.72</b>	<b>161.95</b>

## 8) Inventories

	As at March 31, 2019	As at March 31, 2018
Raw-Materials	-	0.97
Work-in-Progress	-	0.07
Stock-in-Trade (Goods-in-Transit of ₹42.78 crore, 2017-18: ₹22.09 crore)	1,974.91	1,422.65
Finished Goods	-	27.23
Packing Material	1.69	1.24
	<b>1,976.60</b>	<b>1,452.16</b>

## 9) Trade Receivables (Unsecured)

	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Considered Good	194.35	162.27
Considered Doubtful	0.55	0.13
	194.90	162.40
Less :- Expected credit loss allowance (for doubtful receivables)	0.55	0.13
	<b>194.35</b>	<b>162.27</b>

## 10) Cash and Cash Equivalents

	As at March 31, 2019	As at March 31, 2018
Cash on Hand	15.80	4.55
In Current Accounts	34.12	18.31
Cheques on Hand	-	0.00
Balance with credit card and e-wallet companies	40.84	12.27
	<b>90.76</b>	<b>35.13</b>

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(All amounts in INR crore, unless otherwise stated)

## 11) Other Balances with Banks

	As at March 31, 2019	As at March 31, 2018
Bank deposits (with maturity less than 12 months)	8.94	9.06
Earmarked Accounts (for unpaid dividend)	0.15	0.07
	<b>9.09</b>	<b>9.13</b>

## 12) Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	25,00,00,000	50.00	25,00,00,000	50.00
	<b>25,00,00,000</b>	<b>50.00</b>	<b>25,00,00,000</b>	<b>50.00</b>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 2/- each	19,45,68,077	38.91	19,04,13,837	38.08
	<b>19,45,68,077</b>	<b>38.91</b>	<b>19,04,13,837</b>	<b>38.08</b>

### Reconciliation of number of shares :

Equity Share of ₹ 2/- each

	As at March 31, 2019 No. of Shares	As at March 31, 2018 No. of Shares
At the beginning of the year	19,04,13,837	19,00,13,456
Add : Shares issued on exercise of employee stock option	3,31,776	4,00,381
Add : Issued during the year*	38,22,464	-
At the end of the year	<b>19,45,68,077</b>	<b>19,04,13,837</b>

\* The Board of Directors at its meeting held on May 18, 2018 and the Shareholders of the Company at their meeting held on June 14, 2018, have approved issue of 38,22,464 equity shares of face value of ₹ 2 each fully paid-up at an issue price of ₹ 445.50 per equity share for cash, including a premium of ₹ 443.50 per equity share, aggregating to ₹ 170.29 crore to Spectacular Investment Pte. Limited under the preferential allotment of the Company.

### Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share.

The company declares and pays dividends in Indian Rupees (₹). The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by the shareholders.

### Details of shareholders holding more than 5% shares in the Company :

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ryka Commercial Ventures Private Limited, Parent Company	10,16,64,765	52.25	10,46,47,747	54.96
Spectacular Investments PTE Limited	1,94,04,207	9.97	-	-
Pioneer Investment Fund	77,37,079	3.98	1,55,27,950	8.15

### Share options granted under the Company's employee share option plan

Share options granted under the company's employee share option plan carry no right to dividends and no voting rights. Further details of the employee share option plan are provided in Note 36.

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 13) Other Equity

	As at March 31, 2019	As at March 31, 2018
Capital Reserve	426.99	475.09
Securities Premium	476.90	303.37
Debenture Redemption Reserve	50.00	50.00
Share Options Outstanding Account	20.64	11.55
General Reserve	88.04	38.04
Retained Earnings	539.90	472.10
Equity Instruments through Other Comprehensive Income	6.27	5.65
	<b>1,608.74</b>	<b>1,355.80</b>

For addition and deduction under each of the above heads refer statement of changes in Equity

### Nature of Reserves

#### Capital Reserve

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years.

#### Securities Premium

Securities premium is used to record the premium received on issue of shares. The securities premium can be utilised only in accordance with the provisions of the Companies Act 2013.

#### Debenture Redemption Reserve

Debenture Redemption Reserve is a Statutory Reserve (as per Companies Act, 2013) created out of profits of the Company available for payment of dividend for the purpose of redemption of Debentures issued by the Company.

#### Share Options Outstanding Account

This reserve relates to share option granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 36.

#### General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Items included in the general reserve will not be reclassified subsequently to profit or loss.

#### Retained Earnings

This represents the surplus/(deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends 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.

#### Equity Instruments through Other Comprehensive Income

Company has designated an investment in equity instrument at fair value through other comprehensive income in which cumulative changes in fair value of such instrument is accumulated in a separate reserve 'Equity instruments through other comprehensive income' within other comprehensive income.



# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 14) Borrowings

	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
<b>Secured - at amortised cost</b>		
8.70% Redeemable Non Convertible Debentures (NCD)	349.08	348.56
Term Loans from Banks	303.97	225.31
	<b>653.05</b>	<b>573.87</b>
<b>Current</b>		
<b>Secured - at amortised cost</b>		
Working Capital Loans from Banks	136.31	135.63
	<b>136.31</b>	<b>135.63</b>

### Details of Security and Repayment Terms for Secured Non Current Borrowings :-

S. No.	Nature of Security	Terms of Interest and Repayment	As at March 31, 2019	As at March 31, 2018
<b>1</b>	<b>8.70 % NCD Series IV</b>			
	Secured by First pari-passu charge on entire Fixed Assets (movable and immovable), both present and future of the company with a minimum Fixed Assets Coverage Ratio of 1.15 times of the outstanding amount.	Redeemable at the end of 60 Months from the deemed date of allotment falling due on November 09, 2022. The instrument carries Put/Call Option at the end of 3rd and 4th year from the deemed date of allotment.  Interest of 8.70% p.a. payable annually from the deemed date of allotment.  Debentures are privately placed and listed on Wholesale Debt Segment of BSE Limited.	349.08	348.56
<b>2</b>	<b>Term Loan from Bank:</b>			
(i)	a) Secured by First pari-passu charge on Fixed Assets (movable and immovable) both present and future of the company.	The Outstanding Loan is repayable in 8 step up quarterly installments. (Next installment due in June, 2019). Interest :- Base Rate +1.10% i.e 10.25% p.a. Interest is paid as and when due.	85.16	85.14
(ii)	a) Secured by First pari-passu charge on Fixed Assets (movable and immovable), both present and future of the company.	The Loan was prepaid and closed in April, 2018. Interest :- IFCI Benchmark Rate + 0.75% p.a.	-	25.00
	b) Pledge of Shares of the company, giving cover of at least 0.25 times the outstanding of Loan amount.	Interest is paid as and when due.		
	c) Personal Guarantee of Mr. Kishore Biyani and Mr. Vijay Biyani.			
	d) PDC's for Interest and Principal repayments.			

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

S. No.	Nature of Security	Terms of Interest and Repayment	As at March 31, 2019	As at March 31, 2018
(iii)	a) Secured by First Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	The Outstanding Loan is repayable in 22 step-up quarterly installments (Next Installment due in June, 2019).	140.40	128.17
	b) Secured by Second pari-passu Charge on entire current assets, both present and future of the company.	Interest :- One Year MCLR +1.00% 9.15% p.a. (as on March 31, 2019). Interest is paid as and when due.		
(iv)	a) Secured by First pari-passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	The Outstanding Loan is repayable in 23 step-up quarterly installments. (Next Installment due in July, 2019)	149.91	-
	b) Secured by Second pari-passu Charge on entire current assets, both present and future of the company.	Interest :- One Year MCLR +1.00% 9.15% p.a (as on March 31, 2019).		
			<b>724.55</b>	586.87
	Less : Current Maturities of Long Term Borrowings		71.50	13.00
	<b>Total</b>		<b>653.05</b>	573.87

## Details of Security and Repayment Terms for Secured Current Borrowings :-

Nature of Security	Terms of Interest and Repayment
<b>Working Capital Loans from Banks</b>	
Loans is secured by	The Working Capital Loan is repayable on Demand and the weighted Average Cost of the WC Loan is 10.20 % in the Financial Year 2019.
a) First pari-passu charge on Current Assets (excluding credit / debit card receivables)	
b) Second pari-passu charge on the Fixed Assets	

## 15) Other Financial Liabilities

	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Derivative liability	6.26	5.00
	<b>6.26</b>	5.00
<b>Current</b>		
Current Maturities of Long-Term Borrowings	71.50	13.00
Interest Accrued but Not Due on Borrowings	14.74	12.13
Unclaimed Dividend	0.15	0.09
Creditors for Capital Supplies/Services	180.57	108.36
Payable to Employees	22.28	21.02
Security Deposits	99.32	86.47
Financial Guarantee Obligations	0.94	0.40
Other Payables	13.99	11.07
	<b>403.49</b>	252.54

## 16) Provisions

	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Gratuity	8.47	8.50
	<b>8.47</b>	8.50
<b>Current</b>		
Leave encashment	7.47	5.20
Gratuity	1.30	0.23
Provision for right of return	44.04	42.94
	<b>52.81</b>	48.37

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 17) Other Current Liabilities

	As at March 31, 2019	As at March 31, 2018
Advance received from customers	55.98	26.20
	<b>55.98</b>	26.20

## 18) Revenue from Operations

	2018-2019	2017-2018
Sale of Products	5,802.46	4,516.40
Less: Goods and Service Tax / Value Added Tax / Sales Tax	529.29	387.01
	5,273.17	4,129.39
Other Operating Revenue	104.24	89.76
	<b>5,377.41</b>	4,219.15

## 19) Other Income

	2018-2019	2017-2018
Interest Income		
On lease deposits measured at amortised cost	12.80	16.08
Bank deposits	0.56	0.32
Others	18.89	7.02
Miscellaneous Income	6.35	9.88
	<b>38.60</b>	33.30

## 20) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	2018-2019	2017-2018
<b>Opening Inventories</b>		
Finished Goods	27.23	35.74
Work-in-Progress	0.07	3.62
Stock- in-Trade	1,423.90	1,375.78
<b>Closing Inventories</b>		
Finished Goods	-	27.23
Work-in-Progress	-	0.07
Stock- in-Trade	1,976.60	1,423.90
	<b>(525.40)</b>	(36.06)

## 21) Employee Benefits Expense

	2018-2019	2017-2018
Salaries, Incentives and Allowances	261.98	212.84
Expense on Employee Stock Option Scheme (Refer Note 36)	12.48	10.86
Contribution to Provident and Other Funds	15.20	13.60
Staff Welfare Expenses	7.25	5.77
	<b>296.91</b>	243.07

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 22) Finance Cost

	2018-2019	2017-2018
Interest Expense	81.63	79.36
Other Borrowing Costs	22.75	15.36
	<b>104.38</b>	94.72

## 23) Other Expenses

	2018-2019	2017-2018
Power and Fuel	136.32	115.02
Repairs and Maintenance		
Buildings	20.95	19.74
Others	8.65	6.89
Insurance	6.39	5.06
Rates and Taxes	7.91	7.61
Rent	546.45	450.56
Common Area Maintenance	58.52	48.99
Advertisement and Marketing	139.02	107.48
Loss on Disposal/Discard of property, plant and equipment (Net)	27.44	21.96
Expected credit loss allowance (for doubtful receivables)	0.42	0.13
Bad Debts Written Off	0.32	-
Corporate Social Responsibility Expenses (Refer Note 30)	2.15	1.12
Miscellaneous Expenses (Refer Note 40)	205.44	174.48
	<b>1,159.98</b>	959.04

## 24) Tax Expense

### Income tax expense recognised in statement of Profit and Loss

	2018-2019	2017-2018
Current Tax	37.56	32.81
Deferred Tax	16.17	12.25
<b>Total</b>	<b>53.73</b>	45.06

### Income Tax expense recognised in other comprehensive income

	2018-2019	2017-2018
Deferred Tax	0.30	(0.61)

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	2018-2019	2017-2018
Profit before tax from continuing operations	199.10	155.57
Income tax expense calculated at 34.944%	69.57	53.84
<b>Effect of:</b>		
Expenses that are not deductible in determining taxable profit	6.41	7.21
Availment of MAT Credit	-	(6.82)
Other permanent differences	(22.25)	(9.17)
<b>Income tax expense recognised in statement of Profit and Loss</b>	<b>53.73</b>	45.06

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 25) Deferred Tax Assets

### Movement of deferred tax assets/ (liabilities)

Deferred tax assets/ (liabilities) in relation to the year ended March 31, 2019

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities in relation to:</b>				
Financial asset measured at fair value	4.57	-	(0.01)	4.58
<b>Total deferred tax liabilities</b>	<b>4.57</b>	<b>-</b>	<b>(0.01)</b>	<b>4.58</b>
<b>Deferred tax assets in relation to:</b>				
Property, plant and equipment and intangible assets	104.35	(10.14)	-	94.20
Employee benefit obligation	4.85	1.46	(0.29)	6.02
Provision for doubtful debts	-	0.15	-	0.15
Utilisation of MAT Credit	7.63	(7.63)	-	-
<b>Total deferred tax assets</b>	<b>116.83</b>	<b>(16.16)</b>	<b>(0.29)</b>	<b>100.38</b>
<b>Net deferred tax asset/ (liabilities)</b>	<b>112.26</b>	<b>(16.16)</b>	<b>(0.30)</b>	<b>95.80</b>

Deferred tax assets/ (liabilities) in relation to the year ended March 31, 2018

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities in relation to:</b>				
Financial asset measured at fair value	5.61	-	(1.04)	4.57
Others	0.22	(0.22)	-	-
<b>Total deferred tax liabilities</b>	<b>5.83</b>	<b>(0.22)</b>	<b>(1.04)</b>	<b>4.57</b>
<b>Deferred tax assets in relation to:</b>				
Property, plant and equipment and intangible assets	125.34	(20.99)	-	104.35
Employee benefit obligation	4.39	0.89	(0.43)	4.85
Availment of MAT Credit	-	7.63	-	7.63
<b>Total deferred tax assets</b>	<b>129.73</b>	<b>(12.47)</b>	<b>(0.43)</b>	<b>116.83</b>
<b>Net deferred tax asset/ (liabilities)</b>	<b>123.90</b>	<b>(12.25)</b>	<b>0.61</b>	<b>112.26</b>

## 26) Contingent Liabilities

	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debt	7.25	15.72
Corporate Guarantees given	177.92	126.20
Guarantees given to the bank on behalf of the Company	31.14	17.10

## 27) Segment Information

The Company is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of 'Fashion Products' which constitutes a single reporting Segment. Hence there is no separate reportable segment under Ind AS 108 Operating segment.

Company does not derive its revenue of 10% or more from any of its single customer.

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 28) Disclosure Relating to Leases

The Company has entered into operating lease arrangements for premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these premises is ₹ 500.89 crore (2017-18: ₹ 323.96 crore). The Lease Rent payable not later than one year is ₹ 165.47 crore (2017-18: ₹ 122.61 crore), payable later than one year but not later than five year is ₹ 330.69 crore (2017-18: ₹ 201.35 crore) and payable later than five years is ₹ 4.74 crore (2017-18: ₹ Nil crore).

## 29) Payment to Auditors

	2018-2019	2017-2018
Statutory Audit Fees	0.70	0.70
Tax Audit Fees	0.05	0.05
Other Services	0.04	0.03
Reimbursement of expenses	0.01	-
<b>Total</b>	<b>0.80</b>	<b>0.78</b>

## 30) Corporate Social Responsibility Statement

Expenditure related to Corporate Social Responsibility as per section 135 of the Companies Act, 2013 read with schedule VIII thereof is ₹ 2.15 crore (2017-18: ₹ 1.12 crore).

	2018-2019	2017-2018
Gross amount required to be spent by the company	2.15	1.12
<b>Details of amount spent are as under:</b>		
Measures for reducing inequalities faced by socially and economically backward groups	2.00	0.52
Creating access to better healthcare facilities	0.14	-
Enabling better livelihood through education	0.11	-
Measures for the benefit of armed forces veterans	-	0.50
<b>Total</b>	<b>2.25</b>	<b>1.02</b>

## 31) Earnings Per Share

The earnings and weighted average number of Equity Shares used in the calculation of Basic and Diluted Earnings per share (EPS) are as follows:

	Units	2018-2019	2017-2018
Profit attributable to Equity Share holders	₹ in crore	146.53	113.05
Weighted average number of Equity Shares Outstanding for Basic EPS	No. in crore	19.36	19.02
Weighted average number of Equity Shares Outstanding for Diluted EPS	No. in crore	19.43	19.07
Earnings per share - Basic	₹	7.57	5.94
Earnings per share - Diluted	₹	7.54	5.93
Face value per share	₹	2.00	2.00

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 32) Employee Benefit Plans

### a) Defined Contribution Plan

The Company operates defined contribution plan (Provident Fund) for all qualifying employees of the Company as per Ind AS 19. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

### b) Defined Benefit Plans - Gratuity

The Company operates a gratuity plan covering qualifying employees as per Ind AS 19. The benefit payable is greater of the amount calculated as per the Payment of Gratuity Act, 1975 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 employees on retirement or on termination of employment. The gratuity benefits 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 benefits 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.

#### (i) The principal actuarial risk to which the Company is exposed are 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 impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.
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.

#### (ii) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at March 31, 2019	As at March 31, 2018
Discount rate	7.05%	7.70%
Salary Escalation	7% for first 2 years and 5% thereafter	5.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Withdrawal Rate	Service <5 Years: 46% Service >5 Years: 2%	1.00%
Retirement Age	58 years	58 years

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

#### (iii) Amount recognised in the statement of Profit and Loss, other comprehensive income

	2018-2019	2017-2018
Total Service Cost	2.51	2.79
Net Interest Expenses	0.66	0.58
<b>Components of expense recognised in the statement of Profit and Loss (A)</b>	<b>3.17</b>	<b>3.37</b>
<b>Re-measurements on the net defined benefit liability:</b>		
Actuarial (Gain) arising from changes in demographic assumptions	(1.52)	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	0.79	(0.41)
Actuarial (Gain) arising from experience adjustments	(0.11)	(0.85)
<b>Total Amount recognised in other comprehensive income (B)</b>	<b>(0.84)</b>	<b>(1.26)</b>
<b>Total cost recognised (A+B)</b>	<b>2.33</b>	<b>2.11</b>

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

(iv) Amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

	As at March 31, 2019	As at March 31, 2018
Present value of unfunded defined benefit obligation	9.77	8.72

(v) Movement in present value of the defined benefit obligation

	2018-2019	2017-2018
Opening defined benefit obligation	8.72	7.84
Total Service Cost	2.51	2.79
Net Interest Expenses	0.66	0.58
<b>Re-measurements on the net defined benefit liability</b>		
Actuarial (Gain)/Loss arising from changes in demographic assumptions	(1.52)	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	0.79	(0.41)
Actuarial (Gain)/Loss arising from experience adjustments	(0.11)	(0.85)
Benefits paid	(1.28)	(1.22)
<b>Closing defined benefit obligation</b>	<b>9.77</b>	<b>8.72</b>

(vi) Sensitivity Analysis

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

	As at March 31, 2019	As at March 31, 2018
Impact on defined benefit obligation or gratuity of increase in discount rate for 100 basis points	(8.80)	(7.53)
Impact on defined benefit obligation or gratuity of decrease in discount rate for 100 basis points	10.93	10.19
Impact on defined benefit obligation or gratuity of increase in salary escalation rate for 100 basis points	10.76	10.14
Impact on defined benefit obligation or gratuity of decrease in salary escalation rate for 100 basis points	(8.89)	(7.59)

The sensitivity analysis presented above may not be representative 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 assumptions may be correlated.

c) Other Employee Benefits

The Company has recognised an amount of ₹ 4.29 crore (2017-18: ₹ 2.26 crore) for long term compensated absences in the statement of Profit and Loss account. Actuarial assumptions for long term compensated absences are

	As at March 31, 2019	As at March 31, 2018
Discounted Rate	7.05%	7.70%
Salary Increase Rate	7% for first 2 years and 5% thereafter	5.00%
Attrition Rate	Service <5 Years: 46% Service >5 Years: 2%	1.00%
Retirement Age	58 years	58 years
Mortality Tables	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult



# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 33) Related Party Disclosures

### a) Name of Related Parties and Nature of Relationship:

#### i. Holding Company

Ryka Commercial Ventures Private Limited

#### ii. Ultimate Controlling Entity

Lifestyle Trust

#### iii. Subsidiaries

FLFL Business Services Limited  
Future Speciality Retail Limited  
Future Trendz Limited

#### iv. Joint Ventures

Celio Future Fashion Private Limited  
Clarks Future Footwear Private Limited  
FLFL Lifestyle Brands Limited  
FLFL Travel Retail West Private Limited  
(w.e.f. May 30, 2018)  
FLFL Travel Retail Bhubaneswar Private Limited  
(w.e.f. May 30, 2018)  
FLFL Travel Retail Guwahati Private Limited  
(w.e.f. May 30, 2018)  
FLFL Travel Retail Lucknow Private Limited  
(w.e.f. May 30, 2018)

#### v. Associates

Elisir Lifestyle Private Limited  
Future Style Lab Limited  
Future Style Lab UK Limited  
Indus-League Clothing Limited  
Indus Tree Crafts Private Limited  
Indus Tree Producer Transform Private Limited  
Mineral Fashions Limited  
Rachika Trading Limited

#### vi. Key Management Personnel (KMP)

Managing Director : Kishore Biyani  
Non-Executive Directors : Avni Biyani  
C. P. Toshniwal  
Rakesh Biyani  
Ravinder Singh Thakran  
Independent Directors : Bijou Kurien  
Dr. Darlie Koshy  
Shailesh Haribhakti  
Sharda Agarwal  
Alternate Director : Narayan Ramachandran

### vii. Entities Controlled by KMP

Bansi Mall Management Company Private Limited  
Future Brands Limited  
Future Consumer Limited  
Future Corporate Resources Private Limited  
(Formerly known as *Suhani Trading and Investment Consultants Private Limited*)  
Future Entertainment Private Limited  
Future Enterprises Limited  
Future Generali India Life Insurance Company Limited  
Future Generali India Insurance Company Limited  
Future Human Development Limited  
Future Ideas Company Limited  
Future Market Networks Limited  
Future Retail Limited  
Future Sharp Skills Limited.  
Future Supply Chain Solutions Limited  
Idiom Design and Consulting Limited  
Retail Light Techniques (India) Limited  
Skechers South Asia Private Limited  
Suhani Mall Management Company Private Limited

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## b) Transaction with Related Parties

Nature of transactions	Subsidiary	Associates and Joint Venture	Entities Controlled by KMP	KMP
Revenue from Operations	<b>0.31</b> (0.20)	<b>18.11</b> (6.24)	<b>40.05</b> (-)	- (-)
Purchase of Goods and Services	<b>147.34</b> (151.33)	<b>60.80</b> (35.40)	<b>1153.30</b> (10.71)	- (-)
Purchase of Fixed Assets	- (-)	- (-)	<b>19.25</b> (-)	- (-)
Sale of Fixed Assets	<b>1.86</b> (0.06)	- (-)	- (-)	- (-)
Managerial Remuneration	- (-)	- (-)	- (-)	<b>3.85</b> (2.85)
Sitting Fees and Commission	- (-)	- (-)	- (-)	<b>1.76</b> (1.08)
Investment Made	- (0.30)	<b>77.73</b> (2.16)	- (-)	- (-)
Loans and Advances Given	- (-)	<b>82.50</b> (74.82)	<b>13.94</b> (-)	- (-)
Loans and Advances Given Received Back	- (-)	<b>9.35</b> (-)	- (-)	- (-)
Deposit Received	- (-)	<b>0.05</b> (-)	- (-)	- (-)
Outstanding Balances as on	-	<b>16.37</b>	<b>25.10</b>	-
March 31, 2019 Receivable	(0.01)	(25.13)	(-)	(-)
Payable	<b>113.98</b> (97.97)	<b>32.00</b> (15.71)	<b>352.94</b> (3.01)	- (-)

Figures in bracket represent previous year's figures

## c) Disclosure in respect of Material Transactions with Related Parties

- Revenue from Operations includes Future Specialty Retail Limited ₹ 0.31 crore (2017-18: ₹ 0.20 crore), FLFL Lifestyle Brands Limited ₹ 14.43 crore (2017-18: ₹ 3.33 crore), Future Enterprises Limited ₹ 20.01 crore, Future Retail Limited ₹ 16.40 crore.
- Purchase of Goods and Service includes Future Specialty Retail Limited ₹ 147.34 crore (2017-18: ₹ 151.33 crore), Future Style Lab Limited ₹ 13.68 crore (2017-18: ₹ 13.09 crore), Rachika Trading Limited ₹ 10.00 crore (2017-18: ₹ 7.95 crore), Celio Future Fashion Private Limited ₹ 10.93 crore (2017-18: ₹ 8.66 crore), Mineral Fashions Limited ₹ 15.30 crore, Future Enterprises Limited ₹ 629.92 crore, Future Retail Limited ₹ 348.21 crore.
- Purchase of Fixed Assets includes Retail Light Techniques (India) Limited ₹ 16.72 crore.
- Sale of Fixed Assets includes Future Specialty Retail Limited ₹ 1.86 crore (2017-18: ₹ 0.06 crore).
- Investment made includes FLFL Lifestyle Brands Limited ₹ 77.73 crore (2017-18: ₹ 0.52 crore).
- Loans and Advance given includes FLFL Lifestyle Brands Limited ₹ 82.46 crore (2017-18: ₹ 69.52), Future Corporate Resources Private Limited ₹ 13.79 crore
- Loans and Advance given received back includes Future Style Lab Limited ₹ 5.30 crore, Indus Tree Crafts Private Limited ₹ 3.65 crore, Indus Tree Producer Transform Private Limited ₹ 0.40 crore.

## 34) Capital Commitment

The estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) as at March 31, 2019 is ₹ 80.55 crore (2017-18: ₹ 74.75 crore)

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 35) Dues of Micro Enterprises and Small Enterprises

	2018-2019	2017-2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	15.50	6.02
Interest due on above	0.03	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	0.19	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.19	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	0.19	-

## 36) Share Based Payments

Details of the employee share based plan of the Company

### a) FLFL Employees Stock Options Scheme - 2013 (FLFL ESOS - 2013):

The Shareholders of the Company at their Extraordinary General Meeting held on December 16, 2013 had approved FLFL ESOS -2013 and also approved the issue of 15,00,000 Stock Options exercisable into 15,00,000 fully paid-up Equity Shares of ₹ 2 each of the Company, to the eligible employees in terms of the FLFL ESOS -2013 in one or more tranches and on such terms and conditions, as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of FLFL ESOS 2013, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") and in due compliance with other applicable laws and regulations.

The Stock Options granted under FLFL ESOS - 2013 would vest after 1 year and not more than 3 years from the Grant Date of such Stock Options in one or more tranches, as may be specified and approved by the NRC. The Maximum term for exercise of vested Stock Options is 3 years from the respective date of vesting of Stock Options.

### b) FLFL Employees Stock Options Plan - 2015 (FLFL ESOP - 2015):

The Shareholders of the Company at their Annual General Meeting held on August 26, 2015 had approved the FLFL ESOP - 2015 and also approved the issue of 35,00,000 Stock Options exercisable into equivalent number of Equity Shares, to be issued and allotted under primary issue or to be acquired by way of secondary acquisition, to or for the benefit of Eligible Employees under FLFL ESOP 2015, not exceeding 35,00,000 Equity Shares of ₹ 2 each, in one or more tranches, at such price and on such terms and conditions as may be determined by NRC, in accordance with the provisions of this FLFL ESOP 2015, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

Pursuant to the applicable provisions of the Act and the SEBI SBEB Regulations, the Company has set up a 'Future Lifestyle Fashions Limited Employees' Welfare Trust' ("Trust") for implementation of FLFL ESOP 2015.

Stock Options granted under FLFL ESOP - 2015 would vest not less than 1 year and not more than 3 years from the Grant Date of such Stock Options in one or more tranches, as may be specified and approved by the NRC. The Maximum term for exercise of Stock Options granted is 3 Years from the respective date of vesting of Stock Options granted.

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

The following share-based payment arrangements were in existence during the current and prior years:

	Number of Stock Options Granted	Grant date	Expiry date	Exercise Price	*Share Price on Grant Date (in ₹)	Average Fair value of Option at Grant Date (in ₹)
FLFL ESOS-2013	3,01,161	17/01/2014	Note-1	10.00	69.51	82.19
FLFL ESOS-2013	4,64,622	29/10/2014	Note-1	10.00	94.14	84.21
FLFL ESOS-2013	3,95,476	31/08/2015	Note-1	10.00	70.10	60.79
FLFL ESOP-2015	5,87,086	11/11/2016	Note-1	10.00	129.67	102.77
FLFL ESOP-2015	39,428	15/12/2016	Note-1	10.00	125.26	94.56
FLFL ESOP-2015	13,54,000	16/10/2017	Note-1	189.00	337.36	191.28

\* Share Price on Grant Date considered as the Volume Weighted Average Price at NSE.

**Note-1** The vested Stock Options can be exercised within a period of three years from the respective date of vesting.

Stock Options were priced using a Black Scholes option pricing model. Expected Volatility was calculated using standard deviation of daily change in stock price. The historical period for Expected Volatility taken into account to match the expected life of the option. There are no market conditions attached to grant and vest.

	FLFL ESOP - 2015	
	2018-2019	2017-2018
Date of Grant	N.A.	16/10/2017
Expected volatility (%)	N.A.	39.99%
Option life (Years)	N.A.	3.45 Years
Dividend yield (%)	N.A.	0.12 %
Risk-free interest rate (Average)	N.A.	6.49%

## Movement in Stock Options during the year

The following reconciles the Stock Options outstanding at the beginning and end of the period:

	2018-2019		2017-2018	
	Number of Stock Options	Weighted average exercise price (in ₹)	Number of Stock Options	Weighted average exercise price (in ₹)
<b>Balance at beginning of Year</b>				
FLFL ESOS - 2013	1,75,824	10	3,34,203	10
FLFL ESOP 2015-Primary	16,87,768	10 and 189	6,06,800	10
<b>Granted during the period</b>				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	13,54,000	189
<b>Forfeited during the period</b>				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	31,030	10
<b>Exercised during the period</b>				
FLFL ESOS - 2013	41,232	10	1,58,379	10
FLFL ESOP 2015-Primary	290,544	10 and 189	2,42,002	10
<b>Expired during the period</b>				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-
<b>Balance at the end of Year</b>				
FLFL ESOS - 2013	134,592	10	1,75,824	10
FLFL ESOP 2015-Primary	13,97,224	10 and 189	16,87,768	10 and 189
<b>Exercisable at the end of the Year</b>				
FLFL ESOS - 2013	134,592	10	1,75,824	10
FLFL ESOP 2015-Primary	381,724	10 and 189	54,326	10

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## The following Stock Options were exercised during the year:

Stock Options scheme	Number exercised	Exercise date	Weighted average share price at exercise dates (in ₹)
FLFL ESOS - 2013	41,232	Various dates	365.00
FLFL ESOP 2015-Primary	290,544	Various dates	410.25

**37)** In terms of the Composite scheme of Arrangement and Amalgamation, which is approved by the Hon'ble High Court of Bombay vide its order dated May 10, 2013, Capital reserve was permitted to be utilised for the purpose of adjusting value of any assets including goodwill, investment/offset any charge on account of impairment/write off/amortisation. Accordingly Company has charged a sum of ₹ 48.10 crore being impairment of Assets received under the aforesaid scheme to the capital reserve.

## **38) Disclosure Requirement of Loans, Guarantee and Investment under section 186(4) of the Companies Act, 2013 and under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Name of the Company	As at March 31, 2019			As at March 31, 2018	
	Purpose of Loan	Outstanding Amount	Maximum Amount Outstanding	Outstanding Amount	Maximum Amount Outstanding
<b>Inter Corporate Deposits</b>					
Indus Tree Crafts Private Limited	Operational	-	5.74	5.39	5.39
Idiom Design and Consulting Limited	Operational	1.37	1.37	1.21	1.21
Indus Tree Producer Transform Private Limited	Operational	-	0.58	0.54	0.54
Unico Retail Private Limited	Operational	0.42	0.42	0.39	0.39
FLFL Lifestyle Brands Limited	Operational and Investment in Fashion brands.	166.43	166.43	72.51	72.51
<b>Corporate Guarantees Given</b>					
Indus Tree Producer Transform Private Limited	To Secure Working Capital Facility	9.30	9.30	7.00	7.00
Rachika Trading Private Limited	To Secure Working Capital Facility	18.62	18.62	19.20	19.20
Clarks Future Footwear Private Limited	To Secure Working Capital Facility	100.00	100.00	100.00	100.00
Future Speciality Retail Limited	To Secure Working Capital Facility	50.00	50.00	-	-

### **Security**

The Company has created security by way of pledge on investments held in FLFL Lifestyle Brands Limited, SSIPL Retail Limited, Holii Accessories Private Limited and Clarks Future Footwear Private Limited in favour of the Debenture Trustee to secure the 4,500 Non-Convertible Debentures of ₹ 10 lakh each, issued by FLFL Lifestyle Brands Limited.

### **Investments**

Refer Note 4 to Notes forming part of the Financial Statements

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 39) Financial Instruments and Risk Review

### Capital Management

The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (i.e. borrowings offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings). The Company monitors capital using a ratio of 'net debt' to equity. The Company's net debt to equity ratio was as follows.

	As at March 31, 2019	As at March 31, 2018
Total debt including interest accrued	875.60	734.63
Less: cash and bank balances	99.85	44.26
Net debt	775.75	690.37
Equity	1647.65	1393.88
Net debt to equity ratio	47%	50%

### Categories of financial instruments

	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>		
<b>(i) Measured at Amortised Cost</b>		
Cash and bank balances	99.85	44.26
Trade receivables	194.35	162.27
Loans –Inter corporate deposit	167.26	74.72
Security deposits	166.37	147.82
Other financial assets	6.20	12.04
<b>(ii) Mandatorily measured at fair value through profit and loss</b>	-	-
<b>(iii) Designated at fair value through other comprehensive income</b>		
Investment in equity share	40.60	39.98
<b>Financial liabilities</b>		
<b>(i) Measured at Amortised Cost</b>		
Borrowing	860.86	722.50
Trade payable	1669.19	1,047.11
Security deposit received	99.32	86.47
Other financial liabilities	232.67	153.08
<b>(ii) Mandatorily measured at fair value through profit and loss</b>		
Derivative liabilities	6.26	5.00

### Fair value hierarchy

	Fair Value as at		Fair Value hierarchy
	March 31, 2019	March 31, 2018	
Investments in equity instruments – SSIPL retail limited	40.60	39.98	Level 2
Derivative liability – written option	6.26	5.00	Level 2

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## Financial risk management objectives

The Company has a Risk Management Committee instituted by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

### Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rate risk and other price risk. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts.

### Foreign exchange risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily on account of import of trading goods and capital goods. Foreign exchange risk arises recognised liabilities denominated in a currency that is not the functional currency of the Company. The Company hedges its foreign exchange risk using foreign exchange forward contracts which is within the guidelines laid down by risk management policy of the Company. Overall, Company always have a limited exposure to foreign currency risk.

Following table contains details of the carrying amounts of Company's unhedged foreign currency denominated in Indian Rupees at the end of the reporting period.

	As at March 31, 2019	As at March 31, 2018
<b>Amount Payable</b>		
US Dollar (USD)	5.84	12.48
GBP	-	0.37

A 5% strengthening in USD and GBP will decrease the profit for the year by ₹ 0.29 crore (2017-18: ₹ 0.64 crore) and a 5% weakening in USD and GBP will increase the profit for the year by ₹ 0.29 crore (2017-18: ₹ 0.64 crore). In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### 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 borrows the money at variable interest rate and therefore it is exposed to interest rate risk.

The interest rate risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The company is not exposed to significant interest rate risk as at the respective reporting dates.

### Other price risk

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

If equity prices had been 5% higher/ lower, other comprehensive income for the year would increase/decrease by ₹ 2.00 crore (2017 - 2018: increase/decrease by ₹ 2.00 crore) as a result of the changes in fair value of shares measured at fair value through other comprehensive income.

### (i) Credit risk

Credit risk is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. The credit risk arises primarily on trade receivables, store deposit with landlord of stores and deposits with banks and financial institutions and other financial instruments.

# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

Most of the Company's sales is on the counter sale i.e. cash and carry basis on which no credit risk arises, however credit risk arises to the Company on sales to institutional customers/ wholesale customers. Company manages the credit risk arising from trade receivables through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers. Company's customer base is widely spread and therefore it does not have concentration of credit risk. Company manages credit risk on store deposits by timely advance negotiation with landlord of store or through legal action.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that there is no substantial change in the economic environment affecting customers of the Company, the Company expects the historical trend of immaterial credit losses to continue. Following is the change in the loss allowance measured using life-time expected credit loss.

	2018-2019	2017-2018
Opening Balance	0.13	-
Provided during the year	0.42	0.13
<b>Closing Balance</b>	<b>0.55</b>	<b>0.13</b>

Credit risk on cash and bank balances is limited as company counterparties are banks or financial institutions with high credit ratings assigned credit rating agencies.

## (ii) Liquidity risk

Liquidity risk is the risk that the company will fail in meeting its obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Company monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based. It include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
<b>As at March 31, 2019</b>					
Borrowing including Interest accrued	875.60	222.56	603.17	49.87	875.60
Trade payable	1669.19	1669.19	-	-	1669.19
Security deposit received	99.32	99.32	-	-	99.32
Other financial liabilities	217.94	217.94	-	-	217.94
Derivative liabilities (net basis)	6.26	-	6.26	-	6.26

	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
As at March 31, 2018					
Borrowing including Interest accrued	734.63	157.72	551.91	25.00	734.63
Trade payable	1047.11	1047.11	-	-	1047.11
Security deposit received	86.47	86.47	-	-	86.47
Other financial liabilities	140.95	140.95	-	-	140.95
Derivative liabilities (net basis)	5.00	-	5.00	-	5.00



# Notes

Forming Part of the Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 40) Miscellaneous Expenses

Miscellaneous Expenses consist of the following:

	2018-2019	2017-2018
House Keeping and Security Expenses	51.68	42.54
Credit Card Charges	39.09	36.18
Legal and Professional Charges	20.37	14.98
Travelling and Conveyance Expenses	11.61	13.94
Other Expenses	82.69	66.84
<b>Total</b>	<b>205.44</b>	<b>174.48</b>

- 41)** The Hon'ble Supreme Court of India by its order dated February 28, 2019, in the case of M/s. Surya Roshni Limited and others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni Limited has filed a review petition with Hon'ble Supreme Court of India which is pending for disposal. Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.
- 42)** The Company has transferred its Lee Cooper business on slump exchange to its step down subsidiary Future Speciality Retail Limited (FSRL) during the financial year 2016-17. The Company along with other parties have entered into an investment agreement with the subscribers of CCPS issued by FSRL which allow an exit option to them at an agreed price as per the terms of the agreement.

As per our report of even date attached

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

Mumbai  
May 01, 2019

For and on behalf of the Board of Directors

**Shailesh Haribhakti**  
Chairperson

**Dr. Darlie Koshy**  
Director

**Avni Biyani**  
Director

**Kishore Biyani**  
Managing Director

**Bijou Kurien**  
Director

**Kaleeswaran Arunachalam**  
Chief Financial Officer

**Sharda Agarwal**  
Director

**C. P. Toshniwal**  
Director

**Sanjay Kumar Mutha**  
Company Secretary

**Rakesh Biyani**  
Director

**Narayan Ramachandran**  
Director

# Independent Auditor's Report

To  
The Members of  
**Future Lifestyle Fashions Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Future Lifestyle Fashions Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, which comprises of the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated 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 consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019,

and the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

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

Sr No	Key Audit Matter	Auditor's Response
1.	<b>Revenue Recognition</b> Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	<b>Principal Audit Procedures</b> We assessed the appropriateness of the revenue recognition accounting policies, including those relating to discounts by comparing with new revenue accounting standard. Tested the relevant information technology system's access and change management controls which govern revenue recognition interfaces between different systems and key management controls over revenue recognition to assess the completeness of the revenue entries being recorded in the accounting system. We performed substantive testing by selecting samples of discount transactions recorded during the year and comparing the parameters used in the calculation of discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of discounts was in accordance with the terms and conditions defined in the corresponding schemes. Performed analytical procedures for reasonableness of revenues.
2.	<b>Valuation of Inventory</b> We identified this matter as key in our audit due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory.	<b>Principal Audit Procedures</b> Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process. Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard. Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system. Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory. Verification of the determination of net realisable value on a representative sample basis

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

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

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

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

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

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making Judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 Holding Company and its subsidiary companies and jointly controlled entities which are companies, 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events

## Independent Auditor's Report

or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets (net) of ₹ 0.34 crores as at March 31, 2019, total revenues of ₹ NIL and net cash inflows amounting to ₹ (0.08) crores for the year ended on that date as considered in the consolidated financial statements. These financial statements and the other financial information have been audited by other auditor whose report

has been furnished to us by the Management, and our opinion on the consolidated results to the extent they have been derived from such financial statements is based solely on the other auditor's report. The consolidated financial statements also includes the Group's share of loss after tax of ₹ 0.28 crores for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of two jointly controlled entities, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and other disclosures included in respect of these subsidiary and jointly controlled entities, is based solely on the reports of their respective auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and its subsidiaries and jointly controlled entities and the reports of the statutory auditors of one of its subsidiary company and two jointly controlled entities, none of the directors of the Group companies 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 the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's

reports of the Holding Company and its subsidiary companies and jointly controlled entities. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

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

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

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

- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
- ii. The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entities.

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

Mumbai  
May 01, 2019

### Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the Consolidated Ind AS financial statement of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Future Lifestyle Fashions Limited ("the Holding Company") and its subsidiary companies and jointly controlled entities which are companies, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies and its jointly controlled entities which are companies, are 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") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required 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 judgement, including the assessment of the risk of material misstatement of the Ind As financial statement, 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 financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorisation of management and directors of the company; and
3. provide reasonable 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 financial statements.

#### Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

### Opinion

In our opinion and to the best of our information and according to explanation given and based on the consideration of report of other auditors, as referred to in other matters paragraph, the Holding Company, its subsidiary companies and its jointly controlled entities, which are companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding 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 ICAI.

### Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies and jointly controlled entities, is based on the corresponding reports of the auditors of such company.

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 119850W

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

Mumbai  
May 01, 2019

# Consolidated Balance Sheet

as at March 31, 2019

(All amounts in INR crore, unless otherwise stated)

	Note	As at March 31, 2019	As at March 31, 2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	1,229.55	894.02
Capital work-in-progress		157.81	290.49
Intangible assets	3	44.18	30.44
<b>Financial assets</b>			
Investments	4	305.09	174.93
Loans	5	145.31	126.69
Others financial assets	6	0.08	0.05
Deferred tax assets (net)	25	28.27	39.18
Non-current tax assets (net)		7.44	5.97
Other non-current assets	7	89.56	77.12
<b>Total Non - Current Assets</b>		<b>2,007.29</b>	<b>1,638.89</b>
<b>Current Assets</b>			
Inventories	8	2,031.48	1,482.88
<b>Financial assets</b>			
Investments	4	43.95	42.12
Trade receivables	9	390.29	303.22
Cash and cash equivalents	10	116.51	36.06
Other balances with banks	11	9.09	9.13
Loans	5	189.19	96.65
Others financial assets	6	6.14	14.49
Other current assets	7	266.65	174.98
<b>Total Current Assets</b>		<b>3,053.30</b>	<b>2,159.53</b>
<b>Total Assets</b>		<b>5,060.59</b>	<b>3,798.42</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	12	38.91	38.08
Convertible non-participating preference share capital	12	0.01	0.01
Other equity	13	1,788.12	1,491.52
<b>Equity attributable to owners of the Group</b>		<b>1,827.04</b>	<b>1,529.61</b>
Non-controlling interests		0.01	0.01
<b>Total Equity</b>		<b>1,827.05</b>	<b>1,529.62</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	673.28	612.27
Other financial liabilities	15	6.26	5.00
Provisions	16	8.93	8.86
<b>Total Non - Current Liabilities</b>		<b>688.47</b>	<b>626.13</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	136.31	135.63
Trade payables			
Dues of micro enterprises and small enterprises	34	18.79	9.51
Dues of creditors other than micro enterprises and small enterprises		1,781.11	1,083.70
Other financial liabilities	15	434.00	290.76
Other current liabilities	17	67.30	26.35
Provisions	16	107.56	87.77
Current tax liabilities (Net)		-	8.95
<b>Total Current Liabilities</b>		<b>2,545.07</b>	<b>1,642.67</b>
<b>Total Equity and Liabilities</b>		<b>5,060.59</b>	<b>3,798.42</b>

The accompanying notes are forming part of the financial statements

1-39

As per our report of even date attached

For and on behalf of the Board of Directors

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Shailesh Haribhakti**  
Chairperson

**Kishore Biyani**  
Managing Director

**Sharda Agarwal**  
Director

**Rakesh Biyani**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

**Dr. Darlie Koshy**  
Director

**Bijou Kurien**  
Director

**C. P. Toshniwal**  
Director

**Narayan Ramachandran**  
Director

Mumbai  
May 01, 2019

**Avni Biyani**  
Director

**Kaleeswaran Arunachalam**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in INR crore, unless otherwise stated)

	Note	2018-2019	2017-2018
<b>Revenue</b>			
Revenue from operations	18	5,728.12	4,498.22
Other income	19	38.31	34.10
<b>Total Revenue</b>		<b>5,766.43</b>	<b>4,532.32</b>
<b>Expenses</b>			
Cost of materials consumed		1.65	22.23
Purchases of stock-in-trade		4,237.35	2,803.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	20	(549.56)	20.97
Excise duty on sales of goods		-	0.25
Employee benefits expense	21	330.79	264.86
Finance costs	22	116.82	108.26
Depreciation and amortisation expense	3	207.10	153.89
Other expenses	23	1,182.01	972.84
<b>Total Expenses</b>		<b>5,526.16</b>	<b>4,346.68</b>
<b>Profit Before Tax</b>		<b>240.27</b>	<b>185.64</b>
Tax Expense	24	46.52	58.59
<b>Profit Before Non-Controlling Interests/Share in Net Loss of Associates and Joint Ventures</b>		<b>193.75</b>	<b>127.05</b>
Share in Net Loss of Associates and Joint Ventures		4.75	0.96
<b>Profit for the Year</b>		<b>189.00</b>	<b>126.09</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined employee benefit plans		0.94	1.26
(b) Change in fair value of investments in equity shares carried at fair value through OCI		0.62	0.67
Income tax relating to items that will not be reclassified to profit or loss		(0.33)	0.61
<b>Total Other Comprehensive Income, Net of Tax</b>		<b>1.23</b>	<b>2.54</b>
<b>Total Comprehensive Income for the year</b>		<b>190.23</b>	<b>128.63</b>
<b>Profit for the year Attributable to:</b>			
Owners of the Group		188.99	126.08
Non-controlling interests		0.01	0.01
<b>Total Comprehensive Income for the Year Attributable to:</b>			
Owners of the Group		190.22	128.62
Non-controlling interests		0.01	0.01
<b>Earnings per equity share of Face Value of ₹ 2 each</b>	30		
Basic (₹)		9.82	6.63
Diluted (₹)		9.79	6.61

The accompanying notes are forming part of the financial statements

1-39

As per our report of even date attached

For and on behalf of the Board of Directors

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Shailesh Haribhakti**  
Chairperson

**Kishore Biyani**  
Managing Director

**Sharda Agarwal**  
Director

**Rakesh Biyani**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

**Dr. Darlie Koshy**  
Director

**Bijou Kurien**  
Director

**C. P. Toshniwal**  
Director

**Narayan Ramachandran**  
Director

Mumbai  
May 01, 2019

**Avni Biyani**  
Director

**Kaleeswaran Arunachalam**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts in INR crore, unless otherwise stated)

## A) Equity Share Capital

Balances as at April 01, 2017	38.00
Issue of Equity shares under employee share option plan (ESOP) (Refer Note 35)	0.08
Balances as at March 31, 2018	38.08
Issue of Equity shares under employee share option plan (ESOP) (Refer Note 35)	0.07
Issue on preferential basis (Refer Note 12)	0.76
<b>Balances as at March 31, 2019</b>	<b>38.91</b>

## B) Other Equity

	Reserve and Surplus							Total other equity			
	Equity Component of Compound Financial Instruments	Capital Reserve	Securities Premium	Debt Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings		Equity instruments through Other Comprehensive Income	Attributable to Owners of the group	Non-controlling Interests
Balance as at April 01, 2017	174.83	475.09	299.45	50.00	4.28	38.04	299.41	3.94	1345.04	(0.00)	1345.04
Profit for the Year	-	-	-	-	-	-	126.08	-	126.08	0.01	126.09
Other Comprehensive income for the year, Net of income tax	-	-	-	-	-	-	0.83	1.71	2.54	-	2.54
Total Comprehensive income for the year	-	-	-	-	-	-	126.91	1.71	128.62	0.01	128.63
Transfer to Securities premium on exercise of ESOP	-	-	3.69	-	(3.59)	-	-	-	-	-	-
Issue of Equity shares on exercise of ESOP	-	-	0.33	-	-	-	-	-	0.33	-	0.33
Recognition of Share-based payments	-	-	-	-	10.86	-	-	-	10.86	-	10.86
Payment of Dividend on Equity Shares	-	-	-	-	-	-	(15.22)	-	(15.22)	-	(15.22)
Payment of tax on Dividend on Equity Shares	-	-	-	-	-	-	(3.10)	-	(3.10)	-	(3.10)
Issue of Compulsory Convertible Preference Shares	-	-	24.99	-	-	-	-	-	24.99	-	24.99
Balance as at March 31, 2018	174.83	475.09	328.36	50.00	11.55	38.04	408.00	5.65	1491.52	0.01	1491.53

(All amounts in INR crore, unless otherwise stated)

	Reserve and Surplus										
	Equity Component of Compound Financial Instruments	Capital Reserve	Securities Premium	Debt Redemption Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Attributable to Owners of the group	Non-controlling Interests	Total other equity
Profit for the Year	-	-	-	-	-	-	188.99	-	188.99	0.01	189.00
Other Comprehensive income for the year, Net of income tax	-	-	-	-	-	-	0.61	0.62	1.23	0.00	1.23
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	-	<b>189.60</b>	<b>0.62</b>	<b>190.22</b>	<b>0.01</b>	<b>190.23</b>
Transfer to Securities premium on exercise of ESOP	-	-	3.39	-	(3.39)	-	-	-	-	-	-
Received on Issue of Equity shares	-	-	170.14	-	-	-	-	-	170.14	-	170.14
Transfer to Debenture Redemption Reserve	-	-	-	50.00	-	-	(50.00)	-	-	-	-
Transfer to General Reserve	-	-	-	(50.00)	-	50.00	-	-	-	-	-
Impairment of Assets	-	(48.10)	-	-	-	-	-	-	(48.10)	-	(48.10)
Recognition of Share-based payments	-	-	-	-	12.48	-	-	-	12.48	-	12.48
Payment of Dividend on Equity Shares	-	-	-	-	-	-	(23.33)	-	(23.33)	-	(23.33)
Payment of tax on Dividend on Equity Shares	-	-	-	-	-	-	(4.80)	-	(4.80)	-	(4.80)
<b>Balance as at March 31, 2019</b>	<b>174.83</b>	<b>426.99</b>	<b>501.89</b>	<b>50.00</b>	<b>20.64</b>	<b>88.04</b>	<b>519.46</b>	<b>6.27</b>	<b>1788.12</b>	<b>0.01</b>	<b>1788.13</b>

As per our report of even date attached

For **NGS & Co. LLP**

Chartered Accountants

Firm Registration No. 119850W

**Ashok A. Trivedi**

Partner

Membership No. 042472

Mumbai

May 01, 2019

For and on behalf of the Board of Directors

**Shailesh Haribhakti**

Chairperson

**Kishore Bijani**

Managing Director

**Sharda Agarwal**

Director

**Rakesh Bijani**

Director

**Dr. Darlie Koshy**

Director

**Bijou Kurien**

Director

**C. P. Toshniwal**

Director

**Narayan Ramachandran**

Director

**Arvi Bijani**

Director

**Kaleeswaran Arunachalam**

Chief Financial Officer

**Sanjay Kumar Mutha**

Company Secretary

# Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(All amounts in INR crore, unless otherwise stated)

	2018-19	2017-18
<b>A. Cash Flows from Operating Activities</b>		
Profit for the year	189.00	126.09
<b>Adjustments to Reconcile Net Profit to Net Cash Generated by Operating Activities</b>		
Income tax expense	46.52	58.59
Finance costs	116.82	108.27
Interest income	(31.96)	(23.42)
Loss on disposal/discard of property, plant and equipment	28.01	22.19
Expected credit loss allowance (for doubtful debts)	0.42	0.13
Depreciation and amortisation of property, plant and equipment and intangible assets	207.10	153.89
Share of Loss of Associates and Joint Ventures	4.75	0.96
Expense recognised in respect of equity-settled share-based payments	12.48	10.86
Bad Debts/(Sundry Balances written back)	0.32	(0.60)
<b>Cash Generated from Operations before Working Capital Changes</b>	<b>573.46</b>	456.96
<b>Movements in working capital:</b>		
(Increase)/Decrease in trade and other receivables	(84.18)	93.73
(Increase)/Decrease in inventories	(548.60)	22.88
(Increase)/Decrease in other assets	(111.17)	36.63
Increase/ (Decrease) in trade payables	706.65	(132.38)
Increase in provisions	20.80	51.14
Increase in other liabilities	51.52	24.71
<b>Cash Generated from Operations</b>	<b>608.48</b>	553.67
Direct taxes paid	(46.30)	(45.55)
<b>Net Cash Generated by Operating Activities</b>	<b>562.18</b>	508.12
<b>B. Cash Flows from Investing Activities</b>		
Inter corporate deposit (Given) (Net)	(92.54)	(54.27)
Interest received	31.96	23.42
Payments for property, plant and equipment, intangible assets and capital advances	(432.08)	(462.52)
Proceeds from disposal of property, plant and equipment	0.79	1.09
Payment to acquire financial assets - Investment	(136.12)	(0.96)
Realisation of deposits/restricted deposits with banks	0.04	5.57
<b>Net Cash (Used in) Investing Activities</b>	<b>(627.95)</b>	(487.67)
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from issue of equity instruments of the company	170.97	0.41
Proceeds from issue of compulsory convertible preference shares	-	25.00
Proceed from borrowings	120.20	101.61
Interest paid	(116.82)	(108.27)
Dividend paid (including dividend distribution tax)	(28.13)	(18.31)
<b>Net Cash Generated by Financing Activities</b>	<b>146.22</b>	0.44
<b>Net Increase in Cash and Cash Equivalents</b>	<b>80.45</b>	20.89
Cash and cash equivalents at the beginning of the year	36.06	15.17
<b>Cash and Cash Equivalents at the End of the Year (Refer Note 10)</b>	<b>116.51</b>	36.06

As per our report of even date attached

For and on behalf of Board of Directors

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Shailesh Haribhakti**  
Chairperson

**Kishore Biyani**  
Managing Director

**Sharda Agarwal**  
Director

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**Bijou Kurien**  
Director

**C. P. Toshniwal**  
Director

**Narayan Ramachandran**  
Director

Mumbai  
May 01, 2019

**Avni Biyani**  
Director

**Kaleeswaran Arunachalam**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

# Notes Forming Part of the Consolidated Financial Statements

## 1) Corporate Information

Future Lifestyle Fashions Ltd ("The Company") is a company incorporated in India under the provisions of Companies Act, 1956 on May 30, 2012. The registered address of the Company is Knowledge House, Shyam Nagar, off. Jogeshwari-Vikhroli Link Road, Jogeshwari (East) Mumbai - 400060. The Company is engaged in the business of Retailing of Fashion through Departmental and neighbourhood stores under various formats across the country. The shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited. The Financial Statements were approved for issue by the Board of Directors on May 01, 2019. The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crore except where otherwise indicated.

## 2) Significant Accounting Policies

### 2.1 Statement of Compliances with Indian Accounting Standards (Ind AS)

The consolidated financial statements of the Group (defined herein after) comply in all material aspects with Ind AS notified under section 133 of the Companies Act, 2013, [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other applicable laws.

### 2.2 Basis of Preparation and Presentation

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

### 2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries ("Group").

Control exists when the Group has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Entities are consolidated from the date control commences until the date control ceases.

The financial statements of the Company and entities controlled by the Group are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies by each entity in the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The Consolidated financial statement of the group comprises financial statement of Future Lifestyle Fashions Limited and the following Companies

# Notes

Forming Part of the Consolidated Financial Statements

Name of the Company	Relationship	Country of Incorporation	Principal Activities	Proportion of ownership interest	
				As at March 31, 2019	As at March 31, 2018
Future Trendz Limited	Subsidiary	India	Fashion Retail and investment in fashion Brand(s)	100.00%	100.00%
Future Speciality Retail Limited	Subsidiary	India	Fashion Retail	99.96%	99.96%
FLFL Business Services Limited	Subsidiary	India	Fashion Retail and related services	100.00%	100.00%
FLFL Travel Retail Bhubaneswar Private Limited	Joint Venture	India	Developing, marketing and managing retail outlets / space at Air Ports	51.00%	-
FLFL Travel Retail Guwahati Private Limited	Joint Venture	India	Developing, marketing and managing retail outlets / space at Air Ports	51.00%	-
FLFL Travel Retail West Private Limited	Joint Venture	India	Developing, marketing and managing retail outlets / space at Air Ports	51.00%	-
FLFL Travel Retail Lucknow Private Limited	Joint Venture	India	Developing, marketing and managing retail outlets / space at Air Ports	51.00%	-
FLFL Lifestyle Brands Limited	Joint Venture	India	Fashion Retail and investment in fashion Brands	49.02%	49.02%
Clarks Future Footwear Private Limited	Joint Venture	India	Fashion Retail	1.00%	1.00%
Holii Accessories Private Limited	Joint Venture	India	Fashion Retail	1.00%	1.00%

## 2.4 Investments in Associate and Joint Venture

Associate is an entity over which the Group has significant influence but not having control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associate and joint venture is accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the associate/ joint venture after the acquisition date. The Group's investment in associates and joint ventures includes goodwill identified on acquisition, if any.

## 2.5 Business Combination

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 Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in 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 deferred tax assets or liabilities. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests

in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

## 2.6 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

An item of property, plant and equipment and any significant part initially recognised 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 or Loss when the asset is derecognised.

Depreciation on property, plant and equipment has been provided on Straight Line Method over their useful lives. Estimated useful lives of the assets are as below:

Property, Plant and Equipment	Number of Years
Plant and Equipment	15 years
Office Equipment	5 years
Furniture, Fixture and other Fittings*	7 years
Leasehold Improvement*	Lease term or 7 years, whichever is lower
Vehicle	8 years
Computers (End User Device)	3 years
Computers (Other than End User Device)	6 years

\*Based on technical evaluation, the management believes that the

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

The residual values, estimated useful lives and methods of depreciation are reviewed at the end of each reporting period and the effect of any changes in estimate are accounted for prospectively.

### 2.7 Intangible Assets

Intangible Assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period and the effect of any changes in estimate are accounted for prospectively.

Estimated useful lives of the Intangible assets are as follows:

Intangible Assets	Useful lives
Computer Software	6 years
License Rights	Over the period of License

### 2.8 Goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination (refer below policy on impairment of non-financial assets).

### 2.9 Impairment of non-financial assets (including investment in associate and joint venture)

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets (including investment in associates and joint venture) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

### 2.10 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties including taxes. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Effective April 01, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

#### Sale of Goods

The Group deals in fashion products including apparel, footwear and accessories to both the large format stores and directly to customers through its own retail outlets.

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For sales of fashion products, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered as this represents the point in time at which the right to consideration becomes

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unconditional, as only the passage of time is required before payment is due.

## Rendering of services

Revenue from a contract to provide services is recognised as they are rendered based on arrangements with the customers.

## Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.

## 2.11 Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense in the statement of profit and loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss.

## 2.12 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 consolidated 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 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 consolidated 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 for all deductible temporary differences to the extent that it is probable that taxable profits will be available against those deductible temporary differences which can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference rises 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 Group 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 consolidated 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## 2.13 Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of the Group by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share adjusts the figure used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity share and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



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## 2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

## 2.15 Employee benefits

### Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus etc. are recognised as an expense at the undiscounted amount in consolidated statement of profit and loss for the period in which the related service is rendered.

### Post-employment defined contribution benefits

Payment to defined contribution plans such as provident fund, employee state insurance etc. are recognised as expense when employees have rendered services entitling them to such contributions. Group has no further payment obligations once the contributions have been paid. Amount of expenses recognised is equal to the amount of contribution made by the group.

### Post-employment defined benefit benefits

Cost of post-employment benefit plans such as gratuity are recognised as an expense in the consolidated statement of profit and loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period. Service cost (including current service cost, past service cost) and interest expense are recognised in consolidated statement of profit and loss. Gains and losses through re-measurements of the net defined benefit liability are recognised in other comprehensive income. The effect of any plan amendments are recognised in consolidated statement of profit and loss.

### Other long term employee benefits

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 Group in respect of services provided by employees up to the reporting date. Cost of other long term benefits

are determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period and the cost (including remeasurement) is recognised in consolidated statement of profit and loss.

## 2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Cost of inventories comprise of cost of purchase, cost of conversion and other related cost incurred in bringing the inventories to their present location and condition.

## 2.17 Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than that entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in consolidated statement of profit and loss in the period in which they arise except for exchange differences which are regarded as an adjustment to interest cost as per policy on borrowing cost.

## 2.18 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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. Contingent assets are neither recognised nor disclosed in the financial statements.

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## 2.19 Financial instruments

### Classification as financial liability or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

### Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Group 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 or a group entity'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 re-measured. 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.

### Financial assets and financial liabilities – initial recognition

Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of investments, loans, deposits, trade receivables and cash and bank balances. Financial liabilities primarily comprise of borrowings, trade and other payables and financial guarantee contracts.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets/ issue

of financial liabilities are added to the fair value of the financial assets/ subtracted from fair value of financial liabilities on initial recognition, except for financial asset/ liability is subsequently measured at fair value through profit or loss.

### Subsequent measurement

#### Financial assets

Financial assets are measured subsequent based on their classification. The Company classifies its financial assets in the following measurement categories:

- a. At amortised cost; - Assets that are held for the collection of contractual cash flow where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- b. At fair value through other comprehensive income - Assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Changes in fair value of instrument is taken to other comprehensive income which are reclassified to Statement of profit and loss.
- c. At fair value through Statement of profit and loss) Assets that do not meet the criteria for amortised cost or FVOCI are measured as fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the statement of profit and loss. Dividend income from these financial assets is included in other income.

#### Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### Investment in equity instruments either at FVTPL or FVTOCI

Investment in equity instruments are measured at FVTPL with fair value changes is being recognised in consolidated statement of profit and loss. However, on initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if

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the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

### Financial guarantee obligation

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

After initial recognition of financial guarantee obligation at fair value, the Group subsequently measured it at the higher of:

- amount of loss determined in accordance with impairment requirement under Ind AS 109 (see policy on impairment of financial asset); and
- the amount initially recognised less, when appropriate, the cumulative income recognised.

### Impairment of financial asset

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

### Derecognition of financial asset

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

## 2.20 Share-based payment arrangement

### Share-based payment transactions of the Group

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/option 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group 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 consolidated statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding reserve.

## 2.21 Operating segment

The management views the Group's operation as a single segment engaged in business of Branding, Manufacturing, Processing, Selling and Distribution of "Fashion Products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

## 2.22 Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the accounting policies, the Group is required to make judgements, 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 period of the revision and future period, if the revision affects current and future periods.

### Key sources of estimation uncertainty

#### 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

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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.

#### **Impairment of property, plant and equipment, investment in joint venture and associate and impairment of goodwill**

Determining whether the assets 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.

#### **Provisions, liabilities and contingencies**

The timing of recognition of provision requires application of judgement to existing facts and circumstances which may be subject to change

#### **Fair value measurements**

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of estimate is required in establishing fair values.

## **2.23 Application of new and revised standards**

#### **Ind AS 116- Leases:**

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) 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 01, 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. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The standard permits two possible methods of transition:

**Full retrospective** - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

**Modified retrospective** - Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application, or

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Group operating leases mainly relate to store Leases and Office Premises which are on lease terms ranging from 5 to 18 years. The Group is currently in the process of evaluating the impact, this standard will have on its financial statements.

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(All amounts in INR crore, unless otherwise stated)

## 3) Property, Plant and Equipment and Intangible Assets

Descriptions of Assets	Gross Block (At cost / deemed cost)				Depreciation / Amortisation			Net Block	
	As at April 01, 2018	Additions	Deletions	As at March 31, 2019	As at April 01, 2018	For the Year	Deletions	As at March 31, 2019	As at March 31, 2018
<b>A Property, plant and equipment</b>									
Leasehold Improvements	167.96	124.74	8.25	284.45	27.91	34.41	3.19	59.13	140.05
Plant and Equipments	174.95	54.89	27.84	202.00	25.48	14.03	5.66	33.85	149.47
Office Equipments	23.65	11.16	0.64	34.17	6.16	5.55	0.33	11.38	17.49
Computers	40.29	20.93	2.72	58.50	16.48	11.25	2.03	25.70	23.81
Furniture, Fixtures and Other Fittings	700.63	394.75	76.18	1,019.20	138.32	128.67	27.64	239.35	562.31
Vehicles	1.06	-	0.21	0.85	0.17	0.12	0.08	0.21	0.89
<b>Total</b>	<b>1,108.54</b>	<b>606.47</b>	<b>115.84</b>	<b>1,599.17</b>	<b>214.52</b>	<b>194.03</b>	<b>38.93</b>	<b>369.62</b>	<b>894.02</b>
<b>B Intangible assets</b>									
Computer Software	14.01	0.35	0.00	14.36	6.11	3.21	0.00	9.32	7.90
Trademarks, Copyrights and Patents	26.96	26.46	-	53.42	4.42	9.86	-	14.28	22.54
<b>Total</b>	<b>40.97</b>	<b>26.81</b>	<b>0.00</b>	<b>67.78</b>	<b>10.53</b>	<b>13.07</b>	<b>0.00</b>	<b>23.60</b>	<b>30.44</b>
<b>Grand Total</b>	<b>1,149.51</b>	<b>633.28</b>	<b>115.84</b>	<b>1,666.95</b>	<b>225.05</b>	<b>207.10</b>	<b>38.93</b>	<b>393.22</b>	<b>924.46</b>
Previous Year	818.19	361.86	30.54	1,149.51	78.41	153.89	7.25	225.05	739.78

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## 4) Investments

	Number of Units		Amount	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Non-Current Investments</b>				
<b>Trade Investments fully paid up of ₹10 each unless otherwise stated</b>				
<b>Quoted</b>				
Koovs plc (£ 0.10 per ordinary share)	5,78,76,600	-	52.53	-
<b>Aggregate book value of quoted Non-Current Investments</b>			<b>52.53</b>	-
<b>Unquoted</b>				
<b>Investment in Equity Instruments</b>				
<b>Joint Venture (accounted for using the equity method)</b>				
FLFL Lifestyle Brands Limited	50,000	50,000	168.27	168.37
<b>Others (at fair value through other comprehensive income)</b>				
Renew Wind Power Karnataka Private Limited	6,400	6,400	0.06	0.06
<b>Investment in Optionally Convertible Debentures</b>				
<b>Joint Venture (accounted for using the equity method)</b>				
FLFL Lifestyle Brands Limited -Series I	65,00,000	65,00,000	6.50	6.50
FLFL Lifestyle Brands Limited -Series II	7,77,30,000	-	77.73	-
<b>Aggregate book value of unquoted Non-Current Investments</b>			<b>252.56</b>	174.93
			<b>305.09</b>	174.93
<b>Current Investments</b>				
<b>Trade Investments fully paid up of ₹10 each unless otherwise stated</b>				
<b>Unquoted</b>				
<b>Investment in Equity Instruments</b>				
<b>Joint Ventures (accounted for using the equity method)</b>				
Clarks Future Footwear Private Limited	9,80,000	9,80,000	3.19	1.93
Holii Accessories Private Limited	1,90,000	1,90,000	0.16	0.21
<b>Others (at fair value through other comprehensive income)</b>				
SSIPL Retail Limited	6,09,197	6,09,197	40.60	39.98
<b>Aggregate book value of unquoted Current Investments</b>			<b>43.95</b>	42.12

## 5) Loans (Unsecured, Considered Good)

	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Security Deposits	145.31	126.69
	<b>145.31</b>	126.69
<b>Current</b>		
Security Deposits	21.93	21.93
Inter Corporate Deposits	167.26	74.72
	<b>189.19</b>	96.65

## 6) Others Financial Assets

	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Bank deposits more than 12 months maturity	0.08	0.05
	<b>0.08</b>	0.05
<b>Current</b>		
Insurance Claim Receivable	5.17	6.66
Other Receivables	0.97	7.83
	<b>6.14</b>	14.49

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(All amounts in INR crore, unless otherwise stated)

## 7) Other Assets

	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
Capital Advances	15.02	8.14
Prepaid Expenses	74.54	68.98
	<b>89.56</b>	77.12
<b>Current</b>		
Balance with Government authorities	164.04	66.33
Advance to suppliers	63.16	71.03
Prepaid Expenses	26.76	26.76
Others	12.69	10.86
	<b>266.65</b>	174.98

## 8) Inventories

	As at March 31, 2019	As at March 31, 2018
Raw-Materials	-	0.96
Work-in-Progress	-	0.07
Stock-in-Trade (Goods-in-Transit of ₹ 44.16 crore, 2017-18: ₹ 22.99 crore)	2,029.31	1,453.30
Finished Goods	-	27.23
Packing Material	2.17	1.32
	<b>2,031.48</b>	1,482.88

## 9) Trade Receivables (Unsecured)

	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Considered Good	390.29	303.22
Considered Doubtful	0.55	0.13
	390.84	303.35
Less :- Expected credit loss allowance (for doubtful receivables)	0.55	0.13
	<b>390.29</b>	303.22

## 10) Cash and Cash Equivalents

	As at March 31, 2019	As at March 31, 2018
Cash on Hand	15.81	4.55
In Current Accounts	34.33	19.22
Cheques on Hand	25.50	0.01
Balance with credit card and e-wallet companies	40.87	12.28
	<b>116.51</b>	36.06

## 11) Other Balances with Banks

	As at March 31, 2019	As at March 31, 2018
Bank deposits (with maturity less than 12 months)	8.94	9.06
Earmarked Accounts (for unpaid dividend)	0.15	0.07
	<b>9.09</b>	9.13

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 12) Share Capital

### (a) Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	25,00,00,000	50.00	25,00,00,000	50.00
	<b>25,00,00,000</b>	<b>50.00</b>	25,00,00,000	50.00
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 2/- each	19,45,68,077	38.91	19,04,13,837	38.08
	<b>19,45,68,077</b>	<b>38.91</b>	19,04,13,837	38.08

### Reconciliation of number of shares :

Equity Share of ₹ 2/- each

	As at	As at
	March 31, 2019	March 31, 2018
	No. of Shares	No. of Shares
At the beginning of the year	19,04,13,837	19,00,13,456
Add : Shares issued on exercise of employee stock option	3,31,776	4,00,381
Add : Issued during the year*	38,22,464	-
<b>At the end of the year</b>	<b>19,45,68,077</b>	19,04,13,837

\* The Board of Directors at its meeting held on May 18, 2018 and the Shareholders of the Company at their meeting held on June 14, 2018, have approved issue of 38,22,464 equity shares of face value of ₹ 2 each fully paid-up at an issue price of ₹ 445.50 per equity share for cash, including a premium of ₹ 443.50 per equity share, aggregating to ₹ 170.29 crore to Spectacular Investment Pte. Limited under the preferential allotment of the Company.

### Terms/Rights Attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share.

The company declares and pays dividends in Indian Rupees (₹). The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by the shareholders.

### Details of shareholders holding more than 5% shares in the Company :

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ryka Commercial Ventures Private Limited, Parent Company	10,16,64,765	52.25	10,46,47,747	54.96
Spectacular Investments PTE Limited	1,94,04,207	9.97	-	-
Pioneer Investment Fund	77,37,079	3.98	1,55,27,950	8.15

### Share options granted under the Company's employee share option plan

Share options granted under the company's employee share option plan carry no right to dividends and no voting rights. Further details of the employee share option plan are provided in note 35.



# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## (b) Compulsory Convertible Preference Shares Series II

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
<b>Authorised</b>				
Compulsory Convertible Preference Shares Series II of ₹ 910/- each	100	0.01	100	0.01
	<b>100</b>	<b>0.01</b>	100	0.01
<b>Issued, Subscribed and Paid up</b>				
Compulsory Convertible Preference Shares Series II of ₹ 910/- each	100	0.01	100	0.01
	<b>100</b>	<b>0.01</b>	100	0.01

### Reconciliation of number of shares :

Compulsory Convertible Preference Shares Series II of ₹ 910/- each

	As at	As at
	March 31, 2019	March 31, 2018
At the beginning of the year	No. of Shares	No. of Shares
	100	-
Add : Issued during the year	-	100
At the end of the year	<b>100</b>	100

### Terms/Rights Attached to CCPS Series II

CCPS Series II: The Company has CCPS Series II having a par value of ₹ 910 per share. Each share is convertible into equity shares of the company such that the percentage of CCPS holder's shareholding post conversion is at least 2.5% of the equity shares of the Company on a fully diluted basis. In the event of liquidation of the Company, the holder of CCPS shall rank senior to equity shares and other classes or series of the share capital of the Company.

### Details of shareholders holding more than 5% shares in the Company :

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
India Insight Fund (an alternate Investment Fund)	100	100.00	100	100.00

## 13) Other Equity

	As at	As at
	March 31, 2019	March 31, 2018
Capital Reserve	426.99	475.09
Securities Premium	501.89	328.36
Debenture Redemption Reserve	50.00	50.00
Share Options Outstanding Account	20.64	11.55
General Reserve	88.04	38.04
Retained Earnings	519.46	408.00
Equity Instruments through Other Comprehensive Income	6.27	5.65
Equity Component of Compound Financial Instruments	174.83	174.83
	<b>1,788.12</b>	1,491.52

For addition and deduction under each of the above heads refer statement of changes in Equity

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## Nature of Reserves

### Capital Reserve

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years.

### Securities Premium

Securities premium is used to record the premium received on issue of shares. The securities premium can be utilised only in accordance with the provisions of the Companies Act 2013.

### Debenture Redemption Reserve

Debenture Redemption Reserve is a Statutory Reserve (as per Companies Act, 2013) created out of profits of the Company available for payment of dividend for the purpose of redemption of Debentures issued by the Company.

### Share Options Outstanding Account

This reserve relates to share option granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 35.

### General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Items included in the general reserve will not be reclassified subsequently to profit or loss.

### Retained Earnings

This represents the surplus/(deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends 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.

### Equity Instruments through Other Comprehensive Income

Company has designated an investment in equity instrument at fair value through other comprehensive income in which cumulative changes in fair value of such instrument is accumulated in a separate reserve 'equity instruments through other comprehensive income' within other comprehensive income.

### Equity Component of Compound Financial Instruments

A group entity had issued compulsory convertible preference shares ("CCPS") with each CCPS being mandatorily convertible into equity shares of that group entity. The group entity also has an obligation to pay certain amount over a period to investors of CCPS. The CCPS is a compound instrument and therefore total proceeds is divided into equity and liability. Equity portion is presented under other equity as 'Equity Component of Compound Financial Instruments'.

## 14) Borrowings

	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
<b>Secured - at amortised cost</b>		
8.70% Redeemable Non Convertible Debentures (NCD)	349.08	348.56
Term Loans from Banks	303.97	225.31
Liability Component of Compound Financial Instruments	20.23	38.40
	<b>673.28</b>	612.27
<b>Current</b>		
<b>Secured - at amortised cost</b>		
Working Capital Loans from Banks	136.31	135.63
	<b>136.31</b>	135.63

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## Details of Security and Repayment Terms for Secured Non Current Borrowings :-

S. No.	Nature of Security	Terms of Interest and Repayment	As at March 31, 2019	As at March 31, 2018
<b>1</b>	<b>8.70 % NCD Series IV</b>			
	Secured by First pari-passu charge on entire Fixed Assets (movable and immovable), both present and future of the company with a minimum Fixed Assets Coverage Ratio of 1.15 times of the outstanding amount.	Redeemable at the end of 60 Months from the deemed date of allotment falling due on November 09, 2022. The instrument carries Put/Call Option at the end of 3rd and 4th year from the deemed date of allotment.  Interest of 8.70% p.a. payable annually from the deemed date of allotment.  Debentures are privately placed and listed on Wholesale Debt Segment of BSE Limited.	349.08	348.56
<b>2</b>	<b>Term Loans from Banks</b>			
(i) a)	Secured by First pari-passu charge on Fixed Assets (movable and immovable) both present and future of the company.	The Outstanding Loan is repayable in 8 step up quarterly installments. (Next installment due in June, 2019).  Interest :- Base Rate +1.10% i.e 10.25% p.a.  Interest is paid as and when due.	85.16	85.14
(ii) a)	Secured by First pari-passu charge on Fixed Assets (movable and immovable), both present and future of the company.	The Loan was prepaid and closed in April, 2018.  Interest :- IFCI Benchmark Rate + 0.75% p.a. Interest is paid as and when due.	-	25.00
b)	Pledge of Shares of the company, giving cover of at least 0.25 times the outstanding of Loan amount.			
c)	Personal Guarantee of Mr. Kishore Biyani and Mr. Vijay Biyani.			
d)	PDC's for Interest and Principal repayments.			
(iii) a)	Secured by First Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	The Outstanding Loan is repayable in 22 step-up quarterly installments. (Next Installment due in June, 2019)	140.40	128.17
b)	Secured by Second pari-passu Charge on entire current assets, both present and future of the company.	Interest :- One Year MCLR +1.00% 9.15% p.a. (as on March 31, 2019).  Interest is paid as and when due.		
(iv) a)	Secured by First pari-passu Charge on entire Fixed Assets (movable and immovable), both present and future of the company.	The Outstanding Loan is repayable in 23 step-up quarterly Installments. (Next Installment due in July, 2019)	149.91	-
b)	Secured by Second pari-passu Charge on entire current assets, both present and future of the company.	Interest :- One Year MCLR +1.00% 9.15% p.a. (as on March 31, 2019).  Interest is paid as and when due.		

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

S. No.	Nature of Security	Terms of Interest and Repayment	As at March 31, 2019	As at March 31, 2018
<b>3</b>	<b>Liability Component of Compound Financial Instruments</b>			
	<b>Compulsory Convertible Preference Shares - Series I</b>			
	The Company has issued compulsory convertible preference shares series I on March 31, 2017. Each share has a par value of ₹ 910 and is convertible into equity shares of the company such that the percentage of CCPS Series I holder's shareholding post conversion is at least 26% of the equity shares of the Company on a fully diluted basis. The preference shares carry a dividend of ₹ 24.38 crore p.a. payable annually in arrears. In the event of liquidation of the Company, the holder of CCPS shall rank senior to equity shares and other classes or series of the share capital of the Company.		42.69	60.86
			<b>767.24</b>	647.73
	Less : Current Maturities of Long Term Borrowings		93.96	35.46
	<b>Total</b>		<b>673.28</b>	612.27

## Details of Security and Repayment Terms for Secured Current Borrowings :-

Nature of Security	Terms of Interest and Repayment
<b>Working Capital Loans from Banks</b>	
Loans is secured by	The Working Capital Loan is repayable on Demand and the weighted Average Cost of the WC Loan is 10.20% in the Financial Year 2019.
a) First pari-passu charge on Current Assets ( excluding credit / debit card receivables)	
b) Second pari-passu charge on the Fixed Assets	

## 15) Other Financial Liabilities

	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Derivative liability	6.26	5.00
	<b>6.26</b>	5.00
<b>Current</b>		
Current Maturities of Long-Term Borrowings	93.96	35.46
Interest Accrued but not Due on Borrowings	14.74	12.13
Unclaimed Dividend	0.15	0.09
Creditors for Capital Supplies/Services	184.80	109.40
Payable to Employees	24.83	22.59
Security Deposits	100.76	86.50
Financial Guarantee Obligations	0.77	0.40
Other Payables	13.99	24.19
	<b>434.00</b>	290.76

## 16) Provisions

	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Gratuity	8.93	8.86
	<b>8.93</b>	8.86
<b>Current</b>		
Leave encashment	7.93	5.45
Gratuity	1.32	0.23
Provision for right of return	98.31	82.09
	<b>107.56</b>	87.77

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 17) Other Current Liabilities

	As at March 31, 2019	As at March 31, 2018
Advance received from customers	55.99	26.35
Other current liabilities	11.31	-
	<b>67.30</b>	<b>26.35</b>

## 18) Revenue from Operations

	2018-2019	2017-2018
Sale of Products	6,200.29	4,822.98
Less: Goods and Service Tax / Value Added Tax / Sales Tax	576.04	414.52
	<b>5,624.25</b>	<b>4,408.46</b>
Other Operating Revenue	103.87	89.76
	<b>5,728.12</b>	<b>4,498.22</b>

## 19) Other Income

	2018-2019	2017-2018
Interest Income		
On lease deposits measured at amortised cost	12.80	16.08
Bank deposits	0.56	0.32
Others	18.60	7.02
Miscellaneous Income	6.35	10.68
	<b>38.31</b>	<b>34.10</b>

## 20) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	2018-2019	2017-2018
<b>Opening Inventories</b>		
Finished Goods	27.23	35.74
Work-in-Progress	0.07	3.62
Stock- in-Trade	1,454.62	1,463.53
<b>Closing Inventories</b>		
Finished Goods	-	27.23
Work-in-Progress	-	0.07
Stock- in-Trade	2031.48	1,454.62
	<b>(549.56)</b>	<b>20.97</b>

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 21) Employee Benefits Expense

	2018-2019	2017-2018
Salaries, Incentives and Allowances	294.09	233.49
Expense on Employee Stock Option Scheme (Refer Note 35)	12.48	10.86
Contribution to Provident and Other Funds	16.82	14.74
Staff Welfare Expenses	7.40	5.77
	<b>330.79</b>	264.86

## 22) Finance Cost

	2018-2019	2017-2018
Interest Expense	93.31	92.90
Other Borrowing Costs	23.51	15.36
	<b>116.82</b>	108.26

## 23) Other Expenses

	2018-2019	2017-2018
Power and Fuel	136.68	115.25
Repairs and Maintenance		
Buildings	20.97	19.76
Others	8.65	6.89
Insurance	6.65	5.27
Rates and Taxes	7.98	7.64
Rent	549.92	452.81
Common Area Maintenance	58.81	49.47
Advertisement and Marketing	149.52	110.68
Loss on Disposal/Discard of Property, Plant and Equipment (Net)	28.01	22.19
Expected Credit Loss allowance (for doubtful receivables)	0.42	0.13
Bad Debts Written Off	0.32	-
Corporate Social Responsibility Expenses (Refer Note 29)	2.47	1.12
Miscellaneous Expenses (Refer Note 38)	211.61	181.63
	<b>1,182.01</b>	972.84

## 24) Tax Expense

### Income tax expense recognised in statement of Profit or Loss

	2018-2019	2017-2018
Current Tax	43.16	49.84
Adjustment of tax relating to earlier periods	(7.24)	-
Deferred Tax	10.60	8.75
<b>Total</b>	<b>46.52</b>	58.59

### Income Tax expense recognised in other comprehensive income

	2018-2019	2017-2018
Deferred Tax	<b>0.33</b>	(0.61)

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

**The Reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:**

	2018-2019	2017-2018
Profit before tax from continuing operations	240.27	185.64
Income tax expense calculated at 34.944%	83.96	64.25
<b>Effect of:</b>		
Expenses that are not deductible in determining taxable profit	11.83	10.33
Availment of MAT Credit	(3.45)	(6.82)
Utilisation of tax credit	(4.70)	-
Adjustment in respect of current income tax of earlier years	(7.24)	-
Other permanent differences	(33.88)	(9.17)
<b>Income tax expense recognised in statement of Profit and Loss</b>	<b>46.52</b>	<b>58.59</b>

## 25) Deferred Tax Assets

### Movement of deferred tax assets/ (liabilities)

Deferred tax assets/ (liabilities) in relation to the year ended March 31, 2019

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities in relation to:</b>				
Financial asset measured at fair value	4.57	-	(0.01)	4.56
Others	76.55	-	-	76.55
<b>Total deferred tax liabilities</b>	<b>81.12</b>	<b>-</b>	<b>(0.01)</b>	<b>81.11</b>
<b>Deferred tax assets in relation to:</b>				
Property, plant and equipment and intangible assets	106.91	(10.72)	-	96.19
Employee benefit obligation	4.86	2.83	(0.32)	7.37
Provision for doubtful debts	-	0.15	-	0.15
Availment of MAT Credit	7.63	(4.18)	-	3.45
Others	0.90	1.32	-	2.22
<b>Total deferred tax assets</b>	<b>120.30</b>	<b>(10.60)</b>	<b>(0.32)</b>	<b>109.38</b>
<b>Net deferred tax asset/ (liabilities)</b>	<b>39.18</b>	<b>(10.60)</b>	<b>(0.33)</b>	<b>28.27</b>

Deferred tax assets/ (liabilities) in relation to the year ended March 31, 2018

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities in relation to:</b>				
Financial asset measured at fair value	5.61	-	(1.04)	4.57
Others	76.77	(0.22)	-	76.55
<b>Total deferred tax liabilities</b>	<b>82.38</b>	<b>(0.22)</b>	<b>(1.04)</b>	<b>81.12</b>
<b>Deferred tax assets in relation to:</b>				
Property, plant and equipment and intangible assets	125.30	(18.39)	-	106.91
Employee benefit obligation	4.40	0.89	(0.43)	4.86
Availment of MAT Credit	-	7.63	-	7.63
Others	-	0.90	-	0.90
<b>Total deferred tax assets</b>	<b>129.70</b>	<b>(8.97)</b>	<b>(0.43)</b>	<b>120.30</b>
<b>Net deferred tax asset/ (liabilities)</b>	<b>47.32</b>	<b>(8.75)</b>	<b>0.61</b>	<b>39.18</b>

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 26) Contingent Liabilities

	As at March 31, 2019	As at March 31, 2018
Claims against the Group not acknowledged as debt	7.25	15.72
Corporate Guarantees given	177.92	126.20
Guarantees given by the bank on behalf of the Group	31.14	17.10

## 27) Segment Information

The Group is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of 'Fashion Products' which constitutes a single reporting Segment. Hence there is no separate reportable segment under Ind AS 108 Operating segment.

## 28) Disclosure relating to Leases

The Group has entered into operating lease arrangements for premises. The future minimum lease rental obligation under non-cancellable operating leases in respect of these premises is ₹ 508.08 crore (2017-18: ₹ 324.35 crore). The Lease Rent payable not later than one year is ₹ 170.34 crore (2017-18: ₹ 122.85 crore), payable later than one year but not later than five year is ₹ 333.00 crore (2017-18: ₹ 201.50 crore) and payable later than five years is ₹ 4.74 crore (2017-18: ₹ Nil crore).

## 29) Corporate Social Responsibility Statement

Expenditure related to Corporate Social Responsibility as per section 135 of the Companies Act, 2013 read with schedule VIII thereof is ₹ 2.47 crore (2017-18: ₹ 1.12 crore).

	2018-2019	2017-2018
Gross amount required to be spent by the Group	2.47	1.12
<b>Details of amount spent are as under :</b>		
Measures for reducing inequalities faced by socially and economically backward groups	2.32	0.52
Creating access to better healthcare facilities	0.14	-
Enabling better livelihood through education	0.11	-
Measures for the benefit of armed forces veterans	-	0.50
<b>Total</b>	<b>2.57</b>	<b>1.02</b>

## 30) Earnings Per Share

The earnings and weighted average number of Equity Shares used in the calculation of Basic and Diluted Earnings per share (EPS) are as follows:

	Units	2018-2019	2017-2018
Profit attributable to Equity Share holders	₹ in crore	190.22	126.08
Weighted average number of Equity Shares Outstanding for Basic EPS	No. in crore	19.36	19.02
Weighted average number of Equity Shares Outstanding for Diluted EPS	No. in crore	19.43	19.07
Earnings per share – Basic	₹	9.82	6.63
Earnings per share – Diluted	₹	9.79	6.61
Face value per share	₹	2.00	2.00



# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 31) Employee Benefit Plans

### a) Defined Contribution Plan

The Group operates defined contribution plan (Provident Fund) for all qualifying employees of the Group. The employees of the Group are members of a retirement contribution plan operated by the government. The Group is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Group with respect to the plan is to make the specified contributions.

### b) Defined Benefit Plans - Gratuity

The Group operates a gratuity plan covering qualifying employees. The benefit payable is greater of the amount calculated as per the Payment of Gratuity Act, 1975 or the Group Scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits 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 benefits are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting. The Group's obligation towards Gratuity is a Defined Benefit plan and is not funded.

#### (i) The principal actuarial risk to which the Group is exposed are 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 impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.
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.

#### (ii) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at March 31, 2019	As at March 31, 2018
Discount rate	7.05%	7.70%
Salary Escalation	7% for first 2 years and 5% thereafter	5.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Withdrawal Rate	Service <5 Years : 46% Service >5 Years : 2%	1.00%
Retirement Age	58 years	58 years

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

#### (iii) Amount recognised in the statement of Profit and Loss, other comprehensive income

	2018-2019	2017-2018
Total Service Cost	2.71	2.89
Net Interest Expenses	0.68	0.60
<b>Components of expense recognised in the statement of Profit and Loss (A)</b>	<b>3.39</b>	<b>3.49</b>
Remeasurements on the net defined benefit liability :		
Actuarial (Gain) arising from changes in demographic assumptions	(1.63)	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	0.82	(0.43)
Actuarial (Gain) arising from experience adjustments	(0.13)	(0.83)
<b>Total Amount recognised in other comprehensive income (B)</b>	<b>(0.94)</b>	<b>(1.26)</b>
<b>Total cost recognised (A+B)</b>	<b>2.45</b>	<b>2.23</b>

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

**(iv) Amount included in the Balance Sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:**

	As at March 31, 2019	As at March 31, 2018
Present value of unfunded defined benefit obligation	10.25	9.09

**(v) Movement in present value of the defined benefit obligation**

	2018-2019	2017-2018
Opening defined benefit obligation	9.09	8.11
Total Service Cost	2.71	2.89
Net Interest Expenses	0.68	0.60
<b>Remeasurements on the net defined benefit liability</b>		
Actuarial (Gain) arising from changes in demographic assumptions	(1.63)	-
Actuarial (Gain)/Loss arising from changes in financial assumptions	0.82	(0.43)
Actuarial (Gain) arising from experience adjustments	(0.13)	(0.83)
Benefits paid	(1.29)	(1.25)
Closing defined benefit obligation	<b>10.25</b>	9.09

**(vi) Sensitivity Analysis**

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

	As at March 31, 2019	As at March 31, 2018
Impact on defined benefit obligation or gratuity of increase in discount rate for 100 basis points	(8.87)	(7.58)
Impact on defined benefit obligation or gratuity of decrease in discount rate for 100 basis points	11.00	10.27
Impact on defined benefit obligation or gratuity of increase in salary escalation rate for 100 basis points	10.83	10.22
Impact on defined benefit obligation or gratuity of decrease in salary escalation rate for 100 basis points	(8.96)	(7.64)

The sensitivity analysis presented above may not be representative 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 assumptions may be correlated.

**c) Other Employee Benefits**

The Group has recognised an amount of ₹ 4.60 crore (2017-18: ₹ 2.43 crore) for long term compensated absences in the statement of Profit and Loss account. Actuarial assumptions for long term compensated absences are

	As at March 31, 2019	As at March 31, 2018
Discounted Rate	7.05%	7.70%
Salary Increase Rate	7% for first 2 years and 5% thereafter	5.00%
Attrition Rate	Service <5 Years : 46%	1.00%
Retirement Age	58 years	58 years
Mortality Tables	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 32) Related Party Disclosures

### a) Name of Related Parties and Nature of Relationship:

#### i. Holding Company

Ryka Commercial Ventures Private Limited

#### ii. Ultimate Controlling Entity

Lifestyle Trust

#### iii. Joint Ventures

Celio Future Fashion Private Limited  
 Clarks Future Footwear Private Limited  
 FLFL Lifestyle Brands Limited  
 FLFL Travel Retail West Private Limited (w.e.f. May 30, 2018)  
 FLFL Travel Retail Bhubaneswar Private Limited  
 (w.e.f. May 30, 2018)  
 FLFL Travel Retail Guwahati Private Limited  
 (w.e.f. May 30, 2018)  
 FLFL Travel Retail Lucknow Private Limited  
 (w.e.f. May 30, 2018)

#### iv. Associates

Elisir Lifestyle Private Limited  
 Future Style Lab Limited  
 Future Style Lab UK Limited  
 Indus-League Clothing Limited  
 Indus Tree Crafts Private Limited  
 Indus Tree Producer Transform Private Limited  
 Mineral Fashions Limited  
 Rachika Trading Limited

#### Key Management Personnel (KMP)

Managing Director : Kishore Biyani  
 Non-Executive Directors : Avni Biyani  
 C P Toshniwal  
 Rakesh Biyani  
 Ravinder Singh Thakran  
 Independent Directors : Bijou Kurien  
 Dr. Darlie Koshy  
 Shailesh Haribhakti  
 Sharda Agarwal  
 Alternate Director : Narayan Ramachandran

### vii. Entities Controlled by KMP

Bansi Mall Management Company Private Limited  
 Future Brands Limited  
 Future Consumer Limited  
 Future Corporate Resources Private Limited (Formerly known as *Suhani Trading and Investment Consultants Private Limited*)  
 Future Entertainment Private Limited  
 Future Enterprises Limited  
 Future Generali India Life Insurance Company Limited  
 Future Generali India Insurance Company Limited  
 Future Human Development Limited  
 Future Ideas Company Limited  
 Future Market Networks Limited  
 Future Retail Limited  
 Future Sharp Skills Private Limited  
 Future Supply Chain Solutions Limited  
 Idiom Design and Consulting Limited  
 Retail Light Techniques (India) Limited  
 Skechers South Asia Private Limited  
 Suhani Mall Management Company Private Limited

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## b) Transaction with Related Parties

Nature of transactions	Associates and Joint Venture	Entities Controlled by KMP	KMP
Revenue from Operations	<b>18.11</b> (6.24)	<b>40.05</b> (-)	- (-)
Purchase of Goods and Services	<b>60.80</b> (35.40)	<b>1153.30</b> (10.71)	- (-)
Purchase of Fixed Assets	- (-)	<b>19.25</b> (-)	- (-)
Sale of Fixed Assets	- (-)	- (-)	- (-)
Managerial Remuneration	- (-)	- (-)	<b>3.85</b> (2.85)
Sitting Fees and Commission	- (-)	- (-)	<b>1.76</b> (1.08)
Investment Made	<b>77.73</b> (2.16)	- (-)	- (-)
Loans and Advances Given	<b>82.50</b> (74.82)	<b>13.94</b> (-)	- (-)
Loans and Advances Given Received Back	<b>9.35</b> (-)	- (-)	- (-)
Deposit Received	<b>0.05</b> (-)	- (-)	- (-)
Outstanding Balances as on March 31, 2019	<b>16.37</b> (25.13)	<b>25.10</b> (-)	- (-)
Receivable	<b>32.00</b> (15.71)	<b>352.94</b> (3.01)	- (-)
Payable			

Figures in bracket represent previous year's figures

## c) Disclosure in respect of Material Transactions with Related Parties

- (i) Revenue from Operations includes FLFL Lifestyle Brands Limited ₹ 14.43 crore (2017-18: ₹ 3.33 crore), Future Enterprises Limited ₹ 20.01 crore, Future Retail Limited ₹ 16.40 crore.
- (ii) Purchase of Goods and Service includes Future Style Lab Limited ₹ 13.68 crore (2017-18: ₹ 13.09 crore), Rachika Trading Limited ₹ 10.00 crore (2017-18: ₹ 7.95 crore), Celio Future Fashion Private Limited ₹ 10.93 crore (2017-18: ₹ 8.66 crore), Mineral Fashions Limited ₹ 15.30 crore, Future Enterprises Limited ₹ 629.92 crore, Future Retail Limited ₹ 348.21 crore.
- (iii) Purchase of Fixed Assets includes Retail Light Techniques (India) Limited ₹ 16.72 crore.
- (iv) Investment made includes FLFL Lifestyle Brands Limited ₹ 77.73 crore (2017-18: ₹ 0.52 crore).
- (v) Loans and Advance given includes FLFL Lifestyle Brands Limited ₹ 82.46 crore (2017-18: ₹ 69.52), Future Corporate Resources Private Limited ₹ 13.79 crore
- (vi) Loans and Advance given received back includes Future Style Lab Limited ₹ 5.30 crore, Indus Tree Crafts Private Limited ₹ 3.65 crore, Indus Tree Producer Transform Private Limited ₹ 0.40 crore.

## 33) Capital Commitment

The estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) as at March 31, 2019 is ₹ 81.13 crore (2017-18: ₹ 75.18 crore)

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## 34) Dues of Micro Enterprises and Small Enterprises

	As at March 31, 2019	As at March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	18.68	9.5
Interest due on above	0.11	0.01
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	0.19	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.27	0.01
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	0.19	-

## 35) Share Based Payments

### Details of the employee share based plan of the Group

#### a. FLFL Employees Stock Options Scheme - 2013 (FLFL ESOS - 2013):

The Shareholders of the Company at their Extraordinary General Meeting held on December 16, 2013 had approved FLFL ESOS -2013 and also approved the issue of 15,00,000 Stock Options exercisable into 15,00,000 fully paid-up Equity Shares of ₹ 2 each of the Company, to the eligible employees in terms of the FLFL ESOS -2013 in one or more tranches and on such terms and conditions, as may be determined by the Nomination and Remuneration Committee (NRC) in accordance with the provisions of FLFL ESOS 2013, SEBI Regulations and in due compliance with other applicable laws and regulations.

The Stock Options granted under FLFL ESOS - 2013 would vest after 1 year and not more than 3 years from the Grant Date of such Stock Options in a specified proportion, as approved by the NRC. The Maximum term for exercise of vested Stock Options is 3 years from the respective date of vesting of Stock Options.

#### b. FLFL Employees Stock Options Plan - 2015 (FLFL ESOP - 2015):

The Shareholders of the Company at their Annual General Meeting held on August 26, 2015 had approved the FLFL ESOP - 2015 and also approved to issue of 35,00,000 Stock Options exercisable into equivalent number of Equity Shares, to be issued and allotted under primary issue or to be acquired by way of secondary acquisition, to or for the benefit of Eligible Employees under FLFL ESOP 2015, not exceeding 35,00,000 Equity Shares of ₹ 2 each, in one or more tranches, at such price and on such terms and conditions as may be determined by NRC, in accordance with the provisions of this FLFL ESOP 2015, SEBI Regulations and in due compliance with other applicable laws and regulations.

Pursuant to the applicable provisions of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Company has set up a 'Future Lifestyle Fashions Limited Employees' Welfare Trust' ("Trust") for implementation of FLFL ESOP 2015.

Stock Options granted under FLFL ESOP - 2015 would vest not less than 1 year and not more than 3 years from the Grant Date of such Stock Options. The Maximum term for exercise of Stock Options granted is 3 Years from the respective date of vesting of Stock Options granted.

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

The following share-based payment arrangements were in existence during the current and prior years:

	Number of Stock Options Granted	Grant date	Expiry date	Exercise Price	*Share Price on Grant Date (in ₹)	Average Fair value of Option at Grant Date (in ₹)
FLFL ESOS-2013	3,01,161	17/01/2014	Note-1	10.00	69.51	82.19
FLFL ESOS-2013	4,64,622	29/10/2014	Note-1	10.00	94.14	84.21
FLFL ESOS-2013	3,95,476	31/08/2015	Note-1	10.00	70.10	60.79
FLFL ESOP-2015	5,87,086	11/11/2016	Note-1	10.00	129.67	102.77
FLFL ESOP-2015	39,428	15/12/2016	Note-1	10.00	125.26	94.56
FLFL ESOP-2015	13,54,000	16/10/2017	Note-1	189.00	337.36	191.28

\* Share Price on Grant Date considered as the Volume Weighted Average Price at NSE.

**Note-1** The vested Stock Options can be exercised within a period of three years from the respective date of vesting.

Stock Options were priced using a Black Scholes option pricing model. Expected Volatility was calculated using standard deviation of daily change in stock price. The historical period for Expected Volatility taken into account to match the expected life of the option. There are no market condition attached to grant and vest.

	FLFL ESOP - 2015	
	2018-2019	2017-2018
Date of Grant	N.A.	16/10/2017
Expected volatility (%)	N.A.	39.99%
Option life (Years)	N.A.	3.45 Years
Dividend yield (%)	N.A.	0.12 %
Risk-free interest rate (Average)	N.A.	6.49%

## Movement in Stock Options during the year

The following reconciles the Stock Options outstanding at the beginning and end of the period:

	2018-2019		2017-2018	
	Number of Stock Options	Weighted average exercise price (in ₹)	Number of Stock Options	Weighted average exercise price (in ₹)
<b>Balance at beginning of Year</b>				
FLFL ESOS - 2013	1,75,824	10	3,34,203	10
FLFL ESOP 2015-Primary	16,87,768	10 and 189	6,06,800	10
<b>Granted during the period</b>				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	13,54,000	189
<b>Forfeited during the period</b>				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	31,030	10
<b>Exercised during the period</b>				
FLFL ESOS - 2013	41,232	10	1,58,379	10
FLFL ESOP 2015-Primary	2,90,544	10 and 189	2,42,002	10
<b>Expired during the period</b>				
FLFL ESOS - 2013	-	-	-	-
FLFL ESOP 2015-Primary	-	-	-	-
<b>Balance at the end of Year</b>				
FLFL ESOS - 2013	134,592	10	1,75,824	10
FLFL ESOP 2015-Primary	13,97,224	10 and 189	16,87,768	10 and 189
<b>Exercisable at the end of the Year</b>				
FLFL ESOS - 2013	134,592	10	1,75,824	10
FLFL ESOP 2015-Primary	3,81,724	10 and 189	54,326	10

The following Stock Options were exercised during the year:

Stock Options scheme	Number exercised	Exercise date	Weighted average share price at exercise dates (in ₹)
FLFL ESOS - 2013	41,232	Various dates	365.00
FLFL ESOP 2015-Primary	2,90,544	Various dates	410.25

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## Stock Options outstanding at the end of the year

The Stock Options outstanding at the end of the year had a weighted average remaining contractual life as under:

Stock Options scheme	2018-2019	2017-2018
FLFL ESOS - 2013	185 days	485 days
FLFL ESOP - 2015-Primary	1253	1536 days

- 36)** In terms of the Composite scheme of Arrangement and Amalgamation, which is approved by the Hon'ble High Court of Bombay vide its order dated May 10, 2013, Capital reserve was permitted to be utilised for the purpose of adjusting value of any assets including goodwill, investment/offset any charge on account of impairment/write off/amortisation. Accordingly Company has charged a sum of ₹ 48.10 crore being impairment of Assets received under the aforesaid scheme to the capital reserve.

## 37) Financial Instruments and Risk Review

### Capital Management

The Group manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (i.e. borrowings offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings). The Group monitors capital using a ratio of 'net debt' to equity. The Company's net debt to equity ratio was as follows.

	As at March 31, 2019	As at March 31, 2018
Total debt including interest accrued	918.29	795.49
Less: cash and bank balances	125.60	45.19
Net debt	792.69	750.30
Equity	1827.04	1529.61
Net debt to equity ratio	43%	49%

### Categories of financial instruments

	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>		
<b>Measured at Amortised Cost</b>		
Cash and bank balances	125.60	45.19
Trade receivables	390.29	303.22
Loans -Inter corporate deposit	167.26	74.72
Security deposits	167.24	148.62
Other financial assets	6.22	14.54
<b>Mandatorily measured at fair value through profit and loss</b>		
<b>Designated at fair value through other comprehensive income</b>		
Investment in equity shares	40.60	39.98
<b>Financial liabilities</b>		
<b>Measured at Amortised Cost</b>		
Borrowing	903.55	783.36
Trade payable	1799.90	1,093.21
Security deposit received	100.76	86.50
Other financial liabilities	239.28	168.80
<b>Mandatorily measured at fair value through profit and loss</b>		
Derivative liabilities	6.26	5.00

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## Fair value hierarchy

	Fair Value as at		Fair Value hierarchy
	March 31, 2019	March 31, 2018	
Investments in equity instruments – SSIPL retail limited	40.60	39.98	Level 2
Derivative liability – written option	6.26	5.00	Level 2

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

## Financial risk management objectives

The Group has a Risk Management Committee instituted by its Board of Directors of the Company for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

- **Market risk**

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rate risk and other price risk. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk including forward foreign exchange contracts.

- **Foreign exchange risk**

The Group is exposed to foreign exchange risk arising from foreign currency transactions primarily on account of import of trading goods and capital goods. Foreign exchange risk arises recognised liabilities denominated in a currency that is not the functional currency of the entity within the Group. The Group hedges its foreign exchange risk using foreign exchange forward contracts as per it's within the guidelines laid down by risk management policy of the Group. Overall, Group always have a limited exposure to foreign currency risk.

Following table details the carrying amounts of the Company's unhedged foreign currency denominated monetary items at the end of the reporting period

Amount Payable	As at	As at
	March 31, 2019	March 31, 2018
US Dollar (USD)	5.89	15.63
Euro	-	8.96
GBP	-	0.37

A 5% strengthening in USD, Euro and GBP will decrease the profit for the year by ₹ 0.29 crore (2017-18: ₹ 1.25 crore) and a 5% weakening in USD, Euro and GBP will increase the profit for the year by ₹ 0.29 crore (2017-18: ₹ 1.25 crore). In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group borrows the money at variable interest rate and therefore it is exposed to interest rate risk.

The interest rate risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Group is not exposed to significant interest rate risk as at the respective reporting dates.



# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

## ▪ Other price risk

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

If equity prices had been 5% higher/lower, other comprehensive income for the year would increase/decrease by ₹ 2 crore (2017 - 2018: increase/decrease by ₹ 2 crore) as a result of the changes in fair value of shares measured at fair value through other comprehensive income.

## (i) Credit risk

Credit risk is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. The credit risk arises primarily on trade receivables, store deposit with landlord of stores and deposits with banks and financial institutions and other financial instruments.

Most of the Group's sales is on the counter sale i.e. cash and carry basis on which no credit risk arises, however credit risk arises to the Group on sales to institutional customers/ wholesale customers. Group manages the credit risk arising from trade receivables through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers. Group's customer base is widely spread and therefore it does not have concentration of credit risk. Group manages credit risk on store deposits by timely advance negotiation with landlord of store or through legal action.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that there is no substantial change in the economic environment affecting customers of the Group, the Group expects the historical trend of immaterial credit losses to continue. Following is the change in the loss allowance measured using life-time expected credit loss.

	2018-2019	2017-2018
Opening Balance	0.13	-
Provided during the year	0.42	0.13
<b>Closing Balance</b>	<b>0.55</b>	<b>0.13</b>

Credit risk on cash and bank balances is limited as company counterparties are banks or financial institutions with high credit ratings assigned credit rating agencies.

## (ii) Liquidity risk

Liquidity risk is the risk that the Group will fail in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. The Group monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based. It include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

# Notes

Forming Part of the Consolidated Financial Statements

(All amounts in INR crore, unless otherwise stated)

	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
<b>As at March 31, 2019</b>					
Borrowing including Interest accrued	918.29	240.87	627.55	49.87	918.29
Trade payable	1799.90	1799.90	-	-	1799.90
Security deposit received	100.76	100.76	-	-	100.76
Other financial liabilities	224.54	224.54	-	-	224.54
Derivative liabilities (net basis)	6.26	-	6.26	-	6.26

	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
<b>As at March 31, 2018</b>					
Borrowing including Interest accrued	795.49	169.83	600.66	25.00	795.49
Trade payable	1,093.21	1,093.21	-	-	1,093.21
Security deposit received	86.50	86.50	-	-	86.50
Other financial liabilities	156.67	156.67	-	-	156.67
Derivative liabilities (net basis)	5.00	-	5.00	-	5.00

### 38) Miscellaneous Expenses

Miscellaneous Expenses consist of the following:

	2018-2019	2017-2018
House Keeping and Security Expenses	51.69	42.55
Credit Card Charges	39.15	36.24
Legal and Professional Charges	21.79	16.15
Travelling and Conveyance Expenses	14.74	15.52
Other Expenses	84.24	71.17
<b>Total</b>	<b>211.61</b>	<b>181.63</b>

- 39)** The Hon'ble Supreme Court of India by its order dated February 28, 2019, in the case of M/s. Surya Roshni Limited and others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni Limited has filed a review petition with Hon'ble Supreme Court of India which is pending for disposal. Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

As per our report of even date attached

For and on behalf of the Board of Directors

For **NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Shailesh Haribhakti**  
Chairperson

**Kishore Biyani**  
Managing Director

**Sharda Agarwal**  
Director

**Rakesh Biyani**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

**Dr. Darlie Koshy**  
Director

**Bijou Kurien**  
Director

**C. P. Toshniwal**  
Director

**Narayan Ramachandran**  
Director

Mumbai  
May 01, 2019

**Avni Biyani**  
Director

**Kaleeswaran Arunachalam**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

## Form AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

### Part "A": Financial information with respect of Subsidiary Companies for the Year Ended March 31, 2019

(All amounts in INR Crore, unless otherwise stated)

Sr. No	Name of the Company	Date since when subsidiary was acquired	Reporting Period of the subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Except Investment in Subsidiaries)	Turnover	Profit/(loss) Before taxation	Provision for Taxation/Deferred Tax	Profit/(loss) After taxation	Proposed Dividend	% of Share Holding
1	Future Trendz Limited	September 09, 2016	March 31, 2019	0.55	(0.21)	0.34	0.00	-	-	(0.08)	-	(0.08)	-	100.00%
2	Future Speciality Retail Limited*	September 27, 2016	March 31, 2019	0.27	237.27	595.94	358.40	-	498.35	13.95	(6.51)	20.46	-	99.96%
3	FLFL Business Services Limited	March 29, 2017	March 31, 2019	0.15	(0.05)	0.11	0.01	-	-	(0.02)	-	(0.02)	-	100.00%

\* Subsidiary of Future Trendz Limited

### Part "B": Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Extend of Holding %	Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Loss for the year	
		No.	Amount of Investment in Associates/Joint Venture					Considered in Consolidation	Not Considered in Consolidation
Holii Accessories Private Limited	March 31, 2019	1,90,000	0.24	1.00%	Due to Shareholders Agreement	Not Applicable	0.00	0.04	-
Clarks Future Footwear Private Limited	March 31, 2019	9,80,000	3.63	1.00%	Due to Joint Venture Agreement	Not Applicable	(0.82)	0.24	-
FLFL Lifestyle Brands Limited	March 31, 2019	50,000	1.12	49.02%	Due to Investment Agreement	Not Applicable	44.82	0.64	-
FLFL Travel Retail Bhubaneswar Private Limited	March 31, 2019	5,100	0.01	51.00%	Due to Shareholders Agreement	Not Applicable	1.43	0.57	-
FLFL Travel Retail Guwahati Private Limited	March 31, 2019	5,100	0.01	51.00%	Due to Shareholders Agreement	Not Applicable	(0.42)	0.43	-
FLFL Travel Retail West Private Limited	March 31, 2019	5,100	0.01	51.00%	Due to Shareholders Agreement	Not Applicable	1.98	1.99	-
FLFL Travel Retail Lucknow Private Limited	March 31, 2019	5,100	0.01	51.00%	Due to Shareholders Agreement	Not Applicable	1.43	0.84	-

As per our report of even date attached

For and on behalf of the Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Shailesh Haribhakti**  
Chairperson

**Kishore Biyani**  
Managing Director

**Sharda Agarwal**  
Director

**Rakesh Biyani**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

**Dr. Darlie Koshy**  
Director

**Bijou Kurien**  
Director

**C. P. Toshniwal**  
Director

**Narayan Ramachandran**  
Director

Mumbai  
May 01, 2019

**Kaleswaran Arunachalam**  
Chief Financial Officer

**Sanjay Kumar Mutha**  
Company Secretary

# Independent Limited Assurance Statement

on key performance indicator disclosures in the Integrated Report of Future Lifestyle Fashions Limited for the financial year ended March 31, 2019

## The Board of Directors of Future Lifestyle Fashions Limited

We have been engaged by the Management of Future Lifestyle Fashions Limited, to provide a Limited Assurance Statement on key performance indicators ("KPIs") described below and presented in the Integrated Report ("the Report") of Future Lifestyle Fashions Limited ("the Company") for the year ended March 31, 2019.

## Subject Matter

We are required to provide limited assurance on the following KPIs presented in the Report in accordance with management's basis of preparation, the audited financial statements, and the audited books of account for the year ended March 31, 2019.

The terms of management's basis of preparation comprise the criteria by which the Company's compliance is to be evaluated for purposes of our limited assurance engagement.

The subject matter includes the following:

Category	KPI	Scope of coverage
<b>Human Capital</b>	Number of employees employed#	Consolidated
<b>Financial Capital</b>	Total Equity#	Consolidated
	Total Debt#	Consolidated
	Capital expenditure incurred (Net)*	Consolidated
	Financial performance	
	- Income from operations*	
	- Earnings before interest, tax, depreciation and amortization ("EBITDA") and EBITDA margin*	
	- Profit after tax *	
	- Earnings per share*	
	- Basic	
	- Diluted	Consolidated
	Total Corporate Tax Contribution*	Consolidated
<b>Social and Relationship Capital</b>	Market Capitalisation@	Standalone
	Dividend (%)*	Standalone

# As at March 31, 2019

\* For the year ended March 31, 2019

@ Computed at volume weighted average price as at March 29, 2019

## Responsibility of the Directors

The Company's management is responsible for the selection, preparation and presentation of the KPIs for the year ended March 31, 2019, in accordance with the criteria mentioned above. This responsibility includes the identification of KPIs, preparation in accordance with the management's basis of preparation, the identification of stakeholders and stakeholder requirements, material matters and for commitments with respect to sustainability performance. The management is also responsible for design, implementation and maintenance of adequate internal controls to facilitate collection, calculation, aggregation and validation of the data, relevant to the KPIs and preparation of the Report that is free from material misstatement, whether due to fraud or error.

## Our Independence, Ethical Requirements and Quality Control

We have complied with independence policies of Deloitte Haskins and Sells LLP, which address the requirements of the International Federation of Accountants ("IFAC") Code of Ethics for Professional Accountants in the role as independent auditors. We have complied with the relevant applicable requirements of the International Standard on Quality Control ("ISQC") 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We also confirm that we have maintained our independence in the Report and there were no events or prohibited services related to the Assurance Engagement which could impair our independence.

## Our Responsibility

Our responsibility is to express a limited assurance conclusion on the KPIs, set out in the subject matter paragraph, as disclosed in the Report for the year ended March 31, 2019, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information (herein referred as "ISAE

3000") issued by the IFAC. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement to obtain sufficient appropriate evidence about whether the KPIs are free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of process followed, inspection of documents, analytical procedures, evaluating appropriateness of quantification methods, agreeing or reconciling with underlying data, etc.

In performing the procedures listed above, we tested data, reviewed records, relevant documents and agreed information with audited financial statements submitted by the Company, to support the relevant KPIs.

We have relied on the information, documents, records and explanations provided by the Company for the purpose of our review.

Our procedures do not include detailed testing of source data or the operating effectiveness of processes or internal controls or review of the Company's financial performance and any other KPIs.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the KPIs have been presented, in all material respects, in accordance with management's basis of preparation.

Further, a limited assurance engagement does not constitute an audit or review of any of the underlying information in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

### **Our Conclusions**

The procedures we have performed and the audited financial statements and the documents and records that were made available to us and the information and explanations provided to us by the Company in connection to the review of the KPIs set out in the subject matter paragraph, as disclosed in the Report for the year ended March 31, 2019, provide an appropriate basis for our conclusion.

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the KPIs set out in the subject matter paragraph for the year ended March 31, 2019, are not prepared, in all material respects, in accordance with the management's basis of preparation.

### **Other Matters**

Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the reports. The maintenance and integrity of the Future Lifestyle Fashions Limited website is the responsibility of its management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information on the website, the reports or our independent assurance report that may have occurred since the initial date of presentation.

### **Restriction on use and distribution**

Our work has been undertaken to enable us to express a limited assurance conclusion on the KPI disclosures to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the entity, for our work, for this report, or for the conclusion we have reached.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Pratiq Shah**

Partner

(Membership No. 111850)

Place: Mumbai

Date: July 2nd, 2019

**INFORMATION AS REQUIRED PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 AND FORMING PART OF THE BOARD'S REPORT FOR THE YEAR ENDED MARCH 31, 2019**

**Sl. No., Employee Name, Designation, Remuneration drawn (in ₹), Qualification, Age (in Yrs), Date of Joining, Experience (in Yrs), Last Employment, Last Designation;**

1. Kishore Biyani, Managing Director & Group - CEO, ₹3,85,43,899, B. Com., 58, 25-06-2013, 36, Future Consumer Enterprises Limited, Managing Director;
2. M. Vishnu Prasad, Chief Executive Officer - Central, ₹3,66,52,834, B. Com., MBA, 57, 01-06-2013, 32, Future Retail Limited, Chief Executive Officer - Central & Brand Factory;
3. Kaleeswaran Arunachalam, Chief Financial Officer, ₹1,80,74,061, CA, MBA, B.Com., 38, 22-05-2016, 18, Mondelez International, INC., Director Finance - Malaysia & Thailand;
4. Raj Kumar Piniseti, Chief Merchandising Officer, ₹1,77,12,932, B.Com., CA, 50, 01-06-2013, 26, Future Retail Limited, Chief Merchandising Officer;
5. Krishna Thingbaijam, Head - Designing, ₹1,58,02,400, PGDBM-NIFT, 48, 01-01-2014, 25, Future Retail Limited, Head - Design;
6. Suresh Sadhwani, Business Head - Brand Factory, ₹1,43,40,823, B.Com., 42, 01-12-2013, 19, Pantaloon Fashions Retail Limited, Head - Operations;
7. Dipayan Baishya, Head-Strategy & Communication, Group CEOs Office, ₹1,11,35,273, BSc Statistics, 37, 01-06-2013, 16, Future Retail Limited, Chief Strategy & Communication, Group CEO's Office;
8. Vijaya N., Chief - Operation - Central, ₹87,92,979, PGMD, 58, 01-06-2013, 33, Future Retail Limited, Senior - Manager Operations;
9. Venkatesh Raja, Head - People Office, ₹87,07,525, MBA, 49, 01-12-2013, 26, Future Retail Limited, Chief - People Office;
10. Dharmesh Jain, CFO - Brand Factory & aLL, ₹78,94,610, CA, B.Com., 45, 01-04-2016, 23, Future Retail Limited, Chief - Commercial.

**Notes:**

1. Nature of employment is permanent and terminable by Notice on either side.
2. Except Mr. Kishore Biyani, none of the above employees are related to any other Director of the Company.
3. No employee holds by himself/herself or along with spouse and dependent children, 2% or more of the equity shares of the Company.
4. Terms and conditions of employment are as per Company's Rules.
5. Remuneration drawn as shown in the statement includes Salary, House Rent Allowance, car perquisites value/ allowances as applicable, employer's contribution to Provident Fund and Superannuation Scheme, leave encashment, leave travel facility, reimbursement of medical expenses and all allowances/perquisites (excluding perquisite on exercised of Employee Stock Options) and terminal benefits, as applicable.

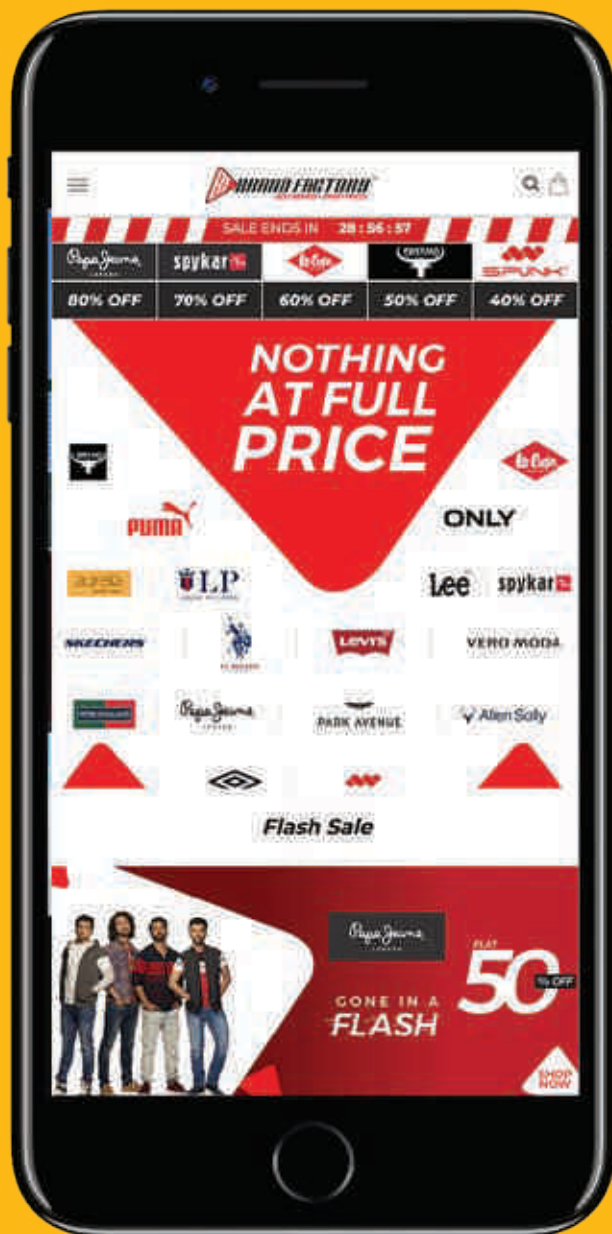
For and on behalf of the Board of Directors

Mumbai  
May 01, 2019

Shailesh Haribhakti  
Chairperson



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**COMING SOON**





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

[www.futurelifestyle.in](http://www.futurelifestyle.in)



**September 04, 2020**

The Manager  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai-400 051

Dept of Corporate Services (CRD)  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

Dear Sir,

**Sub: Annual Report for the financial year ended March 31, 2020 along with Notice of 12<sup>th</sup> Annual General Meeting.**

**Ref: Scrip Code: BSE – 533296 and NSE – FMNL.**

Please note that the 12<sup>th</sup> Annual General Meeting ("AGM") of the Members of the Company is scheduled to be held on Tuesday, the 29<sup>th</sup> day of September, 2020, at 2:00 PM through Video Conferencing ("VC")/Other Audio Video Means ("OAVM").

Pursuant to Regulation 30, 34 and all other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith Annual Report for the financial year ended March 31, 2020 and the Notice of the 12<sup>th</sup> AGM which are being sent electronically to those Members whose email addresses are registered with the Company, Registrar and Transfer Agent (RTA) and Depositories.

The aforesaid documents are also made available on the website of the Company at [www.fmn.co.in](http://www.fmn.co.in).

Kindly take the same on record.

Thanking you

Yours faithfully

**For Future Market Networks Limited**

ANIL  
CHERIAN

Digitally signed  
by ANIL CHERIAN  
Date: 2020.09.04  
11:30:09 +05'30'

**Anil Cherian**

**Head – Legal and Company Secretary**

**Encl: a/a**



# Future Market Networks Limited

**Annual Report 2019-20**

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## Corporate Information

### THE BOARD OF DIRECTORS

Mr. Vijai Singh Dugar	DIN: 06463399	Chairman & Independent Director
Ms. Udit Jhunjhunwala	DIN: 00120951	Independent Director
Mr. K.A. Somayajulu	DIN: 02535927	Independent Director
Mr. Sunil Biyani	DIN: 00006583	Non-Executive Director
Mr. Rajesh Kalyani	DIN: 00220632	Non-Executive Director
Mr. Pramod Arora	DIN: 02559344	Non-Executive Director
Mr. Pawan Kumar Agarwal	DIN: 01435580	Executive Director & Chief Financial Officer

### BOARD COMMITTEES

#### Audit Committee

Mr. Vijai Singh Dugar  
Mr. K.A. Somayajulu  
Mr. Rajesh Kalyani

#### Nomination, Remuneration and Compensation Committee

Mr. Vijai Singh Dugar  
Mr. K.A. Somayajulu  
Mr. Rajesh Kalyani

### STATUTORY AUDITORS

S K Patodia & Associates, Chartered Accountants, Mumbai

#### Head – Legal & Company Secretary

Mr. Anil Cherian

### BANKERS

Kotak Mahindra Bank  
Bank of Baroda  
Oriental Bank of Commerce

### REGISTERED OFFICE

Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (E) Mumbai – 400060  
Telephone : 022 – 6644 2200  
Fax : 022 – 6644 2201  
E-mail : info.fmn@futuregroup.in  
Website : www.fmn.co.in

**CIN** : L45400MH2008PLC179914

### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd  
C 101, 247 Park, LBS Marg,  
Vikhroli West, Mumbai 400083  
Telephone : 022 - 4918 6000  
Fax : 022 - 4918 6060  
E-mail : rnt.helpdesk@linkintime.co.in

#### Stakeholders Relationship Committee

Mr. Vijai Singh Dugar  
Mr. Sunil Biyani  
Mr. Rajesh Kalyani

#### CSR Committee

Mr. Vijai Singh Dugar  
Mr. K.A. Somayajulu  
Mr. Rajesh Kalyani

### 12<sup>th</sup> Annual General Meeting

on Tuesday, September 29, 2020 at 2:00 p.m. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

#### Caution regarding forward-looking statements:

This document contains statements about expected future events and financial and operating results of Future Market Networks Limited, which are forward-looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future result stand events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Future Market Networks Limited annual report 2019-20. Members are also requested to direct all correspondence relating to shares to the Company's Registrar and Transfer Agents, Link Intime India Private Limited, at the address above.

### Notice

**Notice** is hereby given that the 12<sup>th</sup> Annual General Meeting of the members of Future Market Networks Limited will be held Tuesday, 29<sup>th</sup> day of September 2020 at 2:00 P.M. through Video Conferencing (“VC”)/Other Audio Video Means (“OAVM”) to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 together with the reports of the Board of Directors and Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 together with the report of Auditors thereon.
2. To appoint a director in place of Mr. Rajesh Kalyani (DIN: 00220632), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Pramod Arora (DIN: 02559344), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration and in this regard, consider and if thought fit, to pass with or without modification (s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation made by the Audit Committee of the Board, consent of the members of the Company be and is hereby accorded for appointment of M/s. S K Patodia & Associates., Chartered Accountants, Mumbai, bearing ICAI Firm Registration No. 112723W, allotted by The Institute of Chartered Accountants of India (ICAI) as the statutory auditors of the Company for a period of 5 years from the conclusion of twelfth annual general meeting till the conclusion of the seventeenth annual general meeting, and that the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out – of – pocket expenses as may be incurred connection with the Audit of Accounts of the Company.”

#### **Special Business:**

5. To consider and if thought fit, to accord assent/dissent to the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the provisions of the Memorandum and Articles of Association of the Company and the applicable rules, guidelines and circulars issued by the concerned statutory or regulatory authorities from time to time, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee of the Board), to enter into following transactions with respective related parties and to the extent of maximum amounts as stated herein below:

Nature of Transactions as per Section 188 of the Companies Act 2013	Name of the Related Party	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Nature, Material Terms, Monetary Value and particulars of the contract or arrangement	Any other information relevant or important for the Members to take decision on the proposed resolution
Providing Corporate Guarantee	Riddhi Siddhi Mall Management Private Limited	Mr. Pawan Agarwal Mr. Anil Cherian	Associate / Joint Venture	Providing Corporate Guarantee for an amount not exceeding ₹ 75 crores in each financial year.	The existing arrangements have been reviewed by the Board and Audit Committee and the transactions are at ordinary course of business and at arms' length price.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, negotiating, finalizing and executing necessary agreements and ancillary agreements/undertakings, memorandum, deeds, documents and such other papers or writings as may be deemed necessary or expedient in its own discretion and in the best interest of the Company and to delegate all or any of its powers herein conferred to the Committee of Directors and/or any Director(s)/Officer(s) of the Company, to give effect to this resolution."

**Registered Office:**

Knowledge House, Shyam Nagar,  
Off. Jogeshwari – Vikhroli Link Road,  
Jogeshwari East,  
Mumbai – 400060

CIN: L45400MH2008PLC179914  
E-mail: info.fmnl@futuregroup.in  
Website: www.fmn.co.in

Place : Mumbai  
Date : June 30, 2020

**By Order of the Board  
For Future Market Networks Limited**

**Anil Cherian  
Head - Legal & Company Secretary**

**IMPORTANT NOTES:**

- In view of the massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the Annual General Meeting ("AGM") venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
- Pursuant to the provisions of the Act, **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [alwyn.co@gmail.com](mailto:alwyn.co@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
6. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities.  
  
In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited ("Link Intime") for assistance in this regard.
7. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Link Intime in case the shares are held by them in physical form.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held by them in electronic form and to Registrar and Share Transfer Agent Viz. Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 in case the shares are held by them in physical form.
9. As per the provisions of Section 72 of the Act and Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website at [www.fmn.co.in](http://www.fmn.co.in) Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Link Intime in case the shares are held in physical form.
10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 26, 2020 through email on [info.fmn@futuregroup.in](mailto:info.fmn@futuregroup.in). The same will be replied by the Company suitably.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available in the "Investors Relations" section on the website of the Company at [www.fmn.co.in](http://www.fmn.co.in)., websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL at <https://www.evoting.nsdl.com>.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. The Securities and Exchange Board of India (SEBI) vide their circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 have directed all the listed companies to record the PAN and Bank Account details of all their shareholders. Accordingly, steps have already been taken for registering the PAN (including joint holders, if any) and Bank Account details. You are requested to forward the same to the Company / Registrar and Transfer Agent, Link Intime India Private Limited.



16. The Securities and Exchange Board of India (SEBI) vide their circular SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated that the transfer of securities of a listed company would be carried out in dematerialized form only. Accordingly in terms of amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the shares held in physical form will not be considered for transfer.
17. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive).
18. Under Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. During the year under review, the Company has neither declared any dividend nor there are outstanding amount of unclaimed dividends which were liable to be transferred to the IEPF.  
  
The members who have to claimed their entitlements are requested to make their claims directly to the Company or to Link Intime India Private Limited (RTA), C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
19. The Independent Directors of the Company have been appointed for a maximum term of 5 years in accordance with the relevant provisions of the Act and are not eligible to retire by rotation.
20. Non-Resident Shareholders are requested to inform immediately to the Registrar and Share Transfer Agent, Link Intime India Private Limited:
  - a) The change in the Residential status on return to India for permanent settlement.
  - b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
21. Documents referred to in the Notice and explanatory statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at [info.fmnl@futuregroup.in](mailto:info.fmnl@futuregroup.in).
22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
23. Instructions for e-voting and joining the AGM are as follows:

#### **A. VOTING THROUGH ELECTRONIC MEANS**

- i. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Listing Regulations, 2015, and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below:
- ii. The remote e-voting period commences on Saturday, September 26, 2020 (9:00 a.m. IST) and ends on Monday, September 28, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, September 22, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- iii. The Board of Directors has appointed Alwyn D'Souza (Membership No. FCS 5559) of Alwyn D'Souza & Co., Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- vii. The details of the process and manner for remote e-voting are explained herein below:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
For Members who hold shares in demat account with NSDL.	Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Applicant Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - i. If your email ID is registered in your demat account or with the Applicant Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- ii. If your email ID is not registered, please follow steps mentioned below in process **for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

#### **Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see the "EVEN" of the company in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of "Future Market Networks Limited".
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are advised to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [alwyn.co@gmail.com](mailto:alwyn.co@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/[pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in), Tel: 91 22 2499 4545/ 1800-222-990.

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info.fmnl@futuregroup.in](mailto:info.fmnl@futuregroup.in)

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [info.fmnl@futuregroup.in](mailto:info.fmnl@futuregroup.in)

### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [info.fmnl@futuregroup.in](mailto:info.fmnl@futuregroup.in). The same will be replied by the company suitably.

5. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
6. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)/ 022-24994360/ +91 9920264780 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at [sagar.ghosalkar@nsdl.co.in](mailto:sagar.ghosalkar@nsdl.co.in)/ 022-24994553/ +91 9326781467.
7. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [info.fmnl@futuregroup.in](mailto:info.fmnl@futuregroup.in) from September 24, 2020 (9:00 a.m. IST) to September 26, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**Other Instructions:**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e- voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.fmn.co.in](http://www.fmn.co.in) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

**Registered Office:**

Knowledge House, Shyam Nagar,  
Off. Jogeshwari – Vikhroli Link Road,  
Jogeshwari East,  
Mumbai – 400060

CIN: L45400MH2008PLC179914

E-mail: [info.fmnl@futuregroup.in](mailto:info.fmnl@futuregroup.in)

Website: [www.fmn.co.in](http://www.fmn.co.in)

Place : Mumbai

Date : June 30, 2020

**By Order of the Board  
For Future Market Networks Limited**

**Anil Cherian  
Head - Legal & Company Secretary**

### Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 5 of the accompanying Notice:

#### Item No. 5

The Company is engaged, interalia, in the business of management of shopping malls on long term basis. Riddhi Siddhi Mall Management Private Limited (Riddhi Siddhi) is a joint venture between the Company and Keventer Capital Limited. Riddhi Siddhi owns and operates a commercial complex known as "Sealdah Commercial Complex" which is G + 9 storied building.

Riddhi Siddhi has availed certain financial assistance from State Bank of India vide sanction letter dated February 19, 2020. One of the condition for availing the said financial facility was to extent corporate guarantee by the promoters of Riddhi Siddhi. The transaction is at arm's length and in ordinary course of business.

Since the value of the transaction can exceed the threshold limit prescribed under the listing regulations for material related party transaction, the Company proposes to seek the approval of members.

The Board recommends the resolution for approval of the Members. Also, the Members are further informed that no related party shall be entitled to vote on this resolution.

Directors, Key Managerial Personnel, and their relatives who are members of the Company, may be deemed to be concerned or interested in the Item No. 5 of the accompanying notice only to the extent of their respective shareholding in the Company, to the same extent as that of every other member of the Company.

#### Registered Office:

Knowledge House, Shyam Nagar,  
Off. Jogeshwari – Vikhroli Link Road,  
Jogeshwari East,  
Mumbai – 400060

CIN: L45400MH2008PLC179914

E-mail: info.fmnl@futuregroup.in

Website: www.fmn.co.in

Place : Mumbai

Date : June 30, 2020

**By Order of the Board  
For Future Market Networks Limited**

**Anil Cherian  
Head - Legal & Company Secretary**

**ADDITIONAL INFORMATION IN TERMS OF REGULATION 36 OF THE SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 SECRETARIAL STANDARD ON GENERAL MEETINGS ("SS-2"), ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA AND APPROVED BY THE CENTRAL GOVERNMENT IN RESPECT OF DIRECTORS BEING PROPOSED FOR APPOINTMENT / RE-APPOINTMENT**

1.	<b>Name of Director</b>	Mr. Rajesh Kalyani
	<b>DIN</b>	00220632
	<b>Date of Birth</b>	October 8, 1969
	<b>Date of Appointment</b>	September 23, 2010
	<b>Qualification</b>	Chartered Accountant
	<b>Expertise in specific functional areas:</b>	Mr. Rajesh Kalyani is a member of the Institute of Chartered Accountants of India with 29 years of experience. He is in employment at a senior position with one of the leading organized retailer and has wide experience in areas of business planning, project & working capital management, properties, commercial & taxation matters.
	<b>Other Directorship(s) / Designated Partner</b>	Retail Light Techniques India Limited R.R. Kalyani Enterprises LLP Bartraya Mall Development Company Private Limited Future Money Financial Services Limited (Formerly known as Expandus Capital Limited)
	<b>Membership in Committees</b>	Name of the Company : Retail Light Techniques India Limited Committee : Audit Committee Position held : Chairman Name of the Company : Future Market Networks Limited Committees: Audit Committee, Nomination Remuneration and Compensation Committee and Stakeholders Relationship Committee Position held : Member
	<b>Number of shares held in the Company</b>	41025
	<b>Relationship with other Directors</b>	None
<b>Number of meetings of the Board attended during the financial year</b>	Please refer Corporate Governance Report section of the Annual Report 2019-20	

<b>2.</b>	<b>Name of Director</b>	Mr. Pramod Arora
	<b>DIN</b>	02559344
	<b>Date of Birth</b>	December 22, 1970
	<b>Date of Appointment</b>	August 10, 2017
	<b>Qualification</b>	Bachelor's degree in Engineering
	<b>Expertise in specific functional areas:</b>	He was the Managing Director and Chief Executive Officer of F&B Asia Ventures (India) Private Limited prior to joining the Company. Mr. Pramod Arora's job involves diverse fields of business development and corporate affairs including strategic planning. He is having vast experience of corporate management and possesses required competencies.
	<b>Other Directorship(s) / Designated Partner</b>	Nil
	<b>Membership in Committees</b>	Nil
	<b>Number of shares held in the Company</b>	25000
	<b>Relationship with other Directors</b>	None
<b>Number of meetings of the Board attended during the financial year</b>	Please refer Corporate Governance Report section of the Annual Report 2019-20	



# Board's Report

## Board's Report

Dear members,

The Board of Directors hereby submit the report of the business and operations of your Company ("the Company" or "FMNL"), along with the audited financial statements, for the financial year ended March 31, 2020 which are prepared in accordance with the relevant applicable IND AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and provisions of the Companies Act, 2013 ("Act"). The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### Results of our Operations and state of affairs

The Company's performance during the financial year ended March 31, 2020 as compared to the previous financial year is summarized below:

#### a) Standalone

(₹ in lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from Operations	12,155.71	12,644.83
Other Income	4,903.90	1,860.04
<b>Total Income</b>	<b>17,059.61</b>	<b>14,504.87</b>
Operating Cost	3,611.47	6,731.10
Cost of units sold	121.28	3.54
Personnel Cost	591.80	617.63
Other Expenses	2,659.22	1,371.10
<b>Total Expenditure</b>	<b>6,883.77</b>	<b>8,723.37</b>
Profit before Interest, Depreciation and Tax	10,075.84	5,781.50
Less: Interest	2,947.81	1,967.65
Less: Depreciation	5,113.97	2511.88
Profit/(Loss) before exceptional items and tax	<b>2,014.06</b>	<b>1301.97</b>
Less: Exceptional Item	-	34.59
Less: Profit/(Loss) Before Tax	2,014.06	1,267.38
Less: Current ,Deferred Tax/Earlier Year's Provision Written back	907.15	258.62
<b>Profit / (Loss) after Taxation</b>	<b>1,106.91</b>	<b>1,008.76</b>

#### b) Consolidated

(₹ in lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from Operations	12,676.79	13,126.74
Other Income	6,728.73	1,710.28
<b>Total Revenue</b>	<b>19,405.52</b>	<b>14,837.02</b>
Operating Cost	3,629.21	6,806.18
Cost of units sold	121.28	3.54
Personnel Cost	638.11	646.03
Other Expenses	2,869.19	1,511.83
<b>Total Expenditure</b>	<b>7,257.79</b>	<b>8,967.58</b>
Profit before Interest, Depreciation and Tax	12,147.73	5,869.44
Less: Interest	3,035.39	2,036.90
Less: Depreciation	5,248.10	2,632.32
Add: Share of net profit of associates and joint ventures accounted by using equity method	76.87	147.75
Less: Exceptional Items	-	34.59
<b>Profit before tax from Continuing Operations</b>	<b>3,941.12</b>	<b>1,313.38</b>
Less: Provision for taxation/Earlier Year's Provision Written back	3.24	(26.71)
Less: Deferred Tax	928.10	343.52
<b>Profit/(Loss) after Taxation from continuing operation</b>	<b>3,009.78</b>	<b>996.57</b>
<b>Profit/(Loss) from discontinued operation</b>	<b>(17.03)</b>	<b>7.75</b>
<b>Profit/ (Loss) for the year</b>	<b>2,992.75</b>	<b>1,004.32</b>

**Notes:**

- i. Your Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2016 pursuant to the notification of the Companies (Indian Accounting Standards) Rules, 2015 issued by the Ministry of Corporate Affairs and your Company has not made any treatment other than provided under Ind AS while preparing its financial statements.
- ii. The figures for the financial year ended March 31, 2019 for both standalone and consolidated are the figures after giving effect to the merger of Star Shopping Centres Private Limited into the Company.

**Global health pandemic from COVID-19**

There are three major channels of impact for Indian businesses according to the report namely linkages, supply chain and macroeconomic factors.

Reduction in the urban transaction can lead to a steep fall in the consumption of non-essential goods. It can be severe if disruption causes by the lockdown and affect the availability of essential commodities. Due to weak domestic consumption and consumer sentiment, there can be a delay in investment which further add pressure on the growth.

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. The Company would implement a phased and safe return-to-work plan as and when lockdown restrictions are relaxed.

**Scheme of Merger by Absorption of Star Shopping Centres Private Limited by the Company**

The Scheme of Merger by Absorption of Star Shopping Centres Private Limited (Star) and their respective Shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("the Act") with the appointed date April 01, 2017 in order to consolidate the business into single entity, has been approved by Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench on August 2, 2019 and the Company has filed certified true copy of the order with Registrar of Companies on September 21, 2019.

**Leases**

The Company's lease asset classes primarily consist of leases for land and buildings. Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

On transition, the adoption of the new standard resulted in the recognition of right-of-use (ROU) asset of ₹ 167.89 crore and a lease liabilities of ₹ 237.78 crore at a standalone level. The cumulative effect of applying the standard, amounting to ₹ 50.44 crore at a standalone level, was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share. Ind AS 116 resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

**Financials - Standalone Highlights**

During the year ended March 31, 2020, your Company has achieved total Revenue (i.e. Revenue from Operations & Other income) of ₹ 17059.61 Lakhs as against ₹ 14504.87 Lakhs for the previous year ended March 31, 2019. Your Company has achieved Profit before tax of ₹ 2014.06 Lakhs for the current year as against ₹ 1267.38 Lakhs for the previous year (an increase of 58.91 % over the previous year).

**Consolidated Highlights**

During the year ended March 31, 2020, your Company's consolidated Revenue stood at ₹19,406.53 Lakhs as against ₹ 14837.02 Lakhs for the previous year ended March 31, 2019. Your Company has achieved Profit before tax of ₹ 3941.12 Lakhs for the current year as against ₹ 1313.38 Lakhs for the previous year on consolidated basis.

**Business outlook / State of the Company's affair**

Your Company is engaged in development and management of commercial, retail and infra logistic projects. There was no change in nature of the business of your Company, during the year under review.

Your Company is in the process of constructing and developing the integrated large-scale warehouses at Jhajjar (Haryana) and Nagpur (Maharashtra) aggregating to 1.3 million square feet.

Your Company has, along with Gati Realtors Private Limited (SPV-1) and Future Retail Destination Private Limited (SPV-2) (SPV 1 and 2 (SPV's) entered into a strategic arrangement with ESR NAGPUR 1 PTE LTD and ESR DELHI 3 PTE LTD (investor SPV's) respectively.

Your Company has diluted its holding in its SPV's by way of sale of 51% of its investment to respective Investor SPV's in terms of Transaction Documents executed in relation to this arrangement. Upon completion of the Project and successful handover, your Company shall exit from the respective SPV's by way of sale of balance 49% of its investment in the respective SPVs.

### **Transfer to reserves**

During the financial year ended March 31, 2020, the Company has not made any transfer to reserves.

### **Secretarial Standards**

During the financial year ended March 31, 2020, the Company is in compliance with the Secretarial Standards with respect to Meeting of the Board of Directors (“SS-1”) and General Meetings (“SS-2”) issued and amended by the Institute of Company Secretaries of India in terms of Section 118(10) of the Companies Act, 2013. The same has also been confirmed by the Secretarial Auditor of the Company.

### **Consolidated IND AS financial Statements**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the ‘Listing Regulations’) and Section 129 of the Act the Consolidated Financial Statements which have been prepared by the Company in accordance with the applicable provisions of the Act and the applicable Indian Accounting Standards (Ind AS) forms part of this Annual Report.

### **Cash Flow Statement**

In conformity with the provisions of Regulation 34 of Listing Regulations, the Cash Flow Statement for the year ended March 31, 2020 has been provided in the Annual Report which forms part of this report.

### **Accounts**

The Annual Report of your Company containing the standalone and consolidated Ind AS financial statements has been disseminated on the website of the Company at [www.fmn.co.in](http://www.fmn.co.in).

### **Dividend**

The Board is not recommending any dividend for the financial year ended March 31, 2020 in order to conserve the resources. Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) with regard to formulation of Dividend Distribution Policy is not applicable to your Company.

### **Appropriations**

During the year under review, your Company has not made any appropriations.

### **Share Capital**

Pursuant to Merger by Absorption of Star Shopping Centres Private Limited by the Company, the Authorized Share Capital of the Company has been increased to ₹ 90,35,00,000/- (Rupees Ninety Crores Thirty Five Lakhs) divided into 9,03,00,000 equity shares of ₹ 10/- each and 5000 Preference Shares of ₹ 100/- each.

The issued share capital of the Company as on March 31, 2020 is ₹ 57,54,49,510/- divided into 5,75,44,951 equity shares of ₹ 10/- each.

570 Equity Shares of the Company are kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in Future Enterprises Limited (formerly known as Pantaloon Retail India Limited).

The subscribed and paid up share capital of the Company as on March 31, 2020 is ₹ 57,54,43,810/- divided into 5,75,44,381 equity shares of ₹10/- each.

During the year under review, the Company had allotted 12,53,100 equity shares of ₹ 10/- each to the eligible shareholders of Star Shopping Centres Private Limited (SSCPL) pursuant to the scheme of merger by absorption of SSCPL by the Company.

### **Fixed deposits**

During the year under review, your Company has not accepted any fixed deposits, including from the public, and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

### **Management Discussion and Analysis**

In terms of the provisions of Regulation 34 of the Listing Regulations, the Management’s discussion and analysis is set out in this Annual Report.

### **Disclosures under section 134(3)(l) of the Act**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company’s financial position, have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

### Particulars of loans, guarantees, investments under section 186 of the Act

Your Company has extended the support to the financial needs of the Special Purpose Vehicle Companies viz. Wholly Owned Subsidiaries and Joint Ventures / Associates.

Loans, guarantees and investments covered under Section 186 of the Act form part of the Notes to the financial statements provided in this Annual Report.

### Risk Management

The Board of Directors of the Company has formulated a Risk Management Policy which aims at minimizing the risk and enhancing the value and reviews the elements of risks with regard to the business.

The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

### Related Party Transactions

In line with the requirements of the Act and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is available on Company's website at [www.fmn.co.in](http://www.fmn.co.in). This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for giving the omnibus approval by the Audit Committee within the overall framework of the Policy on Related Party Transactions.

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee of the Board of Directors for their approval. The Audit Committee has granted omnibus approval for Related Party Transactions as per the provisions and restrictions contained in the Listing Regulations.

Pursuant to Regulation 23 of the Listing Regulations, all related party transactions were placed before the Audit Committee on a quarterly basis, specifying the nature, value and terms & conditions of the transactions for their review and approval.

The Company has entered into the material related party transactions during the financial year under review as required under Section 134(3)(h) of the Act. Particulars of contract or arrangements with related parties referred to in section 188(1) of the Act, in the prescribed Form AOC-2, is appended as Annexure '1', which forms part of this Report. The said transactions were approved by the Board and Audit Committee.

The related party disclosures as specified in Para A of Schedule V read with Regulation 34(3) of the Listing Regulations are given in the Financial Statements.

### Subsidiaries and Associates

At the beginning of the year, your Company had 8 subsidiaries and 1 Joint Venture. During the year under review:

- i. Gati Realtors Private Limited and \*Future Retail Destination Private Limited became the Associates of the Company with effect from August 28, 2019 and October 25, 2019 respectively as compared to the Wholly Owned Subsidiaries in the previous financial year.
- ii. Star Shopping Centres Private Limited merged with the Company vide order dated August 2, 2020 of the National Company Law Tribunal, Mumbai Bench.

As on March 31, 2020 the Company has the following Subsidiaries, Joint Ventures and Associates:

Sr. No.	Name of the Subsidiary	Sr. No.	Name of the Subsidiary
1	Aashirwad Malls Private Limited	4	Sun City Properties Private Limited
2	Suhani Mall Management Company Private Limited	5	Jeremia Real Estate Private Limited
3	Future Trade Markets Private Limited		
	<b>Name of the Joint Venture</b>		<b>Name of Associates</b>
1	Riddhi Siddhi Mall Management Private Limited	1	Future Retail Destination Private Limited
		2	Gati Realtors Private Limited

\* Note: Future Retail Destination Limited was converted into a Private Limited Company w.e.f. October 07, 2019.

In accordance with the provisions of Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, a statement in Form AOC-1 containing the salient features of the financial statements of the subsidiary companies is appended hereto as Annexure '2'.

Audited Annual Accounts of the Subsidiary Companies have also been placed on the website of the Company and are available for inspection by the members at the Registered Office of the Company. Members interested in obtaining copy of the Audited Annual Accounts of the Subsidiary Companies may write to the Company Secretary at the Company's Registered Office address. These documents will also be available for inspection till the date of AGM during business hours at the registered office of the Company in Mumbai.

### **Disclosure relating to Employee Stock Option Scheme**

#### **Future Market Networks Limited - Employee Stock Option Scheme 2016**

Pursuant to the approval granted by the shareholders at the eight Annual General Meeting held on September 20, 2016, your Company has formulated Future Market Networks Limited - Employee Stock Option Scheme 2016 (FMNL – ESOS 2016). The Scheme is in Compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("SEBI Employee Benefits Regulations").

Your Company has granted 7,60,000 options to the eligible employees on May 25, 2018 under Employee Stock Option Scheme 2016 ("ESOS 2016") at an exercise price of ₹ 85/- per equity share. These options shall vest over a period of four years in the proportion of 25% for each year from the date of grant. These options can be exercised anytime within a period of three years from the date of vesting. 5,50,000 options granted lapsed consequent to the resignation of an employee to whom Options were granted.

In compliance with the provisions of Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and SEBI (Employee Share Based Employee Benefits) Regulations, 2014, the details of Employee Stock Option Scheme as on March 31, 2020 are furnished as Annexure '3' attached herewith and forms part of this report.

### **Credit Rating**

Infomeric Valuation and Ratings Private Limited has assigned the rating of 'IVR A- / Stable' to your Company and the said rating denotes stable outlook of safety for timely servicing of debt obligation and carries low credit risk.

### **Corporate Governance**

Our corporate governance practices are a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At FMNL, the Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. We also endeavour to enhance long-term shareholder value and respect minority rights in all our business decisions. Our Corporate governance report for fiscal 2020 forms part of this Annual Report.

### **Matters related to Directors and Key Managerial Personnel**

#### **Directors**

The current policy is to have an appropriate combination of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As on the date of this report, the Board consists of 7 Directors, 3 of whom are Independent Directors including a Woman Director, 3 Non-Executive Directors and 1 Executive Director.

#### **Changes in Board**

During the year under review, there are no changes in the Board except appointment of Mr. Pawan Kumar Agarwal as Executive Director and Chief Financial Officer of the Company which was approved by the members at their Annual General Meeting held on September 16, 2019.

#### **Appointment**

As per the provisions of the Companies Act, 2013, Mr. Rajesh Kalyani and Mr. Pramod Arora, retires by rotation at the ensuing AGM and, being eligible, seeks reappointment. Based on the performance evaluation and recommendation of the nomination and remuneration committee, the Board recommends their reappointment.

The brief resume and other information as required under Regulation 36 (3) of Listing Regulations relating to Mr. Rajesh Kalyani and Mr. Pramod Arora forms part of the Notice of ensuing Annual General Meeting. None of the Directors are disqualified for appointment / reappointment under Section 164 of the Act.

The Company has complied with provisions of Section 203 of the Act.

### **Declarations by Independent Directors**

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

## Performance Evaluation

Pursuant to the provisions of Section 134(3)(d), 134(3)(p), Section 149(6) of the Act read with Schedule IV of the Listing Regulations, formal annual performance evaluation of the Board, the Directors as well as Committees of the Board has been carried out and the details of evaluation carried out are provided in the Corporate Governance Report.

## Familiarization Programme for Independent Directors

All new independent directors inducted into the Board need to attend an orientation program. The details of the training and familiarization program are provided in the corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities.

The Familiarization Programme seeks to update the Independent Directors on various matters covering Company's strategy, business model, operations, organization structure, finance, risk management etc. It also seeks to update the Independent Directors with their roles, rights, responsibilities, duties under the Act and other statutes.

## Disclosures related to Board, Committees and Policies

The details are provided in the Corporate Governance Report that forms part of this Report.

## Meetings of Board

The Board of Directors met Four (4) times during the financial year ended March 31, 2020 in accordance with the provisions of the Companies Act, 2013 and rules made there under. All the Directors actively participated in the meetings and provided their valuable inputs on the matters brought before the Board of Directors from time to time. On February 05, 2020, the Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Act.

## Nomination, Remuneration and Compensation Committee

Nomination, Remuneration and Compensation Committee is constituted in accordance with the provisions of sub-section (1) of Section 178 of the Act. Kindly refer section on Corporate Governance, which is forming part of this report, under head 'Nomination, Remuneration and Compensation Committee for matters relating to constitution, meetings, functions of the Committee and the remuneration policy formulated by this Committee.

## Policy on director's appointment and remuneration

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2020, the Board had seven members, one of whom is an executive director, three non-executive and non-independent member and three independent directors. One of the independent directors of the Board is a woman.

The policy of the Company on director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website, at <https://www.fmn.co.in>

We affirm that the remuneration paid to the directors is as per the terms laid out in the Remuneration Policy of the Company.

## Audit Committee

Audit Committee is constituted in accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulation. The Audit Committee comprises of Mr. Vijai Singh Dugar, Mr. K. A. Somayajulu, Independent Directors and Mr. Rajesh Kalyani, Non-Executive Director. Four meetings of the Committee were held during the year.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board. There were no instances where the Board has not accepted any recommendation of the Audit Committee.

Details of Committees of the Board of Directors along with their terms of reference, composition and meetings held during the year under review, are provided separately in the Corporate Governance Report, which forms part of this Annual Report.

## Financial Controls

The management has established internal control systems commensurate with the size and complexity of the business. The internal control manual provides a structured approach to identify, rectify, monitor and report gaps in the internal control systems and processes.

The Company follows well-documented Standard Operating Procedures (SOPs). The operating effectiveness of various controls is periodically tested and deficiencies, if any, are promptly rectified.

During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

### **Internal Control Systems**

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

### **Significant and Material Orders passed by Regulators or Courts or Tribunal**

No significant and material orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future during the period under review. Other relevant details are provided in the notes to the standalone financial statements.

### **Reporting of frauds by auditors**

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

### **Extract of Annual Return**

Pursuant to Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of the Company in Form MGT-9 is annexed as Annexure '4' and forms an integral part of this report.

The Annual Return as referred in Section 134(3)(a) of the Act for the financial year ended March 31, 2020 shall be placed on the website of the Company at [www.fmn.co.in](http://www.fmn.co.in).

### **Secretarial standards**

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

### **Investors Education and Protection Fund (IEPF)**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year under review, Company has neither declared any dividend nor there are outstanding amount of unclaimed dividends which were liable to be transferred to the IEPF.

### **Director's responsibility statement**

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **Directors confirm that:**

- a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanations relating to material departures,
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts for the financial year ended March 31, 2020 on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## Audit reports and auditors

### Audit reports

- The Auditor's Report for fiscal 2020 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report.
- The Secretarial Auditor's Report for fiscal 2020 does not contain any qualification, reservation or adverse remark. The Secretarial Auditor's Report is enclosed as Annexure '5' to the Board's report in this Annual Report.
- As required under SEBI (Share Based Employee Benefits) Regulations, 2014, the auditor's certificate on the implementation of share-based schemes in accordance with these regulations will be made available at the AGM.

### Statutory Auditors

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, S K Patodia & Associates, Chartered Accountants, Mumbai, bearing ICAI Registration No. 112723W, Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment for the second term.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013, the Code of Ethics issued by the Institute of Chartered Accountants of India.

As required under the provisions of section 139 of the Act, the Company obtained a written certificate from the Auditors to the effect that their appointment, if made, would be in conformity with the limits specified in the said section. The Board recommends their appointment.

You are requested to re-appoint the retiring Statutory Auditors of the Company for a period of five consecutive from the financial year 2020 – 2021 to 2024 – 2025 and fix their remuneration.

The Auditors report to the members read together with the relevant notes thereon are self-explanatory and hence do not warrant any comments under section 134(1)(f) of the Act.

They have confirmed their eligibility under Section 141 of the Act, and the Rules framed there under for reappointment as Auditors of the Company. As required under Regulation 33(d) of the Listing Regulations, the auditors have also confirmed that they hold a valid certificate issued in terms of the Peer Review issued by the Peer Review Board of the Institute of Chartered Accountants of India

The Notes on financial statement referred to in the Auditor's Report are self – explanatory and do not call for any further explanation. The Auditor's Report does not contain any qualification, reservation or adverse remark or disclaimer.

### Secretarial Auditor

As required under Section 204 of the Companies Act, 2013 and Rules thereunder, the Board appointed Mr. Alwyn D'Souza of Alwyn D'Souza & Company, Practicing Company Secretaries (CP No. 5137), as secretarial auditor of the Company for fiscal 2021.

### Cost records and cost audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

### Corporate Social Responsibility (CSR)

In accordance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Board has constituted CSR Committee on May 21, 2019, which comprises of Mr. Vijai Singh Dugar, Chairman, Mr. K. A. Somayajulu and Mr. Rajesh Kalyani as its members.

The Company shall implement Corporate Social Responsibility initiatives in due course, as and when applicable.

### Business Responsibility Report (BRR)

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for the top 1,000 listed entities based on market capitalization. The said regulation is not applicable for the Company during the period under review.

### **Disclosures of transactions with any Person or entity belonging to the Promoter/ Promoter group which hold(s) 10% or more Shareholding in the Company**

During the year under review, the Company is a Subsidiary of Future Corporate Resources Private Limited (FCRPL) (formerly known as Suhani Trading and Investment Consultants Private Limited). FCRPL holds 71.47 % of the paid up share capital of the Company.

There were no transactions during the period under review with any entity forming part of Promoter Group and holding more than 10% of the shareholding in the Company.

### **Disclosure relating to equity shares with differential rights**

The Company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

### **Disclosure relating to sweat equity share**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

### **Particulars of Employees and other additional information**

The statement of disclosure of Remuneration under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') is appended as Annexure '6' to this Report.

### **Payment of remuneration / commission to executive directors from holding or subsidiary companies**

Mr. Pawan Kumar Agarwal, Executive Director and Chief Financial Officer of the Company was appointed as an Executive Director of Future Retail Destination Private Limited (FRDPL) w.e.f. May 02, 2019 which was a wholly owned subsidiary of the Company at a Nil remuneration. However, he resigned as the Executive Director of FRDPL w.e.f. October 25, 2019, upon FRDPL ceased to be the subsidiary of the Company.

### **Disclosures in respect of voting rights not directly exercised by employees**

There are no shares held by trustees for the benefit of employees and hence no disclosure under section 67(3) read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 has been furnished.

### **Sexual Harassment of Women at workplace**

The Company has constituted an Internal Complaints Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH). The details required to be disclosed under POSH forms Part of the Corporate Governance Report.

### **Material Changes and Commitments affecting financial position**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2020 and the date of this Report, other than those disclosed in this Report.

### **Declaration by Executive Director**

As per Regulation 34 (3) read with Schedule V of the Listing Regulations, declaration stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management is enclosed as Annexure '7'.

### **Certificate on Corporate Governance**

As per Regulation 34 (3) read with Schedule V of the Listing Regulations, the auditor's certificate on corporate governance is enclosed as Annexure '8' to the Board's report. The auditor's certificate for financial year 2020 does not contain any qualification, reservation or adverse remark.

### **Board diversity**

The Company recognizes and embraces the importance of a diverse board. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, industry experiences, age, which will help us to have competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website at [www.fmn.co.in](http://www.fmn.co.in).

### **Vigil Mechanism**

Your Company has formed a Whistle Blower Policy for establishing a vigil mechanism for directors and employees to report genuine concerns regarding unethical behaviour and mismanagement, if any. The said mechanism also provides for strict confidentiality, adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate cases. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy.

The said Whistle Blower Policy has been disseminated on the Company's website at viz. <http://fmn.co.in/investor-relations/policies.html>.

**Code of conduct for prevention of insider trading**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosure to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on our website at [www.fmn.co.in](http://www.fmn.co.in).

**Insurance**

Your Company has taken appropriate insurance for all assets against foreseeable perils.

**Listing on stock exchanges**

The Company has entered into Listing Agreement with BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) in terms of the Regulation 34 (3) read with Schedule V of the Listing Regulations and the listing fee for the year 2020-21 has been paid.

**Depository system**

Your Company's equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2020, 99.93% of the equity shares of the Company are held in dematerialised form.

**Service of documents through electronic means**

Subject to the applicable provisions of the Act, all documents, including the Notice and Annual Report shall be sent through electronic transmission in respect of members whose email IDs are registered in their demat account or are otherwise provided by the members. A member shall be entitled to request for physical copy of any such documents and shall be provided upon receiving specific request from members.

**Conservation of energy, technology absorption and foreign exchange earnings and outgo**

Your Company gives significant emphasis on improvement in methods and processes in its areas of Construction and Development.

The information as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2020 with respect to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo has been annexed to this Report as Annexure '9' which forms an integral part of this report.

**Appreciation**

Your Company has been able to perform better with the continuous improvement in all functions and areas which coupled with an efficient utilization of the Company's resources led to sustainable and profitable growth of the Organization. Your Directors express their deep sense of appreciation to every employee and associates for their dedicated and sustained contribution and look forward the continuance of the same in future.

**Acknowledgement**

The Board places on record its appreciation to all stakeholders particularly shareholders, customers, bankers, suppliers, business partners and the Government.

**Cautionary Note**

The statements forming part of the Director's Report may contain certain forward-looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

For and on behalf of Board of Directors

Place: Mumbai  
Date: June 30, 2020

Vijai Singh Dugar  
Chairman  
DIN: 06463399

Pawan Kumar Agarwal  
Executive Director & CFO  
DIN: 01435580

**ANNEXURE '1' TO BOARD'S REPORT  
FORM AOC – 2**

(Pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.**

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

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

2. Details of material contracts or arrangements or transactions at arm's length basis:

a.	Name(s) of the related party and nature of relationship.	Future Retail Limited (In terms of Indian Accounting Standard 24)	Riddhi Siddhi Mall Management Private Limited (Associate/Joint Venture)
b.	Nature of contracts / arrangements/transactions.	Rentals / Common Area Maintenance Charges / Advances/Inter Corporate Deposit / Advances / Reimbursement of expenses received with respect to properties owned/managed by the Company and operated by related party.	Inter Corporate Loan / Interest / Redemption of preference shares
c.	Duration of the contracts / arrangements/transactions.	Based on the commercial arrangement	Based on the commercial arrangement
d.	Salient terms of the contracts / arrangements / transactions including the value, if any.	Arrangements with respect to commercial/retail space, both present and future at various locations in India on lease/ license, or any other similar arrangements for various retail formats of FRL on such terms and conditions as may be agreed amongst the parties in relation to lease rental / license fee, including common area maintenance charges and Deposits for an amount not exceeding ₹ 250 Crore per annum.	Providing Intercorporate Loans or Deposits / Interest / issue of Debentures and or preference shares and redemption of preference shares and / or debentures and Mall Management Consultancy for an amount not exceeding ₹ 75 crores in each financial year.
e.	Date(s) of approval by the Board.	Necessary approvals of the Board and Shareholders have been obtained on July 31, 2018 and September 19, 2018 respectively.	Necessary approvals of the Board and Shareholders have been obtained on November 12, 2019 and December 19, 2019 respectively.
f.	Amount paid as advances, if any.	Nil	Nil

**For and on behalf of Board of Directors**

Place: Mumbai  
Date: June 30, 2020

**Vijai Singh Dugar  
Chairman  
DIN: 06463399**

**Pawan Kumar Agarwal  
Executive Director & CFO  
DIN: 01435580**

## ANNEXURE '2' TO THE BOARD'S REPORT

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.**

## (Part "A")

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl.No.	Particulars	Subsidiary 1	Subsidiary 2	Subsidiary 3	Subsidiary 4	Subsidiary 5
1	Name of the subsidiary	Aashirwad Malls Private Limited	Suhani Mall Management Company Private Limited	Future Trade Markets Private Limited	Sun City Properties Private Limited	Jeremia Real Estate Private Limited
2	Date of becoming subsidiary	20-Jan-12	20-Jan-12	14-Dec-11	20-Jan-12	28-Aug-18
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA
5	Share capital	10,00,000	98,23,010	65,80,300	2,06,00,000	100,000
6	Reserves & surplus	(7,76,154)	24,06,42,744	22,50,54,123	(18,42,180)	(19,85,390)
7	Total assets	23,54,076	84,48,44,757	41,40,53,514	9,26,99,790	18,68,730
8	Total Liabilities	21,30,229	59,43,79,003	18,24,19,091	7,39,41,970	37,54,130
9	Investments	-	19,68,92,250	35,39,701	-	-
10	Turnover	52,28,452	4,80,28,133	84,02,342	2,90,500	-
11	Profit /Loss before taxation	(15,23,696)	1,88,36,438	(86,62,582)	11,990	(6,50,250)
12	Provision for taxation/ Deferred Tax	-	40,49,650	(9,93,154)	2,560	-
13	Profit after taxation	(15,23,696)	1,47,86,788	(76,69,429)	9,430	(6,50,250)
14	Proposed Dividend	-	-	-	-	-
15	% of shareholding	100.00%	86.26%	100.00%	55.17%	100.00%

Names of subsidiaries which are yet to commence operations - Sun City Properties Private Limited and Jeremia Real Estate Private Limited.

Names of subsidiaries which have been liquidated / sold / ceased during the year are as follows:

Gati Realtors Private Limited and Future Retail Destination Private Limited are converted into Joint Venture w.e.f. 28/08/2019 and 25/10/2019 respectively.

**PART "B": ASSOCIATES AND JOINT VENTURES**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	<b>Name of Associates/Joint Ventures</b>	<b>Riddhi Siddhi Mall Management Private Limited</b>	<b>Future Retail Destination Private Limited</b>	<b>Gati Realtors Private Limited</b>
1	Latest audited Balance Sheet Date	31-Mar-20	31-Mar-20	31-Mar-20
2	Date of becoming Associate/Joint Venture	20-Jan-12	25-Oct-19	28-Aug-19
3	Shares of Associate/Joint Ventures held by the company on the year end			
	No.	6,384	1,47,00,000	53,22,625
	Amount of Investment in Associates/Joint Venture (₹)	14,68,77,636	14,22,71,500	5,31,97,975
	Extend of Holding%	50%	49%	49%
4	Description of how there is significant influence	In terms of Joint Venture Agreement	In terms of Share Purchase Agreement	In terms of Share Purchase Agreement
5	Reason why the associate/joint venture is not consolidated	-	-	-
6	Net worth attributable to shareholding as per latest audited Balance Sheet (₹)	42,47,16,795	32,38,17,130	26,39,07,081
7	Profit/Loss for the year (₹)	2,07,14,790	(35,61,502)	(12,87,797)
i.	Considered in Consolidation	1,03,57,395	-12,27,037	-14,43,220
ii	Not Considered in Consolidation	1,03,57,395	-23,34,465	1,55,423

Names of associates or joint ventures which are yet to commence operations. - NIL

Names of associates or joint ventures which have been liquidated or sold during the year: Nil

**For and on behalf of Board of Directors**

**Vijai Singh Dugar**  
Chairman  
DIN: 06463399

**Pawan Kumar Agarwal**  
Executive Director & CFO  
DIN: 01435580

Place: Mumbai  
Date: June 30, 2020

## ANNEXURE '3' TO THE BOARD'S REPORT

## Employee Stock Option Scheme

The below disclosure is in respect of "Future Market Networks Limited" Employee Stock Option Scheme (ESOS) – 2016" in respect of the year ended March 31, 2020.

Sr. No.	Particulars	"Future Market Networks Limited Employee Stock Option Scheme (ESOS) – 2016"
1.	Options granted during the year	Nil (PY: 7,60,000)
2.	Pricing Formula	Black and Scholes Model
3.	Options Vested	None (PY: Nil)
4.	Options exercised	None (PY: Nil)
5.	The total number of shares arising as a result of exercise of option.	None (PY: Nil)
6.	Options Lapsed	Nil (PY: 5,50,000)
7.	Variations of terms of Options	None
8.	Money realized by exercise of options.	None
9.	Total number of Options in force	2,10,000 (PY: 2,10,000)
10.	Employee wise details of options granted to:	
a)	Senior Managerial Personnel (Directors and Key Managerial Personnel)	Pawan Kumar Agarwal Anil Cherian
b)	Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year.	None
c)	Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company from the time of grant.	None
11.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 "Earning Per Share".	Refer Note No. 26 of Standalone.
12.	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation that shall have been recognized if it had used the fair value of options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Refer Note No. 29 and of Standalone.
13.	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Refer Note No. 29 of Standalone.
14.	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	Refer Note No. 29 of Standalone.
i.	Risk free interest rate;	7.59 - 7.88%
ii.	Expected life;	2.5 - 5.5 Years
iii.	Expected volatility;	76.99%
iv.	Expected dividend; and	0.00%
v.	The price of the underlying share in market at the time of option grant	122.1

**ANNEXURE '4' TO THE BOARD'S REPORT**

**FORM NO. MGT – 9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended March 31, 2020**

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

<b>I. Registration and other details</b>	
a) CIN	L45400MH2008PLC179914
b) Registration Date	March 10, 2008
c) Name of the Company	Future Market Networks Limited
d) Category / Sub-Category of the Company	Company having Share Capital
e) Address of the Registered Office and contact details.	Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari East, Mumbai -400060 Tel. No: 022-62995303 Fax: 022-62995473
f) Whether Listed Company	Yes
g) Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Tel. No.: 022-49186270 Fax No.: 022-49186060

**II. Principal Activities of the Company**

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Rent / Management of immovable Properties	681	98.77

**III. Particulars of Holding, Subsidiary and Associate Companies**

Name and address of the Company	Corporate Identity Number	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
<b>Riddhi Siddhi Mall Management Private Limited</b> Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U70102MH2006PTC161884	Associate	50	2 (6)
<b>Future Retail Destination Private Limited (Formerly known as Future Retail Destination Limited)</b> Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U51909MH2008PTC181060	Associate	49	2 (6)
<b>Suhani Mall Management Company Private Limited</b> Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U45200MH2005PTC156837	Subsidiary	86.27	2 (87)
<b>Future Trade Markets Private Limited</b> Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U45400MH2011PTC224924	Subsidiary	100	2 (87)
<b>Aashirwad Malls Private Limited</b> Ahmedabad City Mall, Opp. Arya Samaj Mandir, Raipur -Kankaria Road, Raipur, Ahmedabad, Gujarat- 380022	U70101GJ2004PTC045030	Subsidiary	100	2 (87)



Name and address of the Company	Corporate Identity Number	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
<b>Sun City Properties Private Limited</b> 16A, Brabourne Road 9th Floor Kolkata, West Bengal 700001	U70109WB1998PTC087521	Subsidiary	55.17	2 (87)
<b>Gati Realtors Private Limited</b> 5th Floor, Future Group Office, SOBO Central Mall, 28, Pt. Madan Mohan Malviya Road, Nr Haji Ali, Tardeo, Mumbai - 400034	U45203MH2013PTC248056	Associate	49	2 (6)
<b>Jeremia Real Estate Private Limited</b> 5th Floor, Future Group Office, SOBO Central Mall, 28, Pt. Madan Mohan Malviya Road, Nr Haji Ali, Tardeo, Mumbai - 400034	U74999MH2013PTC244711	Subsidiary	100	2 (87)
<b>Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited)</b> Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060	U74140MH2007PTC175603	Holding	71.47	2(46)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
1) Indian									
a) Individual / HUF	541	--	541	--	541	--	541	--	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	41182869	--	41182869	73.16	41182869	--	41182869	71.57	-1.59
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub Total (A)(1)</b>	<b>41183410</b>	<b>--</b>	<b>41183410</b>	<b>73.16</b>	<b>41183410</b>	<b>--</b>	<b>41183410</b>	<b>71.57</b>	<b>-1.59</b>
2) Foreign									
a) NRI's- Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub Total (A)(2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>41183410</b>	<b>--</b>	<b>41183410</b>	<b>73.16</b>	<b>41183410</b>	<b>--</b>	<b>41183410</b>	<b>71.57</b>	<b>-1.59</b>
<b>B. Public Shareholding</b>									
1) Institutions									
a) Mutual Funds / UTI	4527	--	4527	0.01	27	--	27	0.00	0.01
b) Banks / FI	263767	--	263767	0.47	157732	--	157732	0.27	-0.20
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	31184	--	31184	0.06	31184	--	31184	0.05	-0.01

## FUTURE MARKET NETWORKS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FII's	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)									
j) Foreign Portfolio Investors	50000	--	50000	0.09	50000	--	50000	0.09	--
<b>Sub-Total (B) (1)</b>	<b>349478</b>	<b>--</b>	<b>349478</b>	<b>0.62</b>	<b>238943</b>	<b>--</b>	<b>238943</b>	<b>0.41</b>	<b>-0.21</b>
<b>2) Non - Institutions</b>									
a) Bodies Corporate	8115155	197	8115352	14.42	7507071	143	7507214	13.05	-1.37
i. Indian									
ii. Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	2465485	59971	2525456	4.49	2788464	40771	2829235	4.92	0.43
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	3710094	--	3710094	6.59	5419947	--	5419947	9.42	2.83
c) NBFCs registered with RBI	1550	--	1550	0.00	--	--	--	--	--
d) Others (specify)									
i. Non-Resident Indian (Repat)	39973	110	40083	0.07	45054	--	45054	0.08	0.01
ii. Non-Resident Indian (Non-Repat)	21259	--	21259	0.04	22507	--	22507	0.04	--
iii. Clearing Member	116831	--	116831	0.21	52865	--	52865	0.09	-0.12
iv. Directors & Relative	41025	--	41025	0.07	41025	--	41025	0.07	--
v. Hindu Undivided Family	186743	--	186743	0.33	204181	--	204181	0.35	0.02
<b>Sub-Total (B) (2)</b>	<b>14698115</b>	<b>60278</b>	<b>14758393</b>	<b>26.22</b>	<b>16081114</b>	<b>40914</b>	<b>16122028</b>	<b>28.02</b>	<b>1.80</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>15047593</b>	<b>60278</b>	<b>15107871</b>	<b>26.84</b>	<b>16320057</b>	<b>40914</b>	<b>16360971</b>	<b>28.43</b>	<b>1.59</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Grant Total (A+B+C)</b>	<b>56231003</b>	<b>60278</b>	<b>56291281</b>	<b>100.00</b>	<b>57503467</b>	<b>40914</b>	<b>57544381</b>	<b>100</b>	<b>--</b>

### ii. Shareholding of Promoters

Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in Shareholding during the year
	Number of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	Number of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
Future Corporate Resources Private Limited	41129343	73.06	71.68	41129343	71.47	70.12	-
Surplus Finvest Private Limited	53526	0.10	0.00	53526	0.10	0.00	-
Vijay Biyani	50	0.00	0.00	50	0.00	0.00	-
Anil Biyani	50	0.00	0.00	50	0.00	0.00	-
Sunil Biyani	50	0.00	0.00	50	0.00	0.00	-
Vivek Biyani	50	0.00	0.00	50	0.00	0.00	-
Laxminarayan Biyani	50	0.00	0.00	50	0.00	0.00	-
Gopikishan Biyani	50	0.00	0.00	50	0.00	0.00	-
Ashni Kishore Biyani	141	0.00	0.00	141	0.00	0.00	-
Kishore Biyani	50	0.00	0.00	50	0.00	0.00	-
Rakesh Biyani	50	0.00	0.00	50	0.00	0.00	-
<b>Total</b>	<b>41183410</b>	<b>73.16</b>	<b>60.49</b>	<b>41183410</b>	<b>71.57</b>	<b>70.12</b>	

\* Note:

Change in the share capital is due to allotment of 1253100 equity shares of ₹ 10/- each pursuant to Scheme of Merger by Absorption of Star Shopping Centres Private Limited approved by Hon'ble NCLT, Mumbai Bench on August 02, 2019.

## iii. Changes in Promoters Shareholding (Please specify, if there is no change)

Shareholding at the beginning of the year	Cumulative Shareholding during the year			
	Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
At the beginning of the year	41183410	73.16	41183410	71.57
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	Change in the share capital is due to allotment mde on September 24, 2019 of 1253100 equity shares of ₹ 10/- each on pursuant to Scheme of Merger by Absorption of Star Shopping Centres Private Limited approved by Hon'ble NCLT, Mumbai Bench, on August 02, 2019.
At the end of the year	41183410	73.16	41183410	71.57

Note:

- The name of Suhani Trading and Investment Consultants Private Limited was changed to Future Corporate Resources Private Limited w.e.f. December 11, 2018.

## iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1. Ishbhoomi Fabtraders Private Limited	4097145	7.28	4096745	7.12
2. Kapil Narendra Gupta	1970000	3.50	1970000	3.42
3. Genil Commotrade Private Limited	2237597	3.98	1727145	3.00
4. Shilpa Malik	0	0.00	626530	1.09
5. Pranay Sinha	15200	0.03	558693	0.97
6. Jugal Kishore Maheshwari	380000	0.67	438311	0.76
7. Sanghai Commercial And Credits Private Limited	288575	0.51	422362	0.73
8. Jitendrakumar Champalal Jain	125398	0.22	243141	0.42
9. Anika Merchants And Traders Private Limited	202435	0.36	202435	0.35
10. Rivaaz Trade Ventures Private Limited	196197	0.35	196197	0.34
11. Samra Jain	180200	0.32	180200	0.31
12. Life Insurance Corporation of India	260447	0.46	156812	0.27
13. Adibhuta Investments Private Limited	145000	0.26	145000	0.25

## v. Shareholding of Directors and Key Managerial Personnel

Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
<b>Mr. Sunil Biyani</b>				
At the beginning of the year	50	0.00	50	0.00
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
<b>At the end of the year</b>	<b>50</b>	<b>0.00</b>	<b>50</b>	<b>0.00</b>

## FUTURE MARKET NETWORKS LIMITED

Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Mr. Rajesh Kalyani				
At the beginning of the year	41,025	0.07	41,025	0.07
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
<b>At the end of the year</b>	<b>41,025</b>	<b>0.07</b>	<b>41,025</b>	<b>0.07</b>

Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Mr. Pawan Kumar Agarwal				
At the beginning of the year	14,500	0.03	14,500	0.03
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
<b>At the end of the year</b>	<b>14,500</b>	<b>0.03</b>	<b>14,500</b>	<b>0.03</b>

Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Mr. Pramod Arora				
At the beginning of the year	0	0.00	0	0.00
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	25,000 (bought 25,000 shares on 24/07/2019)	0.04
<b>At the end of the year</b>	<b>0</b>	<b>0.00</b>	<b>25,000</b>	<b>0.04</b>

None of the Directors of the Company holds any shares other than what is specifically disclosed herein above.

Each of the KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
<b>Mr. Anil Cherian, Head- Legal &amp; Company Secretary</b>				
At the beginning of the year	12,500	0.02	12,500	0.02
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
<b>At the end of the year</b>	<b>12,500</b>	<b>0.02</b>	<b>12,500</b>	<b>0.02</b>

None of the Key Managerial Personnel holds any shares other than what is specifically disclosed herein above.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (₹ in Crores)

Particulars	Secured Loans excluding Deposits	Unsecured Loans/ Advances	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	35.00	355.65	-	390.65
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>35.00</b>	<b>355.65</b>	-	<b>390.65</b>
<b>Change in Indebtedness during the financial year</b>				
i. Addition	-	9.56	-	9.56
ii. Reduction	-35.00	-62.51	-	-87.95
<b>Net Change</b>	<b>-35.00</b>	<b>-52.95</b>	-	<b>-87.95</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	-	302.70	-	302.70
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	-	<b>302.70</b>	-	<b>302.70</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakhs)

S.No	Particulars of Remuneration	Mr. Pawan Kumar Agarwal* Whole Time Director / Executive	Total Amount
	Gross Salary		
1)	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	44.34	44.34
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.38	0.38
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2)	Stock Options	1,50,000*	1,50,000*
3)	Sweat Equity	-	-
4)	Commission - as % of profit - as others specify	- - -	- - -
5)	Others , Please specify	-	-
	<b>Total A</b>	<b>44.72</b>	<b>44.72</b>

\*Granted 1,50,000 stock options to Mr. Pawan Kumar Agarwal but yet not exercised.

\* Appointed as an Executive Director w.e.f. May 21, 2019. Hence, remuneration in capacity of Executive Director is paid w.e.f. May 21, 2019 .

B. Remuneration to other Directors (in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	<b>K. A. Somayajulu</b>	<b>Vijai Singh Dugar</b>	<b>Udita Jhunjunwala</b>	
	• Fee for attending board / committee meetings	3,55,000	3,55,000	1,00,000	8,10,000
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>3,55,000</b>	<b>3,55,000</b>	<b>1,00,000</b>	<b>8,10,000</b>

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Rajesh Kalyani	Pramod Arora	Sunil Biyani	
2.	Other Non- Executive Directors				
	• Fee for attending board / committee meetings	3,35,000	80,000	1,60,000	5,75,000
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	3,35,000	80,000	1,60,000	5,75,000
	Total (B) = (1+2)				13,85,000
	<b>Total Managerial Remuneration</b>				13,85,000
	Overall ceiling as per the Act	Sitting Fees is paid within the limit specified under the Companies Act, 2013			

(₹ in lakhs)

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Anil Cherian	*Pawan Kumar Agarwal
1.	Gross salary		
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	39.26	7.11
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.32	0.06
	c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option (No. of Equity Shares)	**	**
3.	Sweat Equity	-	-
4.	Commission as % of profit	-	-
5.	Others, Allowances	-	-
	<b>Total</b>	<b>39.58</b>	<b>7.17</b>

\* Mr. Pawan Kumar Agarwal was designated as Chief Financial Officer from April 01, 2019 to May 20, 2019. Hence, the remuneration specified is paid for that period and thereafter w.e.f. May 21, 2019, he was designated as Executive Director and Chief Financial Officer of the Company.

\*\* Granted 1,50,000 and 60,000 stock options to Mr. Pawan Kumar Agarwal and Mr. Anil Cherian respectively but yet not exercised.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**ANNEXURE '5' TO THE BOARD'S REPORT****FORM NO. MR.3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

**Future Market Networks Limited,**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Future Market Networks Limited** (CIN:L45400MH2008PLC179914) (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances for the purpose of expressing our opinion thereon.

Based on our verification of the Company's statutory books, legal papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the above mentioned books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2020** and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment including FEMA (Acquisition and Transfer of Immovable Property in India) Regulations, 2000 (and External Commercial Borrowings, **as applicable**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
  - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other specific business/industry related laws applicable to the Company- The Company has complied with the provisions of the various State wise Act, Rules and Regulations in connection with Real Estate Development, Contract Labour, Labour welfare, Plastic Carry Bags, Tax on Professions, Trades, Callings And Employments, Goods and Service Tax, other applicable Taxes, Sexual Harassment of Women at Workplace, Environment Protection, E-Waste, Shops and Establishments, Apartment Ownership, Provident Fund, Superannuation Fund etc., The Trade Marks Act, 1999, Registration Act, 1908, Indian Stamp Act, 1899, Transfer of Property Act, 1882 and other applicable general business laws, rules, regulations and guidelines.

**We have also examined compliance with the applicable clauses of:**

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**We further report that, there were no events/actions requiring compliance thereof by the Company during the Audit period in pursuance of:**

- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016;
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- f) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; During the period under review, the Company has complied with the provisions of the above mentioned Act, Rules, Regulations, Guidelines and Standards etc. mentioned above.

### **We further report that**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committees of the Board, as the case may be.

None of the members have communicated dissenting views, in the matters / agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc other than as stated herein below:

- (a) The Company has sub lease rights with respect to the above OCC mall in Mumbai and there were serious disputes amongst the parties under the said arrangement. The parties have arrived at a settlement in a suit filed by the Company and tendered consent terms with Hon'ble High Court of Bombay in the suit filed by the Company viz. Consent Terms dated 8th December 2017 and Supplemental Consent Terms dated April 2019 (Consent Terms). The Consent Terms deals with settlement of long standing dispute between the Company including settlement of past claims of sub lessor (Neel Kamal City Shopping Mall (India) Limited - which has taken it on lease from the lessor and sub-leased it to the Company) under the original arrangement till March 31 2019 for an amount of ₹ 17.41 Cr (over and above the existing receivables standing in the books), out of which ₹ 4.91 Cr was paid during the year under report, with an arrangement for future periods including reduced rentals for the sub lease period upto August 2027. The arrangement deals with entitlement of lease rental in respect of premises owned by various third parties and a minority of such third party owners have intervened in the matter raising objections with respect of approval of consent terms by the Hon'ble Court. The Court has taken the consent terms on record but not yet issued an order sanctioning the Consent Terms. In case, the Consent Terms are accepted as filed, the Company will have to honour its payment obligations for the said amount and the parties shall be administrated in terms of the Consent Terms. However, if the Consent Terms are not approved, the parties shall be relegated to the original position of the suit filed by the Company. In view of this, the above has been disclosed as contingent liabilities pending approval of Hon'ble High Court in relation to the Consent Terms.
- (b) The Scheme of Merger by Absorption of Star Shopping Centres Private Limited (Transferor Company) by the Company (Transferee Company) and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 was approved by the National Company Law Tribunal, Mumbai Bench on August 2, 2019.
- (c) Mr. Pawan Kumar Agarwal was appointed on the as Executive Director and Chief Financial Officer on the Board of the Company for the period of five years commencing from May 21, 2019 in compliance with the provisions of Section 203 of the Companies Act, 2013.
- (d) The Company has transferred 51% of its investment held in Gati Realtors Private Limited to ESR Nagpur 1 Pte Ltd. August 28, 2019 and Future Retail Destination Private Limited to ESR Delhi 3 Pte Ltd. on October 25, 2019. Subsequent to the said transfer, Gati Realtors Private Limited and Future Retail Destination Private Limited were ceased to be the Subsidiaries of the Company.
- (e) The Board of Directors/Committee reviews Company's Insider Trading Policy and SEBI (Prohibition of Insider Trading) Regulations, 2015 and appropriate measures are taken by the Company on the non-compliance.

**Alwyn D'Souza & Co.**  
**Company Secretaries**

**Alwyn D'Souza, FCS.5559**

[Proprietor]

[Certificate of Practice No.5137]

[UDIN: F005559B000410150]

**Note:** This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



ANNEXURE A

To  
The Members,  
**Future Market Networks Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Future Market Networks Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 lockdown and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Alwyn D'Souza & Co.**  
Company Secretaries

**Alwyn D'Souza, FCS.5559**

[Proprietor]

[Certificate of Practice No.5137]

**ANNEXURE '6' TO THE BOARD'S REPORT**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- i. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year, ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2019-20 are as under:

<b>Name of Director/KMP and Designation</b>	<b>Remuneration of Director/KMP for financial year 2019-20 (₹ in Lakhs) (1)</b>	<b>% increase in Remuneration in the financial year 2019-20 (2)</b>	<b>Ratio of Remuneration of each Director to MRE for financial year 2019-20 (3=(1)/MRE)</b>
Mr. Sunil Biyani Non-Executive Director	-	-	-
Mr. Pramod Arora Non-Executive Director	-	-	-
Mr. Rajesh Kalyani Non-Executive Director	-	-	-
Ms. Udit Jhunjhunwala Independent Director	-	-	-
Mr. Vijai Singh Dugar Independent Director	-	-	-
Mr. K.A. Somayajulu Independent Director	-	-	-
Mr. Anil Cherian Head - Legal & Company Secretary	39.58	-	10.55
*Mr. Pawan Agarwal Executive Director and Chief Financial Officer	44.72	-	13.82

(Above excludes sitting fee, whosoever applicable)

\*Appointed as an Executive Director and Chief Financial Officer w.e.f May 21, 2019. Hence, remuneration is paid for that period.

- ii. The Median Remuneration of the Employees of the Company during the financial year 2019-20 under review is ₹ 31,277/- as compared to ₹ 75,063/- in the previous Financial Year 2018-19.
- iii. The percentage increase/decrease in the median remuneration of employees in the financial year: -58.33%
- iv. Number of permanent employees on the rolls of Company as on March 31, 2019: 60 (Sixty).
- v. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19: -0.29%.
- vi. Percentage increase/ (decrease) in the managerial remuneration: \*NA
- vii. On account of change in managerial personnel in previous year and current year, change in percentage of managerial remuneration cannot be ascertained. Justification, including any exceptional circumstances, for increase in the managerial remuneration: N.A.
- viii. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(2) and 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- i. There were no employees in the Company who were drawing a remuneration throughout the financial year 2019-20 as stipulated in Rule 5 (2) (i).
- ii. There were no employees in the Company who were drawing a remuneration for the part of the financial year 2019-20 as stipulated in Rule 5 (2) (ii).
- iii. None of the employees directly or indirectly holds more than 2% of the equity shares of the Company.

**For and on behalf of Board of Directors**

**Place: Mumbai**  
**Date: June 30, 2020**

**Vijai Singh Dugar**  
**Chairman**  
**DIN: 06463399**

**Pawan Kumar Agarwal**  
**Executive Director & CFO**  
**DIN: 01435580**

**ANNEXURE '7' TO THE BOARD'S REPORT**

Declaration by Executive Director and Chief Financial Officer

To  
The Members  
**Future Market Networks Limited**

Sub: Declaration regarding compliance with the Company's Code of Conduct for Directors and senior management

Ref: Regulation 34 (3) read with Part D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, Pawan Kumar Agarwal, Executive Director and Chief Financial Officer of Future Market Networks Limited, hereby declare that all the members of the Board of Directors and Senior Management have affirmed compliances with the Code of Conduct for Directors and Senior Management of the Company during the year ended March 31, 2020.

**For Future Market Networks Limited**

**Pawan Kumar Agarwal**  
**Executive Director & CFO**  
**DIN: 01435580**

Date: June 30, 2020  
Place: Mumbai

## ANNEXURE '8' TO THE BOARD'S REPORT

### AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**Future Market Networks Limited**

1. We, M/s S K Patodia & Associates, Chartered Accountants, the Statutory Auditors of Future Market Networks Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

#### **Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

#### **Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### **Others**

1. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2020.
2. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For S K Patodia & Associates**

Chartered Accountants  
Firm Registration No: 112723W

**Dhiraj Lalpuria**

Partner  
Membership No: 146268  
UDIN: 20146268AAAAJQ1215

**ANNEXURE '9' TO THE BOARD'S REPORT**

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

[Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

**A. CONSERVATION OF ENERGY**

- a) Energy Conservation Measures Taken
- b) Additional investments and Proposals, if any, being implemented for reduction of consumption of energy and
- c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Disclosure for (a) to (c): The operations of the Company do not involve high energy consumption. However the Company has been laying great emphasis on the Conservation of Energy and has taken several measures including regular monitoring of consumption, implementation of viable energy saving proposals, improved maintenance of systems etc.

- d) Particulars of Energy consumption etc in respect of specified industries.

The disclosure on particulars regarding consumption of energy etc are not applicable to the Company since industry to which the Company belongs is not covered under the schedule prescribed by the said Rules.

**B. TECHNOLOGY ABSORPTION**

Research and Development (R & D):

Specific areas in which R&D is carried out by the Company: Benefits derived as a result of the above R & D Future Plan of Action	Designing of Shopping malls and large scale warehouses as per the best industry standards are the areas in which general research and development work is carried out by the Company.
Expenditure on R & D a. Capital b. Recurring c. Total d. Total R & D expenditure as a percentage of total turnover	Included in the project cost.

Technology absorption, adaptation and innovation:

Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	Nil
In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: a) Technology Imported b) Year of Import c) Has technology been fully absorbed d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	Nil

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ in lakhs)

	Current Year	Previous Year
Foreign Exchange Earnings	2928.78	Nil
Foreign Exchange Outgo	Nil	Nil

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
**Future Market Networks Limited**  
Knowledge House, Off. Shyam Nagar,  
Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400060

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Future Market Networks Limited having CIN: L45400MH2008PLC179914 and having registered office at Knowledge House, Off. Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of Appointment
1.	Sunil Gopikishan Biyani	00006583	Director	30/05/2013
2.	Udita Janak Jhunjhunwala	00120951	Director	13/11/2014
3.	Rajesh Ramjilal Kalyani	00220632	Director	23/09/2010
4.	Pawan Kumar Agarwal	01435580	Executive Director & Chief Financial Officer	21/05/2019
5.	Somayajulu Kodukula Ayyanna	02535927	Director	13/11/2014
6.	Pramod Arora	02559344	Director	14/08/2017
7.	Vijai Singh Dugar	06463399	Director	01/02/2013

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

**Alwyn D'souza & Co.**  
Company Secretaries

**Alwyn D'souza, FCS. 5559**

[Proprietor]

[Certificate of Practice No. 5137]

UDIN: F005559B000473224]

## Management Discussion & Analysis

### Economic review

#### Indian economy

The economic impact of the 2019–20 coronavirus pandemic in India has been largely disruptive. Supply chains have been put under stress with the lockdown restrictions in place and people restrained themselves from traveling, shopping and other outdoor activities. The pandemic will cause devastating impacts on Indian economy which can in turn influence consumption pattern in the Country. The Government of India announced a series of measures to counter the impacts which may ease negative impacts considerably.

#### Real Estate Industry

The real estate sector is one of the most globally recognized sectors. Real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment. It is estimated that by 2040, real estate market to grow to ₹ 65,000 crore (US\$ 9.30 billion) from ₹ 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13 per cent of the country's GDP by 2025. Infrastructure for Warehousing industry is one of the sectors wherein considerable investments are made as of now and hence this sector is having lot of opportunities.

#### Warehousing Industry Overview

##### Overall Scenario:

Warehousing primarily refers to the storage of goods to be transported, whether inbound or outbound. The Warehousing and Storage industry includes establishments operating warehousing and storage facilities for general merchandize, refrigerated goods and other warehouse products.

Warehousing constitutes only 15%-35% of the total logistics costs but its importance is significant with respect to the role it plays in the smooth functioning of supply chain networks. Warehouses have become one of the major segments of the rapidly growing Indian logistics industry.

Sensing the tremendous growth potential of the warehouse sector, the private players (including both domestic & international) have ventured in the space with a view to bridge the gap between cost and efficiency of operations.

Nearly 60% of the modern warehousing capacity in India is concentrated in the top six cities, namely, Ahmedabad, Bangalore, Chennai, Mumbai, NCR and Pune, with Hyderabad and Kolkata being the other major markets. This is driven by concentration of industrial activity and presence of sizeable urban population around these clusters. Going forward, due to factors such as quality of infrastructure and availability of labour, these advantages are likely to remain with these cities. In all the segments of warehousing industry barring the agricultural segment, the majority of the capacity is controlled by the private sector. In the agricultural segment, approximately 3/4th is controlled by different Government entities.

#### Arrangement for Logistic Park

Company in alliance with ESR engaged in constructing, developing and selling integrated large-scale warehouses at Jhajjar (Haryana) and Nagpur (Maharashtra) aggregating to 1.3 million square feet. Accordingly, your Company has, along with Gati Realtors Private Limited (SPV-1) and Future Retail Destination Limited (SPV-2 entered into a strategic arrangement with ESR NAGPUR 1 PTE LTD and ESR DELHI 3 PTE LTD (investor SPV's) respectively. The construction activities are at an advanced stage.

#### Retail infrastructure

The Indian retail industry is one of the fastest growing in the world. Retail industry in India is expected to grow to US\$ 1,200 billion by 2021 from US\$ 672 billion in 2017.

India is the fifth largest preferred retail destination globally. The country is among the highest in the world in terms of per capita retail store availability. India's retail sector is experiencing exponential growth, with retail development taking place not just in major cities and metros, but also in Tier-II and Tier-III cities. Healthy economic growth, changing demographic profile, increasing disposable incomes, urbanization, changing consumer tastes and preferences are the other factors driving growth in the organized retail market in India.

During the period under review, Star Shopping Centres Private Limited merged with the Company. This merger was aimed with a view to strengthen the financials of the Company and also improve operational efficiency.

#### Risk

##### Business Risk

The business of construction and development is heavily dependent on the performance of the real estate market in India and could be adversely affected if market conditions deteriorate. The real estate market is significantly affected by changes in government policies,



economic conditions, demographic trends, employment and income levels and interest rates, among other factors. The development of real estate projects involves various risks including regulatory risks, financing risks and the risks that these projects may ultimately prove to be unprofitable.

### Rental realizations

The rental realizations on the space leased depends upon the project location, design, tenant mix (this is relevant in the case of shopping malls), prevailing economic conditions and competition. Your Company has set up its retail property in prime location and maintains a fresh ambience resulting in-crowd pull and attracting first time kind of retailers.

### Economy Risk

Economic and market conditions can adversely affect the performance of the Company. In particular, the decline in the performance of the global and Indian economies as a result of the economic downturn can reduce demand and occupancy levels in property markets. An increase in interest rates or an increase in the margin on which finance can be obtained may increase the Company and the Subsidiary's financing costs and such increase in interest rates may increase the cost of borrowing, which could have an adverse impact on the Company and the Subsidiary's business, financial condition and results of operations.

### Financing costs

The acquisition of land and development rights needs substantial capital outflow. Inadequate funding resources and high interest costs may impact regular business and operations.

Your Company has always tried to build sufficient reserves resulting out of operating cash flows to take advantage of any land acquisition or development opportunity.

### Outlook

The Company is optimistically envisages its business plan on the robust Indian economy particularly the warehousing sector. The Company is confident that the strategic alliance with ESR will provide an edge to the Company in establishing world class warehouses.

Since the consumption pattern is intact, the company anticipates a vibrant business outlook in relation to retail shopping centres managed by the Company.

### Financial Performance

#### Revenues

The income from Operations for the Company has decreased by 3.86% to ₹ 121.55 Crores in 2019-20 from ₹ 126.45 Crores in 2018-19.

#### Other Income

Other Income increased to ₹ 49.03 Crores for 2019-20 from ₹18.60 Crores for 2018-19.

#### Operating Margin

EBIDTA (including other income) (Adjusted effect of Ind AS -116) for 2019-20 was ₹ 47.22 Crores as compared to ₹ 57.46 Crores for 2018-19.

#### Costs & Expenses

- **Employee Costs**

Manpower cost for 2019-20 was ₹ 5.92 Crores, which decreased from ₹ 6.18 Crores in 2018-19. In terms of percentage of Turnover, there was thin change (as compare to 4.87% for 2019-20 with 4.88% for 2018-19).

- **Other Expenses**

Other Expenses as a percentage of turnover has increased to 21.88 % in 2019-20 as compared to 10.84 % in 2018-19.

- **Interest Expenses**

Interest expenses for the year 2019-20 increased to ₹ 29.47 Crores from ₹ 19.68 Crores in 2018-19 due to interest expenses of ₹ 24.52 Crores for impact on adoption of "Ind As -116". In terms of percentage of Turnover it has decreased to 24.25 % for 2019-20 from 15.56% for 2018-19.

- **Depreciation**

Depreciation cost as a percentage of turnover has increased to to 42.07% in 2019-20 as compared to 19.86% in 2018-19. This is because of depreciation of ₹ 29.02 Crores on right to use asset under Ind AS-116

- **Taxes on Income and Deferred Tax Provision**

The Company's Deferred Tax Asset (net) has increased from ₹ 62.69 Crores in 2018-19 to ₹ 71.47 Crores in 2019-20. The Company has made current Tax provision of ₹ Nil and deferred Tax provision of ₹ 9.11 Crores and Earlier Year's Provision Written back (0.04). Hence total Tax expenses works out to ₹ 9.07 Crores.

- **Profit before Tax**

As a result of the foregoing factors, profit before tax increased 58.91 % from ₹ 12.67 Crores in 2018-19 to ₹ 20.14 Crores in 2019-20.

- **Net Worth**

The net worth of the Company has decreased from ₹ 136.81 Crores as on March 31, 2019 to ₹ 114.54 Crores as on March 31, 2020. The decrease in amount of net worth is on account of Ind AS-116 adjustment on transition date 01.04.2019 i.e. lease liability.

- **Income Tax Expense**

Income tax expense was ₹ 9.07 Crores for 2019-20 and ₹ 2.58 Crores 2018-19.

- **Profit for the Year**

As a result of the foregoing factors, profit after tax increased 9.72 % from ₹ 10.08 Crores in 2018-19 to ₹ 11.07 Crores in 2019-20.

- **Earnings Per Share (EPS)**

Basic and Diluted EPS was ₹ 1.79 for 2018-19 and ₹ 1.94 for 2019-20.

- **Borrowings**

The total standalone borrowing has decreased from ₹ 113.58 Crores as on March 31, 2019 to ₹ Nil as on March 31, 2020.

- **Cash and Bank Balance.**

Cash and Bank balance decreased from ₹ 5.25 Crores as of March 2019 to ₹ 4.44 Crores as of March 2019.

- **Investments**

Total Investment of the Company decreased from ₹ 95.66 Crores as of March 2019 to ₹ 94.02 Crores as of March 2020

- **Current Assets & Liabilities**

The Company's current assets primarily consist of debtors, investment in liquid fund, inventories, cash and bank balances, loans and advances and other current Assets. Total current assets as on March 31, 2020 were ₹ 145.64 Crores as against ₹ 98.08 Crores as on March 31, 2019.

The Company's current liabilities primarily consist of short term borrowings, trade payables, short term provisions and other current liabilities. Total current liabilities as on March 31, 2020 was ₹ 310.65 Crores as against ₹ 375.00 Crores as on March 31, 2019.

- **Net Profit Margin**

Net Profit Margin increased to 9.72 % in 2019-20 as compared to 2018-19, mainly due to increase in other income.

- **Return on Net Worth**

Return on Net Worth increased from 7.37% in 2018-19 to 9.66% % in 2019-20, mainly due to increase in other income.

- **Interest Coverage Ratio**

The Interest Coverage Ratio increased from 1.64 times in 2018-19 to 5.06 times in 2019-20. During the year, interest costs add (except interest of Ind AS 116) decreased from ₹ 19.67 Crores in 2018-19 to ₹ 4.95 Crores in 2019-20.

- **Debt Equity Ratio**

During the year, your Company has become debt free and accordingly, debt equity ratio has decreased from 0.22 in 2018-19 to NIL in 2019-20.

- **Debtors turnover Ratio**

The debtor turnover ratio was 0.21 in 2018-19 and 0.30 in 2019-20

- **Current Ratio**

The current ratio was 0.26 in 2018-19 to 0.46 and 2019-20.

**Internal Control System and Adequacy**

Your Company has a proper and adequate system of Internal Controls, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and that transactions are authorized, recorded and reported correctly.

The internal control system is supplemented by extensive internal audits, regular reviews by management and well-documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. Moreover, the Company continuously upgrades these systems in line with best accounting practices. The Company has independent audit systems to monitor the entire operations and the Audit Committee of the Board review the findings and recommendations of the internal auditors.

**Human Resources**

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potentials of its employees. The industrial relations across different locations of the Company were cordial during the year. The Company has, over the last few months, built the team necessary to be able to build and execute the vision that has been articulated in the preceding paragraphs. The total number of employees of the Company as on March 31, 2020 stood at 60.

**Cautionary Statement**

Statements in Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities law and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include stiff competition leading to price-cuts, high volatility in prices of major inputs such as steel, cement, building materials, petroleum products, change in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**Corporate Governance For The Year Ended March 31, 2020**

Corporate Governance is a set of defined principles, processes and systems which governs a Company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. The Company believes that business excellence is the reflection of the professionalism and ethical values of its management and employees. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its Stakeholders. The Company ensures to comply with the requirements of Corporate Governance listed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations').

**I. Company's Philosophy on Code of Corporate Governance**

The Company's philosophy on corporate governance is to achieve business excellence and to create long term value for its stakeholders. The Company has set of systems and practices to ensure that the affairs of the Company envisages adherence to the highest levels of integrity, fairness, equity, transparency, accountability and commitment to values. The Company continues to focus on good Corporate Governance, in line with the best practices in the areas of Corporate Governance.

The philosophy of Corporate Governance is a principle based approach as codified in Regulation 4(2) of the Listing Regulations, encompassing the fundamentals of rights and roles of various stakeholders of the Company, timely information, equitable treatment, role of stakeholder's disclosure and transparency and board responsibility.

The Company has adopted a Code of Conduct for its employees including the Executive Director. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act").

At FMNL, it is imperative that business is conducted in a fair and transparent manner. The corporate governance framework ensures effective engagement with various stakeholders and helps the Company evolve with changing times. It oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations as applicable, with regard to corporate governance. The guiding principles and practices are summarised in this Corporate Governance Report.

**II. Board of Directors:**

- a. As on March 31, 2020, the Company has Seven Directors. Of the seven Directors, six are Non-Executive Directors out of which three are Independent Directors, including a Women Director. The Chairman of the Board is a Non-Executive Independent Director. Mr. Pawan Kumar Agarwal, is appointed as an Executive Director and Chief Financial Officer of the Company with effect from May 21, 2019 for a period of 5 (five) years, which was approved by the members at their Annual General Meeting held on September 16, 2019. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.

The Composition of the Board and other relevant details are as under:

<b>Name of the Director</b>	<b>DIN</b>	<b>Category</b>
Mr. Vijai Singh Dugar	06463399	Non- Executive Chairman and Independent Director
Ms. Uditia Jhunjunwala	00120951	Independent Director
Mr. K. A. Somayajulu	02535927	Independent Director
Mr. Sunil Biyani	00006583	Non-Executive Director
Mr. Rajesh R. Kalyani	00220632	Non-Executive Director
Mr. Pramod Arora	02559344	Non-Executive Director
Mr. Pawan Kumar Agarwal*	01435580	Executive Director & Chief Financial Officer

**Note:** \* Mr. Pawan Kumar Agarwal has been appointed as an Executive Director & Chief Financial Officer on the Board w.e.f May 21, 2019.

- b. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors is related to each other.

c. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

d. Board meetings held

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and to consider, among other business, the quarterly performance and financial results of the Company.

The agenda papers along with the notes thereon, other supporting documents and all information as required under Regulation 17(7) of the Listing Regulations are circulated in advance to the Board Members.

Four board meetings were held during the year under review where necessary quorum was present for all the meetings and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

Date on which Board Meeting was held	Total Strength of the Board on the date of the Meeting	Number of Directors present at the Board Meeting
May 21, 2019	07	05
August 13, 2019	07	07
November 12, 2019	07	05
February 04, 2020	07	07

**Note:**

- Video-conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings. Attendance of Directors includes participation in the meeting(s) through video conference.
  - Excluded the separate meeting of independent directors, in which non independent directors were not eligible to participate.
- e. The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholder's Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

Details about the Company's Directors and meetings attended by the Directors:

Name of Director	Category	Number of Board Meetings held during the financial year 2019-20	Number of Board Meetings attended during the financial year 2019-20	Whether attended last AGM (held on September 16, 2019)	Directorships held in companies incorporated in India as at March 31, 2020	Number of Memberships / Chairmanship in Board Committees as at March 31, 2019 (Including FMNL)		Other Directorships	
						Membership	Chairmanship	Name of Listed Entity	Category
Mr. Vijai Singh Dugar DIN:06463399	Independent Director	4	4	Yes	6	1	2	-	-
Ms. Uditia Jhunjhunwala DIN:00120951	Independent Director	4	2	No	3	2	-	Galaxy Cloud Kitchens Limited	Independent Director
Mr. K. A. Somayajulu DIN:02535927	Independent Director	4	4	Yes	3	2	2	-	-
Mr. Sunil Biyani DIN:00006583	Non-Executive Director	4	4	No	10	4	-	Galaxy Cloud Kitchens Limited	Director

Name of Director	Category	Number of Board Meetings held during the financial year 2019-20	Number of Board Meetings attended during the financial year 2019-20	Whether attended last AGM (held on September 16, 2019)	Directorships held in companies incorporated in India as at March 31, 2020	Number of Memberships / Chairmanship in Board Committees as at March 31, 2019 (Including FMNL)		Other Directorships	
						Membership	Chairmanship	Name of Listed Entity	Category
Mr. Rajesh R. Kalyani DIN:00220632	Non-Executive Director	4	4	Yes	2	2	1	-	-
Mr. Pramod Arora DIN02559344	Non-Executive Director	4	2	Yes	2	-	-	-	-
Mr. Pawan Kumar Agarwal DIN: 01435580	Executive Director	4	4						

**Notes:**

- Mr. Pawan Kumar Agarwal has been appointed as an Executive Director & Chief Financial Officer on the Board w.e.f May 21, 2019.
  - Membership in governing councils, chambers and other bodies are not included.
  - Mandatory committees are the committees prescribed under the Listing Regulations i.e. Audit Committee and Stakeholders Relationship Committee of public companies.
  - The Directorship/Committee Membership is based on the latest disclosures received from Directors.
- f.** During FY 2020, one meeting of the Independent Directors was held on February 05, 2020. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- g.** Number of equity shares held by each of the Directors, options held and dividend paid:

Name of Director	Equity Shares held as on March 31, 2020	Dividend Paid during the financial year 2019-2020	Number of Options held under FMNL – ESOS -2016 as on March 31, 2020
Mr. Vijai Singh Dugar	-	-	-
Ms. Udit Jhunjhunwala	-	-	-
Mr. K. A. Somayajulu	-	-	-
Mr. Sunil Biyani	50	-	-
Mr. Rajesh R. Kalyani	41,025	-	-
Mr. Pramod Arora	25,000	-	-
Mr. Pawan Kumar Agarwal	14,500	-	1,50,000*

- \* • Mr. Pawan Kumar Agarwal has been appointed as an Executive Director & Chief Financial Officer on the Board w.e.f May 21, 2019.
- 1,50,000 stock options are granted to him however, none of the options are exercised by him.
  - The Company has not issued any convertible instruments.

**h. Chairman of the Board**

The Company has appointed Mr. Vijai Singh Dugar, Non-Executive and Independent Director as the Chairman of the Board.

- i.** During FY 2020, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- j.** The Board periodically reviews the compliance reports of all laws applicable to the Company.
- k. Certificate from Company Secretary in practice**

A certificate from M/s. Alwyn D'Souza & Co. Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any other statutory authority is annexed to this report.

**I. Role of the Board of Directors**

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. It sets strategic goals and seeks accountability for their fulfilment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and social expectations.

**m. Selection of new Directors**

The Board is responsible for selection of new directors. The Board delegates the screening and selection process to the Nomination, Remuneration and Compensation Committee, which consists majority of independent directors. The committee, based on defined criteria, makes recommendations to the Board on the induction of new directors.

The nomination, remuneration and compensation committee, works with the entire board to determine the appropriate characteristic's skills and experience required for the board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors / areas relevant to the Company, and ability to contribute to the Company's growth.

**n. Tenure of Directorships**

The Board constantly evaluates the contribution of the members and periodically shares updates with the shareholders about re-appointments consistent with applicable statutes. The current law in India mandates the retirement of two-third of the non-independent directors (who are liable to retire by rotation) every year, and qualifies the retiring members for reappointment. Executive directors are appointed by the shareholders for a maximum period of five years. An independent director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for re-appointment on the passing of a special resolution by the Company.

Based on the disclosures received from all the independent directors and also in the opinion of the Board, the independent directors fulfill the conditions specified in the Act and Listing Regulations and are independent of the Management.

**o. Independent Directors**

The Companies Act, 2013 and the Listing Regulations, define an "independent director" as a person who is not a promoter or employee or one of the key managerial personnel (KMP) of the Company or its subsidiaries. The law also states that the person should not have a material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving remuneration as an independent director and we abide by these definitions of independent director.

The Board includes Directors with independent standing in their respective fields / profession and who can effectively contribute to the Company's business and policy decisions. Their appointment as Independent Directors on the Board is considered by the Nomination, Remuneration and Compensation Committee.

Independent Directors, have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

The Company has issued a formal letter of appointment to the Independent Directors in the manner as provided in the Act and Listing Regulations. The terms and conditions of appointment have also been displayed on the website of the Company at [www.fmn.co.in](http://www.fmn.co.in).

None of the existing Independent Directors serve as Independent Directors in more than seven listed Companies in line with the requirements of the Listing Regulations. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

**p. Independent Director Databank Registration**

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all independent directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

**q. Meetings of Independent Directors**

Pursuant to Schedule IV of the Act read with Regulation 25(3) of the Listing Regulations, the Independent Directors met on February 05, 2020 without attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the performance of Chairman of the Company based on the views of Executive and Non-Executive Directors. The Independent Directors also discussed on the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

### **r. Familiarization programmes for Independent Directors**

Independent Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, interalia, on the business and performance updates of the Company, business strategy and risks involved.

The independent directors are updated periodically on all business – related issues and new initiatives. At such meetings, the executive directors and other members of the senior management share points of view and leadership thoughts on relevant issues.

### **s. Prevention of Insider Trading**

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has devised the Code of Conduct to regulate, monitor and report trading in Securities of the Company. The Company Secretary is the Compliance Officer for the purpose of this Code. During the year, there has been due compliance with the Code by the Company and all Insiders.

### **t. Code of Conduct**

The Board has laid down the code of conduct for all the Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at [www.fmn.co.in](http://www.fmn.co.in). All Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the financial year ended March 31, 2020 and a declaration to this effect is appended to this report.

### **u. Board Member Evaluation**

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination, remuneration and compensation committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board Committees and executive / non-executive / independent directors through a peer evaluation, excluding the directors being evaluated.

Independent Directors mainly performs key rolls on governance, control and guidance. Some of the performance indicators, based on which the independent directors, are evaluated includes:

- The ability to contribute to and monitor corporate governance practices.
- The ability to contribute to by introducing best practices to address business challenges and risks.
- Commitment to the fulfilment of a director's obligations and fiduciary responsibilities; these include active participation in Board and Committee meetings.

The evaluation process focused on Board dynamics and softer aspects. The process also involves independent discussion with all Board members. The Board carried out the annual performance evaluation for the financial year ended March 31, 2020.

The Board expressed its satisfaction on the process as well as performance of all Directors, Committees, and Board as a whole.

### **v. Recording minutes of proceedings at Board and Committee meetings**

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Board Committee members for their comments. Thereafter, after considering the comments minutes are finalized and placed before the next meeting for approval.

### **w. Post meeting follow-up mechanism**

The guidelines for Board and Board Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Board Committees thereof. Important decisions taken at Board / Board Committee meetings are communicated promptly to the concerned departments / divisions. Action-taken report on decisions / minutes of the previous meeting(s) is placed at the succeeding meeting of the Board / Board Committee for noting.

### **x. Compliance**

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations including the Companies Act, 2013 read with rules issued there under, as applicable and SS-1 and SS-2 issued by the Institute of Company Secretaries of India.

## **III. Committees of the Board**

There are Six (6) Board Committees as on March 31, 2020, which comprises five statutory committees and one other non-statutory committee, details of which are as follows:



Audit Committee, Stakeholders Relationship Committee, Share Transfer Committee, Nomination, Remuneration and Compensation Committee and Committee of Directors. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

#### A. Audit Committee

As on March 31, 2020, the Committee comprises of 3 Directors out of which 2 are Independent Directors. All the members, including Chairman of the Audit Committee are financially literate and have the ability to read and understand the financial statement. The composition of the Audit Committee is in compliance with the Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act and rules made thereunder.

Composition and attendance record of Audit Committee members

Name of Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Vijai Singh Dugar	Independent Director	Chairman	4	4
Mr. Rajesh Kalyani	Non-Executive Director	Member	4	4
Mr. K. A. Somayajulu	Independent Director	Member	4	4

All the members of the Audit Committee are eminent professionals with adequate experience and expertise across a wide spectrum of functional areas such as finance and corporate strategy. Minutes of each of the meeting of the Audit Committee are placed before the Board in its meetings.

#### Other Details:

- Four meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.
- Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.
- Mr. Anil Cherian, Head - Legal & Company Secretary of the Company acts as the Secretary to the Audit Committee. He was also appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.
- Quarterly Reports are send to the members of the Committee on matters relating to the Insider Trading Code.
- The previous Annual General Meeting of the Company held on September 16, 2019 and was attended by Mr. Vijai Singh Dugar, the then Chairman of the Audit Committee.

#### Extract of terms of reference

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, re-appointment and terms of appointment of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions; and
  - vii. Modified opinion(s) in the draft audit report.
5. Reviewing along with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the listed entity with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Evaluation of internal financial controls and risk management systems;
10. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Discussion with internal auditors of any significant findings and follow up there on;
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
15. To review the functioning of the Whistle Blower mechanism;
16. Approval of appointment of chief financial officer after assessing the qualifications, experience & background, etc. of the candidate;
17. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Review of following information by Audit Committee**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;

**B. Nomination, Remuneration and Compensation Committee**

As on March 31, 2020, Nomination, Remuneration and Compensation Committee comprises of 3 (three) Non-Executive Director out of whom 2 (two) Directors are Independent Directors.

Committee is constituted in line with the provisions of Regulation 19 of the Listing Regulations and Section 178 of the Act.

Composition and attendance record of Nomination, Remuneration and Compensation Committee members

Name of Member	Category	Position	No. of Meetings held:	No. of Meetings attended
Mr. K. A. Somayajulu	Independent Director	Chairman	1	1
Mr. Vijai Singh Dugar	Independent Director	Member	1	1
Mr. Rajesh Kalyani	Non-Executive Director	Member	1	1

**i. Other Details**

- During the financial year 2019-20, one meeting of the committee was held on May 21, 2019. The minutes of the meetings of the Nomination, Remuneration and Compensation Committee are reviewed and noted by the Board.
- The Nomination, Remuneration and Compensation Committee looks at all matters pertaining to the appointment and remuneration of the Managing Director, Chief Executive Officer, the Executive Directors, Key Managerial Personnel and administration of the employee stock option scheme of the Company i.e. the Future Market Networks Limited – Employee Stock Option Scheme, 2016.
- Mr. Anil Cherian, Head - Legal & Company Secretary of the Company acts as the Secretary of the Nomination, Remuneration and Compensation Committee.
- The previous Annual General meeting of the Company was held on September 16, 2019 and was attended by Mr. K.A Somayajulu, the then Chairman of the Nomination, Remuneration and Compensation Committee.

**ii. Extract of Terms of reference**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Carry out evaluation of every director's performance;

**iii. Performance Evaluation**

The Company policy provides for the manner, mode and unique questionnaires to evaluate performance of the Board, Committees, Independent Directors and Non- Independent Directors. The criteria for the performance evaluation of the Directors includes (a) Attendance of each Director (b) Preparedness of each Director (c) Participation in meaningful discussion (d) Conduct and behavior of each Director (e) Effectiveness of the decision taken based on deliberations etc. The evaluation process includes review, discussion and feedback from the directors in reference to set criteria and questions.

Evaluation of Performance of the Board, its Committees, every Independent Director and Non-Independent Directors for the Financial Year 2019-20 has been carried out following the manner and process as per the policy in this respect. The Directors are satisfied with the performance and evaluation.

**iv. Remuneration of Directors**

Your Company has formulated a policy on Nomination and Remuneration of Directors and Senior Managerial Personnel and the major points relating to Remuneration policy is as follows:

**I. Remuneration structure of Directors**

- a) Independent Directors receive remuneration by way of sitting fees for attending meetings of Board and Board Committees (where they are members) subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- b) The remuneration/ compensation/ commission etc. to be paid to Whole-time Director(s)/Executive Director(s) etc. shall be as per their employment contract/ terms of appointment, subject to the limits and conditions under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and the approval of the shareholders.

**II. Remuneration structure of Key Managerial Personnel (KMP) and Senior Management is as detailed hereunder**

- a) The Compensation of KMP and Senior Management personnel is done keeping in consideration the prevailing market value of the resource, criticality of role and internal parity of the team.
- b) The remuneration structure to KMPs and Senior Management personnel may include a variable performance linked component.

**III. Service contract / notice period / severance fees**

Terms of service are governed in terms of respective Service Contracts and in terms of resolutions passed by the shareholders of the Company. The employment contract does not contain any provisions for payment of any severance fees in case of cessation of employment of the Whole Time / Executive Director.

**IV. Remuneration to Directors****i. Executive Director**

The remuneration paid to the Executive Director for the period under review is given below:

(₹ in Lakhs)

Name	Salary (Basic)	Performance Bonus	Company's Contribution to Funds	Perquisites and Allowances	Total	Total Contract Period	Notice Period in months	Stock Options granted
Mr. Pawan Kumar Agarwal	44.34	-	1.69	0.38	46.41	Five years w.e.f May 21, 2019	1	*1,50,000

Notes:

- 1,50,000 stock options are granted to him, however, none of the options are exercised by him.
- All the above components of remuneration, except performance bonus, are fixed in nature.
- There is no separate provision for payment of severance fees.

**ii. Non-Executive Directors**

Mr. Pawan Kumar Agarwal was appointed as an Executive Director and Chief Financial Officer of the Company w.e.f. May 21, 2019.

The details of sitting fees to Non-Executive Directors are as under:

<b>Name of Director</b>	<b>Category</b>	<b>Total Sitting Fees Paid*</b>
Mr. Vijai Singh Dugar	Independent	3,55,000
Ms. Udit Jhunjhunwala	Independent	1,00,000
Mr. K. A. Somayajulu	Independent	3,55,000
Mr. Sunil Biyani	Non-Executive	1,60,000
Mr. Rajesh R. Kalyani	Non-Executive	3,35,000
Mr. Pramod Arora	Non-Executive	80,000

Notes:

- Sitting fees include payment to the Directors for attending meetings of Board, Audit Committee, Nomination Remuneration and Compensation Committee and Meeting of Independent Directors.
- Mr. Sunil Biyani, holds 50 Equity shares of the Company.
- Mr. Rajesh Kalyani holds 41,025 Equity Shares of the Company.
- Mr. Pramod Arora holds 25,000 Equity Shares of the Company
- GST is not included.

Apart from reimbursement of expenses incurred in the discharge of their duties, none of these Directors have any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, and its Senior Management, which in their judgment would affect their independence.

**C. Stakeholder’s Relationship Committee**

Committee is constituted in line with the provisions of Regulation 20 of the Listing Regulations and Section 178 of the Act.

The Stakeholders Relationship Committee oversees, inter alia, timely redressal of shareholder’s grievances such as issues involving transfer and transmission of shares, issue of duplicate certificates, recording dematerialization / rematerialization, non-receipt of dividend, annual report etc. The Committee also reviews the systems and procedures followed to resolve investor complaints and suggests several measures for improvement, if necessary. The Committee comprises of 3 (three) directors out of which Chairman is a Non-Executive Director.

Committee performs various functions conferred under the Listing Regulations and section 178 of the Act, which mainly covers ensuring resolution of grievances of security holders of the Company.

The Committee comprises of three Directors, out of which one is Independent Director, namely Mr. Vijai Singh Dugar, two Non-Executive Non-Independent Director, namely Mr. Rajesh Kalyani and Mr. Sunil Biyani.

The Committee’s composition and the terms of reference meet with the requirements of Regulation 20 of the Listing Regulations and provisions of the Companies Act, 2013.

**i. Status of Investor Complaints for the Financial Year ended March 31, 2020:**

Complaints outstanding as on April 1, 2019	-
Complaints received during the financial year ended March 31, 2020	2
Complaints resolved during the financial year ended March 31, 2020	2
Complaints outstanding as on March 31, 2020	-

During the year under review, the all the complaints received through SCORES were resolved.

There are no pending share transfers as on March 31, 2020.

**ii. Terms of Reference of the Committee, inter-alia, includes the following:**

1. Consider, resolve and monitor redressal of investor’s / shareholder’s grievances related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend etc.

2. Oversee the performance of the Company's Share Transfer Agent.
3. Recommend methods to upgrade the standard of services to investors.
4. Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
5. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.
6. Perform such other functions as may be necessary or appropriate for the performance of its duties.

There were no major complaints received from the Shareholders of the Company. The Complaints received were promptly replied by the Registrar and Share Transfer Agents of the Company. The Directors are not paid any sitting fees for attending the meeting of the aforesaid Committee.

Mr. Anil Cherian, the Head - Legal & Company Secretary of the Company acts as the Secretary of the Stakeholders Relationship Committee.

### iii. Compliance Officer

Mr. Anil Cherian, Head-Legal & Company Secretary is the Compliance Officer for complying with requirements of Securities Laws, Listing Regulations and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

## D. Share Transfer Committee

At present the Share Transfer Committee of the Company comprises of Mr. Vijai Singh Dugar, Mr. Rajesh Kalyani and Ms. Udit Jhunjhunwala.

### i. Terms of Reference of Share Transfer Committee

- a) To approve the Transfer/Transmission of Shares, dematerialization and rematerialization of Shares of the Company.
- b) To approve deletion of name.
- c) To approve split, consolidation and issuance of duplicate shares.
- d) To oversees the performance of the Registrars and Share Transfer Agents i.e. Link Intime India Private Limited.

The Committee met 5 (Five) times during the year ended March 31, 2020.

### ii. Composition and attendance record of Share Transfer Committee

Name of Member	Category	No. of Meetings held	No. of Meetings attended
Mr. Vijai Singh Dugar	Independent Director	5	5
Mr. Rajesh Kalyani	Non-Executive Director	5	5
Ms. Udit Jhunjhunwala	Independent Director	5	5

No sitting fee is paid to the members of the Share Transfer Committee.

## E. Corporate Social Responsibility ("CSR") Committee

Committee is constituted in line with the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

### i. Composition

At present, the CSR Committee comprises of Mr. Vijai Singh Dugar, Chairman, Mr. K.A. Somayajulu and Mr. Rajesh Kalyani as its members.

### ii. Extract of Terms of reference

- a) Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- b) Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
- c) Monitor the CSR Policy.

### iii. Other Details

No meetings of the CSR Committee were held during the year under review.

## F. Committee of Directors

The committee of Directors is authorized to take decisions which are required for the day to day operations of the Company. The composition of the Committee of Directors is given below:

Name of Member	Category
Mr. Vijai Singh Dugar	Independent Director
Mr. Sunil Biyani	Non-Executive Director
Mr. Rajesh Kalyani	Non-Executive Director

The committee met 6 (Six) times during the year. The Minutes of the meetings of Committee of Directors are reviewed and noted by the Board. No sitting fee is paid to the members of the Committee of Directors.

#### Shareholders

Disclosure regarding the appointment or re-appointment of directors:

In terms of Section 152 read with Section 149(13) of the Companies Act, 2013, Mr. Pramod Arora and Mr. Rajesh Kalyani are liable to retire by rotation. The said Directors has offered themselves for reappointment and resolution for their reappointment, is incorporated in the Notice of the ensuing Annual General Meeting.

#### Mr. Pramod Arora: Non-Executive Director

Mr. Pramod Arora's job involves diverse fields of business development and corporate affairs including strategic planning. He is having vast experience of corporate management and possesses required competencies.

#### Mr. Rajesh Kalyani: Non-Executive Director

Mr. Rajesh Kalyani is a member of the Institute of Chartered Accountants of India with 29 years of experience in areas of business planning, project & working capital management, properties, commercial & taxation matters.

### IV. General Body Meetings

#### a) Details of previous three General Meetings of the Company are as under:

Financial Year	Venue	Date	Time
2018-19	Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018	16/09/2019	1.30 PM
2017-18	Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018	19/09/2018	12.00 Noon
2016-17	Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018	15/09/2017	02.00 PM

#### b) Details of special resolutions passed in previous three Annual General Meetings of the Company are as under

Date of AGM	Number of Special Resolutions Passed	Details of Special Resolution Passed
September 15, 2017	2	<ul style="list-style-type: none"> <li>Re-Appointment of Mr. Vijai Singh Dugar as an Independent Director for a further tenure five consecutive years w.e.f September 18, 2017.</li> <li>Appointment and remuneration of Mr. Pramod Arora as a Whole Time Director for a period of Three Years w.e.f August 14, 2017.</li> </ul>
September 19, 2018	2	<ul style="list-style-type: none"> <li>Re-Appointment of Mr. K. A. Somayajulu as an Independent Director for a further tenure of two consecutive years w.e.f September 28, 2018.</li> <li>Re-Appointment of Ms. Udit Jhunjhunwala as an Independent Director for a further tenure five consecutive years w.e.f September 28, 2018.</li> </ul>
September 16, 2019	2	<ul style="list-style-type: none"> <li>Appointment of M/s. S K Patodia &amp; Associates., Chartered Accountants, Mumbai, as the statutory auditors of the Company, in place of the retiring auditor M/s Viren Gandhi &amp; Company for a period of 1 year from the conclusion of eleventh annual general meeting till the conclusion of the twelfth annual general meeting.</li> <li>Appointment and remuneration of Mr. Pawan Kumar Agarwal (DIN: 01435580) as Executive Director and Chief Financial Officer of the Company for a period of 5 (Five) Years.</li> </ul>

**c) Details of Special Resolutions passed at the Extraordinary General Meetings for the last 3 years.**

No extra ordinary general meeting of the Company was held during the last 3 (three) years. However, as per the directions of National Company Law Tribunal (NCLT), Mumbai Bench, a meeting of the equity shareholders of the Company was held on September 19, 2018 to approve the scheme of Merger by Absorption of Star Shopping Centres Private Limited by the Company.

**d) Postal Ballot including e-Voting**

During the financial year 2019-2020, pursuant to the provisions of Section 110 of the Companies Act read with the Companies (Management and Administration) Rules, 2014, the Company has not passed any special resolutions through postal ballot.

**V. Means of Communication**

Website	Your Company maintains a website <a href="http://www.fmn.co.in">www.fmn.co.in</a> , wherein there is a dedicated section 'Investors'. The website provides details, inter alia, about the Company, its performance including quarterly financial results, annual reports, press release, shareholding pattern, contact details etc.
Quarterly/ Annual Financial Results	Generally published in Free Press Journal (English Daily Newspaper) and Navshakti (Marathi Newspaper). The results are also uploaded by BSE and NSE on their website <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> respectively
Stock exchanges	All periodical information, including the statutory filings and disclosures, are filed with BSE and NSE.  The filings required to be made under the Listing Regulations, including the Shareholding pattern and Corporate Governance Report for each quarter are also filed on BSE Listing Centre and NSE Electronic Application Processing System (NEAPS).
Investor servicing	A separate e-mail id <a href="mailto:info.fmnl@futuregroup.in">info.fmnl@futuregroup.in</a> has been designated for the purpose of registering complaints by shareholders or investors.

**VI. General Shareholders information:**

**a. Company Registration Details:** The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L45400MH2008PLC179914.

**b. Registered Office and Address:** Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (E), Mumbai – 400 060.

**c. Annual General Meeting**

- i. AGM Date, Day : September 29, 2020, Tuesday
- ii. Time & Venue : 2:00 p.m. through Video Conferencing ("VC")/Other Audio Video Means ("OAVM")

**d. Financial Year** : The financial year of the Company starts from April 01 and ends on March 31 of the succeeding year.

**e. Book Closure Period** : September 23, 2020 to September 29, 2020 (both days inclusive)

**f. Financial Calendar (tentative):**

- First Quarterly Result : on or before August 14, 2020
- Second Quarterly Result : on or before November 14, 2020
- Third Quarterly Result : on or before February 14, 2021
- Financial year ending : on or before May 30, 2021

**g. Listing of Equity Shares on Stock Exchanges****I. BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001  
Scrip Code: 533296

**II. National Stock Exchange of India Limited(NSE)**

"Exchange Plaza", Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051  
Trading Symbol - FMNL

**h. ISIN: INE360L01017**

**i. Suspension of trading in securities:** There was no suspension of trading in securities of the Company during the year under review.

**j. Stock Market Data**

High, lows and Volumes of FMNL from April 1, 2019 to March 31, 2020 at BSE and NSE.

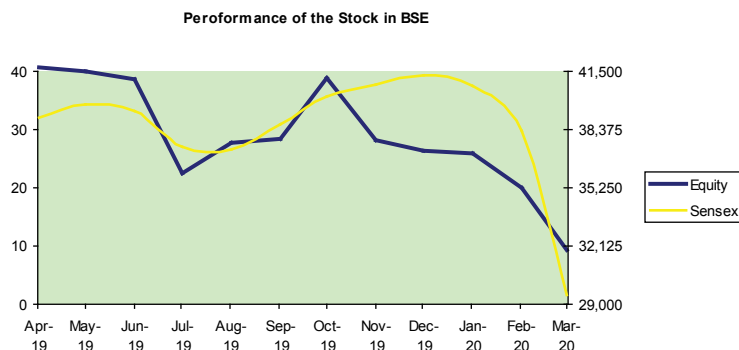
Month	BSE			NSE		
	High (Rs)	Low (Rs)	Volume (Number of Shares Traded)	High (₹)	Low (₹)	Volume (Number of Shares Traded)
April 2019	44.90	39.00	97,211	44.90	38.50	1,07,115
May 2019	43.95	36.55	51,790	43.40	36.50	2,14,644
June 2019	41.35	31.40	27,900	40.70	31.55	1,12,596
July 2019	39.70	22.60	75,997	40.35	22.35	3,93,164
August 2019	33.60	20.55	56,822	35.75	20.10	3,08,326
September 2019	35.60	26.40	31,656	35.85	27.00	2,21,088
October 2019	45.05	27.10	85,067	44.65	26.00	3,53,816
November 2019	38.95	26.10	1,06,496	39.50	25.35	4,13,008
December 2019	29.95	25.95	1,39,376	30.45	25.60	4,92,027
January 2020	32.50	25.10	1,55,926	32.80	24.60	7,96,833
February 2020	29.80	18.75	1,23,456	29.75	18.50	3,53,814
March 2020	27.60	8.55	1,97,720	25.20	8.50	7,50,559

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

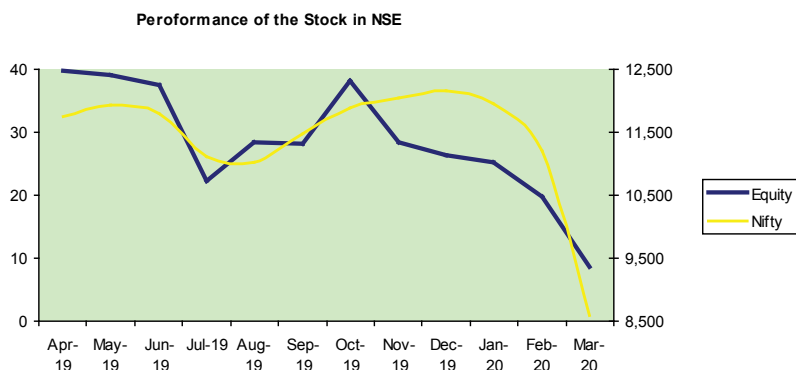
The performance comparison is based on the closing price / Sensex on the last trading day of the month.

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

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



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





**k. Distribution of Shareholding**

The distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on March 31, 2020 is as below:

**i. Distribution of shareholding as on March 31, 2020**

Distribution Range of Shares	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
1 – 500	8,72,018	1.51	13,948	91.05
501 – 1000	5,17,318	0.90	646	4.22
1001 – 2000	4,76,639	0.83	310	2.02
2001 – 3000	3,21,069	0.56	126	0.82
3001 – 4000	2,16,675	0.38	60	0.39
4001 – 5000	2,08,088	0.36	44	0.29
5001 – 10000	6,34,899	1.10	88	0.57
Greater than 10000	5,42,97,675	94.36	98	0.64
<b>Total</b>	<b>5,75,44,381</b>	<b>100.00</b>	<b>15,320</b>	<b>100.00</b>

**ii. Shareholding pattern by ownership as on March 31, 2020**

Categories	As on March 31, 2020	
	No. of Shares	Percentage
Promoters, Relatives and Associates	4,11,83,410	71.57
Directors	80,525	0.07
Public Financial Institutions / State Financial Corporation / Insurance Companies	1,87,996	0.33
Mutual Funds (Indian)	27	0.00
Nationalized and other Banks	920	0.00
NRI / OCBs	67,561	0.12
Public	82,49,182	14.33
Others (CM/Other Bodies Corporate/HUF/Foreign Portfolio Investor (Corporate))	78,14,260	13.58
<b>Total</b>	<b>5,75,44,381</b>	<b>100.00</b>

**l. Dematerialization of Shares**

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their Shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialized form. As on March 31, 2020, 57503467 Equity Shares representing 99.93% of the total equity capital of the Company were held in dematerialized form. The bifurcation of shares held in Physical and Demat form are given below:

Particulars	No. of Shares	Percentage
Physical Segment	40,914	0.07
Demat Segment		
NSDL	5,05,52,348	87.85
CDSL	69,51,119	12.08
<b>Total</b>	<b>5,75,44,381</b>	<b>100.00</b>

**m. Reconciliation of Share Capital Audit**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total capital held with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges.

The report, inter alia, confirms that the number of shares issued, listed on the Stock exchanges and that held in demat and physical mode are in agreement with each other.

**n. Registrar and Transfer Agents**

Link Intime India Private Limited, C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083, Tel: +91 22 49186000  
Fax: +91 22 49186060 Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

**o. Share Transfer system:**

Trading in equity shares of the Company through recognized Stock Exchanges is permitted only in dematerialized form. Shares sent for transfer in physical form, if any, are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee and Stakeholder Relationship Committee to approve the transfers of equity shares of the Company. Investors are requested to take note that pursuant to the respective notification by the Ministry of Corporate Affairs, BSE Limited and the National Stock Exchange of India Limited, transfer of shares held in physical mode is not permissible from April 1, 2019, except in case of transmission or transposition of securities.

No transfer of securities held in physical mode is permitted from the said date. In view of this, investors are advised and recommended to dematerialize the security of the Company held by them at the earliest to avoid any delay for transfer.

**p. Shares held in Abeyance and Fractional Shares.**

570 Equity shares of the Company which have been issued under the scheme of demerger with Pantaloon Retail India Limited (PRIL – now known as Future Enterprises Limited, FEL) is kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in FEL which are currently held in abeyance.

Fractional entitlement shares on the allotment of shares pursuant to the Scheme of Amalgamation of Future Realtors India Private Limited, AIGL Holding And Investments Private Limited and Prudent Vintrade Private Limited with the Company were consolidated in the hands of a nominated person and equity shares were issued and allotted to such person and the said shares shall be sold by him at a suitable time.

**q. Plant Location**

The Company is engaged in the business of managing shopping malls on long term basis and currently managing shopping malls at Siliguri, Kolkata, Ujjain and Mumbai.

**r. Address for correspondence:**

**i. Any Query on Annual Report:**

Mr. Anil Cherian  
Company Secretary  
Knowledge House  
Shyam Nagar, Jogeshwari – Vikhroli Link Road  
Jogeshwari (E), Mumbai 400 060  
Phone: 022 - 62995403  
Fax: 022 - 62995473  
Email id for investors: [info.fmdl@futuregroup.in](mailto:info.fmdl@futuregroup.in)

**ii. Shareholders correspondence should be addressed to:**

Link Intime India Private Limited,  
C 101, 247 Park, LBS Marg,  
Vikhroli West, Mumbai – 400 083,  
Tel: +91 22 49186000 Fax: +91 22 49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Shareholders holding shares in electronic mode should address their correspondence to their respective Depository Participants.

**s. Outstanding Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments during the year under review. There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2020.

**t. Commodity price risk or Foreign exchange risk and hedging activities**

The Company does not have any exposure hedged through commodity derivatives and hence, the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be disclosed.

There is no foreign currency exposure as on March 31, 2020 other than as stated in Annexure '9' of the Board's Report.

**u. Credit Rating**

During the year under review, Informerics Valuation and Rating Private Limited have reaffirmed its ratings assigned to the Company's Long term Bank facility, as under:

Sr. No.	Facility	Rating
1	Long Term Proposed Facility – Proposed Term Loan	IVR A-/Stable Outlook (IVR Single A Minus with Stable Outlook)

**VII. Additional Shareholders Disclosure/ information****(i) Materially significant related party transaction**

All transactions entered into during the financial year 2019- 2020 with Related Parties as defined under the Act and Listing Regulations were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. During the year under review, there were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. All related party transactions were reviewed and approved by the Audit Committee and the material related party transactions were approved by the members. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Accounts – Note No. 30 forming part of the Standalone financial statements.

As required under Regulation 23 of Listing Regulations, the Company has formulated a Related Party Transaction's Policy which is available on the website of the Company at <http://fmn.co.in/investor-relations/policies.html>

**(ii) Details of non-compliance**

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by BSE Limited, the National Stock Exchange of India Limited, the Securities and Exchange Board of India or any other statutory authority, in relation to any matter related to capital markets, during last three years.

**(iii) Whistle Blower Policy - Vigil Mechanism**

The Company's Whistle Blower Policy is in line with the provisions of the sub section 9 and 10 of Section 177 of the Companies Act, 2013 and as per Regulation 22 of SEBI LODR Regulations. This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We confirm that during the financial year 2019-2020, no employee of the Company was denied access to the Audit Committee.

The said Whistle-Blower Policy is available on the website of the Company at <http://fmn.co.in/investor-relations/policies.html>

**(iv) Policy for determining Material Subsidiary**

As required under SEBI LODR Regulations, the Company has formulated a Policy for determining 'material' subsidiaries which has been put up on the website of the Company at <http://fmn.co.in/investor-relations/policies.html>

**(v) Policy to prevent sexual harassment at the workplace**

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the company is strongly opposed to sexual harassment and that such behavior is prohibited both by law and by the Future group.

To redress complaints of sexual harassment, an Internal Complaints Committee (ICC) of Future Market Networks Limited has been formed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

Ms. Monika B. Agre is the Chairperson of the Internal Complaints Committee and other Committee members of the Committee are viz. Mr. Amit Samani, NGO member, Ms. Deepti Gangan, Ms. Ankita Kyal and Mr. Vinod Nair.

During the financial year 2019 - 2020, no complaints were received by the Company. There were no complaints pending as on the end of the financial year 2019- 2020. No cases of child labour, forced labour, involuntary labour and discriminatory employment were reported during the period.

**(vi) Policy on Determination of Materiality of Events**

The Company has also adopted Policy on Determination of Materiality of Events and Policy on Archival of Documents which has been put up on the website of the Company at <http://fmn.co.in/investor-relations/policies.html>

**(vii) Details of Demat Suspense Account**

As per Schedule V of Part F of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account as on March 31, 2020:

S. No	Particulars (for the financial year 2019-20)	No. of Cases	No. of Equity Shares
1	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the beginning of the year;	890	18,113
2	Number of shareholders who approached issuer for transfer of equity shares from suspense account during the year;	-	-
3	Number of shareholders to whom equity shares were transferred from suspense account during the year;	-	-
4	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the end of the year	890	18,113

**(viii) Details of utilization of funds raised through preferential issue:**

The Company has not raised funds through preferential Issue.

**(ix) Audit Fees:**

The fees paid by the Company to the statutory auditors during the financial year 2019 -2020 are as under:

Nature of Service Provided	Amount (In ₹ Lakhs)
Statutory Audit Fees	7.00
Audit under other Statutes	1.00
Quarterly Limited Review Report	1.00
Total	9.00

**(x) Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund:**

The Company has not yet declared any dividend.

The Company has appointed a Nodal Officer under the provisions of (IEPF), the details of which are available on the website of the Company [www.fmn.co.in](http://www.fmn.co.in).

Pursuant to Regulation 7(2) of the Listing Regulations, certificates on half yearly basis have been issued by a qualified practicing Company Secretary confirming the compliance of share transfer formalities by the Company.

Compliance with discretionary requirements (Part E of Schedule II of Listing Regulations)

The Board: The Chairperson of the Board is an Independent Director. The Company did not maintain a Chairperson's office at the Company's expense or reimburse expenses incurred in performance of his duties, during the year under review.

Shareholders' Rights: Quarterly, half yearly and annual financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Significant events / Investor's Presentations are also posted on the Company's website under the Investors section. Hence, no half yearly results and significant events were sent to each of household of Shareholders.

Modified opinion(s) in audit report: During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continues to adopt best practices and has ensured a track record of financial statements with unmodified audit opinion.

Reporting of Internal Auditor: Internal Auditors report to Audit Committee and present their Internal Audit Report and their observations at the meeting of the Audit Committee.

**(xi) Certificate on Non-disqualification of Directors**

The Company has received a certificate from M/s. Alwyn D'souza & Co., Company Secretary in practice, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

**(xii) Recommendations of the Committees of the Board**

During the year under review, there was no such instances, where the Board has not accepted any recommendations of any Committee of the Board, which is mandatorily required.

**(xiii) Management**

Management Discussion and Analysis (MDA) forms part of the Board's Report.

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

**(xiv) Auditor's certificate on corporate governance**

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Auditor's certificate on corporate governance is annexed to the Board's report.

**(xv) CEO/CFO certification**

The CEO/CFO certification in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations forms part of the Annual Report.

**(xvi) Code of Conduct for Directors and Senior Management Personnel**

Board of Directors have laid down Code of Conduct for Directors and Senior Management (the Code) for all the Board Members and senior management personnel in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and the Companies Act, 2013.

All the Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Executive Director & CFO to this effect is attached at the end of this Report. This Code is available on the Company's website at [www.fmn.co.in](http://www.fmn.co.in).

**(xvii) Prohibition of Insider Trading**

The company has devised and adopted a Code of Conduct to regulate, monitor, and report trading in Company's securities by persons having access to unpublished price-sensitive information of the Company in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Company Secretary, is the Compliance Officer for the purpose of this code.

The Company has automated the declarations and disclosures to identified designated employees, and the Board reviews the policy on need basis. During the year there has been due compliance with the code by the company and all insiders and requisite disclosures were made to the Stock Exchanges from time to time. The policy is available on our website, [www.fmn.co.in](http://www.fmn.co.in).

### **(xviii) Disclosure of Accounting Treatment**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The financial statements have been prepared on an accrual basis under the historical cost basis except for certain assets and liabilities which have been measured at fair value or revalued amount wherever applicable.

### **(xix) Details of non-compliance**

No penalty has been imposed by any stock exchange or SEBI nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years.

**(xx)** At present, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Annual Listing fees for the year 2020-2021 have been paid to BSE and NSE.

**(xxi)** The Company has paid custodial fees for the year 2020-2021 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them.

# **Standalone Financial Statements and Notes**

**INDEPENDENT AUDITOR’S REPORT**

**To the Members of  
FUTURE MARKET NETWORKS LIMITED  
Report on the Audit of Standalone Ind-AS Financial Statements**

**Opinion**

We have audited the standalone Ind-AS financial statements of **Future Market Networks Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended and notes to the Ind-AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone Ind-AS financial statements').

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

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the Standalone Ind-AS financial statements under the provisions of the Companies Act, 2013 and the Rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS 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.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Revenue Recognition :</b></p> <p>The Company earns revenue from leasing out of commercial units / shops. Revenue pertaining to lease rents is recognized on straight line basis over the lease term in accordance with Ind AS 116. Contingent rent is that portion of the lease payments that is not fixed in amount but is based on the future amount of a factor that changes other than with the passage of time (eg. percentage of future sales, amount of future use, future price indices, future market rates of interest). Such rent is recognised in the Statement of Profit &amp; Loss in the period they are earned.</p>	<p>As part of our audit, we:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the accounting policies for revenue recognition, the amount of revenue recognised as per the agreement entered into with the tenants along with Ind AS 116.</li> <li>Performed analytical procedures to identify deviations in monthly rent received from the tenants / lessees / sub-lessees.</li> <li>Performed substantive testing by verifying the implementation and operating effectiveness of controls over the data set collected by the management with regards to the revenue of shops and the computation of such contingent rent.</li> <li>Tested the design, implementation and operating effectiveness of controls over the calculation of discount and rebates.</li> <li>Assessed the adequacy of the company’s disclosures made in to the financial statements</li> </ul>
<p><b>Allowance for credit losses</b></p> <p>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industry the Company deals with. In calculating expected credit loss, the Company has also considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.</p>	<p>As part of our audit, we:</p> <ul style="list-style-type: none"> <li>Tested the effectiveness of controls over the development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions, completeness and accuracy of information used in the estimation of probability of default and computation of the allowance for credit losses.</li> <li>Verified the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</li> </ul>

**Information Other Than the Financial Statements and Auditor’s Report thereon**

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the standalone financial statements and our auditor’s report thereon.

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



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

### **Responsibilities of Management and Those Charged with Governance for the Standalone Ind-AS Financial Statements**

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind-AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind-AS 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 Ind-AS financial statements, management and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS financial statements for the year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

The corresponding financial information of the Company for the year ended March 31, 2019 included in these Standalone Ind-AS financial statements, are based on the financial statements for the year ended March 31, 2019 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) which were audited by M/s. Viren Gandhi & Co., Chartered Accountants ("previous Statutory Auditor") on which they expressed an unmodified opinion vide their report dated May 21, 2019 and the same was approved by the members of the Company on September 16, 2019 in the annual general meeting. (Also refer Note 36 to the standalone financial statements)

Our opinion is not qualified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. 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 purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 38 on Contingent Liabilities to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2020;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S. K. Patodia & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 112723W**

**Dhiraj Lalpuria**  
**Partner**  
**Membership Number: 146268**  
**UDIN : 20146268AAAAIP6097**

**Place : Mumbai**  
**Date : June 30, 2020**

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Future Market Networks Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Future Market Networks Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India (ICAI). Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included operating and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, 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 risk of material misstatement of the financial statement, whether due to fraud or error.
5. 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 over financial reporting with reference to the standalone financial statements of the Company.

### Meaning of Internal Financial controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that:
  - i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
  - iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and as such internal financial controls were operating effectively as at March 31, 2020 based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

For S. K. Patodia & Associates  
Chartered Accountants  
Firm Registration Number: 112723W

Place : Mumbai  
Date : June 30, 2020

Dhiraj Lalpuria  
Partner  
Membership Number: 146268  
UDIN : 20146268AAAAIP6097

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Future Market Networks Limited

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- (b) The Company has a regular programme of physical verification of its property, plant & equipment, by which all property, plant & equipment are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising of all immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification.
- (iii) In respect of the loans, secured or unsecured, granted by the Company to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act :
  - (a) In our opinion and the information given to us, the terms and conditions of the loans given by the company are prima facie, not prejudicial to the interest of the Company.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and/or receipts of interest have been regular as per stipulations.
  - (c) There are no overdue amounts as at the year-end in respect of both principal and interest.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, making investments and providing guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under Section 73 to 76 of the Act and accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act for the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, goods & service tax, duty of customs, duty of excise or value added tax or cess which have not been deposited on account of any dispute except as below :

Name of Statute	Name of dues	Amount (₹ in lakhs)	Period to which amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	95.80	Prior to 2014	High Court
Income Tax Act, 1961	Tax deducted at Source (TDS)	5.46	FY 2014-15	Commissioner of Income Tax (Appeals)

The above disputed service tax amount is due and payable by the third party (Refer note 38)

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution or banks at the balance sheet date. The Company does not have any loans or borrowings from Government. Further, the Company has not issued any debentures. Accordingly, the Paragraph 3(viii) of the order is not applicable to the Company.
- (ix) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Accordingly, provisions of Clause 3(ix) of the Order are not applicable to the company.
- (x) According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers and employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of clause 3(xii) of the Order are not applicable.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of related party transactions as required by the applicable accounting standards have been disclosed in the standalone financial statements.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company in respect of which we are unable to comment on any potential implications for the reasons described therein, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**For S. K. Patodia & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 112723W**

**Place : Mumbai**  
**Date : June 30, 2020**

**Dhiraj Lalpuria**  
**Partner**  
**Membership Number: 146268**  
**UDIN : 20146268AAAAIP6097**

Balance Sheet as at March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019*
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	6,705.08	8,726.29
(b) Right of Use Assets	3	14,229.72	-
(c) Capital work-in-progress	3	616.20	82.81
(d) Investment properties	4	7,840.74	7,905.79
(e) Investments in subsidiaries, associates and joint ventures	5 (a)	9,378.00	9,539.00
(f) Financial assets			
(i) Investments	5 (a)	24.71	27.72
(ii) Loans	5 (c)	225.26	210.16
(g) Non-Current Tax Assets	6 (a)	1,073.54	899.19
(h) Deferred tax assets (net)	6 (b)	7,147.00	6,268.53
(i) Other non-current assets	7	4,339.73	5,140.37
<b>Total non-current assets</b>		<b>51,579.98</b>	<b>38,799.86</b>
<b>Current assets</b>			
(a) Inventories	8	863.37	917.61
(b) Financial assets			
(i) Investments	5 (a)	1,015.59	311.20
(ii) Trade receivables	5 (b)	3,616.67	1,051.04
(iii) Cash and cash equivalents	5 (d)	444.16	525.72
(iv) Bank Balances other than above	5 (e)	6.86	7.60
(v) Loans	5 (c)	7,717.93	6,036.41
(vi) Other financial assets	5 (f)	202.14	157.57
(c) Other current assets	7	697.20	801.47
		<b>14,563.92</b>	<b>9,808.62</b>
Assets classified as held for sale	9	1,954.69	10,266.92
<b>Total current assets</b>		<b>16,518.61</b>	<b>20,075.54</b>
<b>Total assets</b>		<b>68,098.59</b>	<b>58,875.40</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10 (a)	5,754.44	5,629.13
(b) Other Equity	10 (b)	11,055.63	13,408.76
<b>Total Equity</b>		<b>16,810.07</b>	<b>19,037.89</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11 (a)	-	-
(ii) Lease liabilities	11 (b)	17,812.81	-
(iii) Other financial liabilities	11 (b)	1,866.22	1,658.46
(b) Provisions	12	62.87	34.51
(c) Other non-current liabilities	13	481.24	644.16
<b>Total non-current liabilities</b>		<b>20,223.14</b>	<b>2,337.13</b>

## Balance Sheet as at March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019*
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11 (a)	-	11,358.24
(ii) Trade payables			
- Total outstanding due of micro and small enterprises	11 (c)	59.81	-
- Others	11 (c)	1,394.77	575.49
(iii) Lease liabilities	11 (b)	3,367.85	-
(iv) Other financial liabilities	11 (b)	560.72	6,163.81
(b) Provisions	12	38.08	40.98
(c) Other current liabilities	13	25,644.15	19,361.86
<b>Total current liabilities</b>		<b>31,065.38</b>	<b>37,500.38</b>
<b>Total liabilities</b>		<b>51,288.52</b>	<b>39,837.51</b>
<b>Total Equity and Liabilities</b>		<b>68,098.59</b>	<b>58,875.40</b>
The above balance sheet should be read in conjunction with the accompanying notes.	1-39		

\* Restated pursuant to merger (Refer Note 36)

As per our report of even date  
For S K Patodia & Associates  
Chartered Accountants  
Firm Registration No. : 112723W

Dhiraj Lalpuria  
Partner  
Membership Number : 146268

Place : Mumbai  
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar  
Director  
DIN: 06463399

Pawan Agarwal  
Executive Director and Chief Financial Officer  
DIN: 01435580

Place : Mumbai  
Date : June 30, 2020

Rajesh Kalyani  
Director  
DIN: 00220632

Anil Cherian  
Head - Legal and Company Secretary

**Statement of Profit and Loss for year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019*
<b>Income</b>			
(a) Revenue from Operations	15	12,155.71	12,644.83
(b) Other Income	16	4,903.90	1,860.04
<b>Total Income</b>		<b>17,059.61</b>	<b>14,504.87</b>
<b>Expenses</b>			
(a) Operating Costs	17	3,611.47	6,731.10
(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	18	121.28	3.54
(c) Employee Benefits Expense	19	591.80	617.63
(d) Finance Costs	20	2,947.81	1,967.65
(e) Depreciation and amortization expense	21	5,113.97	2,511.88
(f) Other Expenses	22	2,659.22	1,371.10
<b>Total Expenses</b>		<b>15,045.55</b>	<b>13,202.90</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>2,014.06</b>	<b>1,301.97</b>
Exceptional items		-	34.59
<b>Profit/(Loss) Before Tax</b>		<b>2,014.06</b>	<b>1,267.38</b>
<b>Income Tax Expenses</b>			
Current Tax	6	-	-
Deferred Tax	6	910.93	304.33
Earlier Year's Provision written back		(3.78)	(45.71)
<b>Total Tax Expenses</b>		<b>907.15</b>	<b>258.62</b>
<b>Profit/(Loss) for the year (A)</b>		<b>1,106.91</b>	<b>1,008.76</b>
<b>Other Comprehensive Income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Actuarial gain/(loss) on employee defined benefit funds recognised in other Comprehensive Income	10	(12.09)	13.50
Fair valuation of Equity investments other than investments in subsidiaries, Associates and Joint Ventures	10	(3.01)	607.09
<b>B. Income tax relating to above items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	10	(3.41)	3.63
Equity instruments through other comprehensive income	10	4.90	492.42
<b>Other Comprehensive Income for the year, net of taxes (B)</b>		<b>(16.59)</b>	<b>124.54</b>
<b>Total Comprehensive Income for the year (A+B)</b>		<b>1,090.32</b>	<b>1,133.30</b>
<b>Earnings per equity share (Face value of ₹ 10/- each)</b>	26		
Basic (in ₹)		<b>1.94</b>	1.79
Diluted (in ₹)		<b>1.94</b>	1.79
The above statement of profit and loss should be read in conjunction with the accompanying notes.	1-39		

\* Restated pursuant to merger (Refer Note 36)

As per our report of even date  
For S K Patodia & Associates  
Chartered Accountants  
Firm Registration No. : 112723W

Dhiraj Lalpuria  
Partner  
Membership Number : 146268

Place : Mumbai  
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar  
Director  
DIN: 06463399

Pawan Agarwal  
Executive Director and Chief Financial Officer  
DIN: 01435580

Place : Mumbai  
Date : June 30, 2020

Rajesh Kalyani  
Director  
DIN: 00220632

Anil Cherian  
Head - Legal and Company Secretary



## Statement of Change in Equity

(All amounts in INR lakhs, unless otherwise stated)

## A. Equity Share Capital

As at March 31, 2019	5,629.13
Changes in equity share capital	125.31
As at March 31, 2020	5,754.44

## B. Other Equity

Particulars	Reserves and Surplus				Other Reserves	Total Other Equity
	Securities Premium	Retained Earnings	Capital Reserve	Subordinated Debt	FVOCI - equity investments	
Balance as at April 1, 2018*	25,291.33	(16,119.99)	2,636.54	4,905.98	(4,888.41)	11,825.45
Profit / (Loss) for the year	-	1,008.78	-	-	-	1,008.78
Other comprehensive income for the year	-	9.86	-	-	114.67	124.53
<b>Total comprehensive income for the year</b>	-	<b>1,018.64</b>	-	-	<b>114.67</b>	<b>1,133.31</b>
Addition during the year	-	-	-	450.00	-	450.00
Reclassification	-	(4,619.65)	-	-	4,619.65	-
<b>Balance as at March 31, 2019*</b>	<b>25,291.33</b>	<b>(19,721.00)</b>	<b>2,636.54</b>	<b>5,355.98</b>	<b>(154.09)</b>	<b>13,408.76</b>
<b>Balance as at April 1, 2019</b>	<b>25,291.33</b>	<b>(19,721.00)</b>	<b>2,636.54</b>	<b>5,355.98</b>	<b>(154.09)</b>	<b>13,408.76</b>
Profit / (Loss) for the year	-	1,106.91	-	-	-	1,106.91
Other comprehensive income for the year	-	(8.68)	-	-	(7.91)	(16.59)
<b>Total comprehensive income for the year</b>	-	<b>1,098.23</b>	-	-	<b>(7.91)</b>	<b>1,090.32</b>
Addition during the year	1,754.34	-	-	-	-	1,754.34
Lease Liabilities	-	(5,197.79)	-	-	-	(5,197.79)
Reclassification	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>27,045.67</b>	<b>(23,820.56)</b>	<b>2,636.54</b>	<b>5,355.98</b>	<b>(162.00)</b>	<b>11,055.63</b>

The above statement of changes in Equity should be read in conjunction with the accompanying notes.

\* Restated pursuant to merger (Refer Note 36)

As per our report of even date  
For S K Patodia & Associates  
Chartered Accountants  
Firm Registration No. : 112723W

Dhiraj Lalpuria  
Partner  
Membership Number : 146268

Place : Mumbai  
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar  
Director  
DIN: 06463399

Pawan Agarwal  
Executive Director and Chief Financial Officer  
DIN: 01435580

Place : Mumbai  
Date : June 30, 2020

Rajesh Kalyani  
Director  
DIN: 00220632

Anil Cherian  
Head - Legal and Company Secretary

**Cash Flow Statement for year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019*
	<b>Cash Flow from operating activities</b>		
	<b>Profit / (Loss) before income tax</b>	<b>2,014.06</b>	<b>1,267.38</b>
	Adjustments for		
	<b>Add:</b>		
	Provision For Doubtful Debts	41.22	20.75
	Depreciation and amortisation expenses	5,113.96	2,511.88
	Finance costs	2,947.81	1,967.65
	Bad debts and irrecoverable balances written off	505.90	32.58
	Provision for Gratuity & Leave Encashment	23.21	4.45
	<b>Less:</b>		
	Interest received	(665.77)	(1,391.09)
	Sundry balance written back	(225.99)	(32.40)
	Net gain recognised on divestment in stake of subsidiary	-	(335.50)
	Profit on sale of investments	(1,870.56)	-
	Profit on sale of Property, Plant & Equipment - Net	(1,056.96)	-
	Profit on redemption of preference shares	(999.00)	-
	Dividend received	(0.00)	-
	Gratuity & Leave Encashment Paid	(9.29)	(0.34)
	<b>Operating Profit before Working Capital change</b>	<b>5,818.58</b>	<b>4,045.35</b>
	<b>Change in operating assets and liabilities</b>		
	Trade and Other Receivables	(3,911.29)	712.38
	Trade Payable, Other Liabilities & Provisions	(8,008.84)	(5,238.03)
	Inventories	54.23	1.11
		<b>(11,865.90)</b>	<b>(4,524.54)</b>
	<b>Cash generated / (used) from operations</b>	<b>(6,047.31)</b>	<b>(479.20)</b>
	Income taxes (paid) / refund	(322.40)	(308.59)
<b>A</b>	<b>Net cash inflow / (outflow) from operating activities</b>	<b>(6,369.71)</b>	<b>(787.78)</b>
	<b>Cash flow from investing activities:</b>		
	Proceeds from Sale of Property, Plant & Equipment	7,339.01	-
	Purchase of Property, Plant & Equipment, Capital Work-in-Progress and Investment Property	(663.40)	(700.00)
	Proceeds from divestment in stake of subsidiary	3,905.04	1,762.29
	Purchase of Investment	-	(1,403.70)
	Proceeds from Redemption of Preference Shares	1,160.00	-
	Loans received / (given)	(1,696.62)	5,652.20
	Interest received	685.60	790.97
	Fixed Deposit	0.74	(0.45)

## Cash Flow Statement for year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019*
<b>B</b>	<b>Net cash inflow from investing activities</b>	<b>10,730.37</b>	<b>6,101.31</b>
	<b>Cash flow from financing activities</b>		
	Interest paid	(242.59)	(673.12)
	Proceeds from Subordinated Debt	-	450.00
	Net Repayment of Non current Borrowings	(3,495.24)	(1,402.07)
	Net Proceeds from current Borrowings	-	(4,304.01)
<b>C</b>	<b>Net cash outflow from financing activities</b>	<b>(3,737.83)</b>	<b>(5,929.20)</b>
	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>622.83</b>	<b>(615.67)</b>
	Add: Cash and cash equivalents at the beginning of the financial year	836.92	1,452.59
	<b>Cash and cash equivalents at the end of the year</b>	<b>1,459.75</b>	<b>836.92</b>
	Cash and cash equivalents [See Note 5(d)]	444.16	525.72
	Investment in Liquid Funds [See Note 5(a)]	1,015.59	311.20
	<b>Balance as per Statement of Cash Flow</b>	<b>1,459.75</b>	<b>836.92</b>

\* Restated pursuant to merger (Refer Note 36)

The above statement of cash flows should be read in conjunction with the accompanying notes.

## Change in Liability arising from financing activities

Particulars	As at March 31, 2019	Cash Flows	Non Cash Changes	As at March 31, 2020
Current Borrowings	11,358.23	10,464.09	894.14	-
Non Current Borrowings (including current maturities)	3,495.25	3,495.25	-	-

Particulars	As at March 31, 2018	Cash Flows	Non Cash Changes	As at March 31, 2019
Current Borrowings	12,760.30	(1,402.07)	0.00	11,358.23
Non Current Borrowings (including current maturities)	7,788.01	(4,304.01)	11.25	3,495.25

As per our report of even date  
For S K Patodia & Associates  
Chartered Accountants  
Firm Registration No. : 112723W

Dhiraj Lalpuria  
Partner  
Membership Number : 146268

Place : Mumbai  
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar  
Director  
DIN: 06463399

Pawan Agarwal  
Executive Director and Chief Financial Officer  
DIN: 01435580

Place : Mumbai  
Date : June 30, 2020

Rajesh Kalyani  
Director  
DIN: 00220632

Anil Cherian  
Head - Legal and Company Secretary

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 1. BACKGROUND

Future Market Networks Limited ("The Company") is a public limited company incorporated in India under the provisions of Companies Act, 1956 and validly existing under Companies Act, 2013 ("the Act"). Equity shares of the Company are listed with the BSE Limited and the National Stock Exchange of India Limited. The company is engaged in the business of building capacity and enabling the infrastructure for future markets in a more efficient and cost effective manner. It aims to create a network of new markets by integrating and better organizing the modern wholesale trade, retail and logistics infrastructure in India.

The financial statements were authorized for issue by the Company's Board of Directors on June 30, 2020.

### 2. Significant Accounting Policies:

#### a) Basis of preparation

##### i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

##### ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value;
- assets held for sale measured at lower of carrying amount or fair value less cost to sell; and
- share-based payments

##### iii. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

#### b) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

##### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term. Leasehold improvements are amortised over the period of lease or estimated useful life, whichever is lower.

##### Useful life considered for calculation of depreciation for various assets class are as follows-

• Leasehold Improvements	16 years
• Machinery	10 years
• Furniture, fittings and equipment	10 years
• Office and other equipments	5 Years
• Computers	3 Years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

#### c) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Freehold land is carried at cost. Investment properties are depreciated using the straight-line method over their estimated useful lives.

Useful life considered for calculation of depreciation for Freehold Building is as follows-

- Freehold buildings 60 years

#### d) Investments and other financial assets:

##### i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The Classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

##### ii. Measurement of financial assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

##### Equity instruments

The Company subsequently measures all equity investments other than in subsidiaries, joint ventures and associates at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognised in profit or loss as other income when the right to receive of the Company established.

##### iii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### iv. Derecognition of financial assets

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability is recognised when the obligation specified in the contract is discharged, completed or expired.

##### e) Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

##### f) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

### g) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### h) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less from the Balance Sheet date.

### i) Revenue Recognition:

As on April 1, 2019, there are no ongoing contracts covered under the provisions of Ind – AS 115.

The Company derives revenues primarily from leasing of immovable properties which is primarily covered under Ind AS – 116 and consequently the same are accounted as per the said standard.

In relation to revenues not covered under Ind AS 116, the revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from sale of services are recognized at a time on which the performance obligation is satisfied except Revenue from real estate property development where in revenue is recognized in the financial year in which the agreement to sell is executed.

The period over which revenue is recognised is based on entity's right to payment for performance completed. In determining whether an entity has right to payment, the entity shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than entity's failure to perform as per the terms of the contract.

### j) 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 and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

### k) Employee Benefits:

#### Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees's service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

#### Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Re measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Share-based payments**

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, which is based on the Black Scholes model.

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 recognized in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 29.

**l) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

On March 30, 2019, the Ministry of Corporate Affairs issued amendments in the guidance to the Ind AS 12 – Income taxes. The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

- (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty Financial Statements.
- (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount
- (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The effect on adoption of Ind AS 12 Appendix C is insignificant in the financial statements

On September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies; an option to pay income tax at reduced rate (i.e. 22% plus applicable surcharge and cess) effective from April 1, 2019, subject to certain conditions. The tax expenses for the year ended March 31, 2020 have been provided at reduced tax rate.

### m) Leases:

#### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### As a lessee

The Ministry of Corporate Affairs ("MCA") notified the new Ind AS 116 "Leases" with the date of initial application being April 1, 2019.

On April 1, 2019, the Company has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings.

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The Company has made use of the following practical expedients available in its transition to Ind AS 116 –

- a) The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019.
- b) The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
- c) The Company excluded the initial direct costs from measurement of the RoU asset
- d) The Company does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.
- e) The weighted average rate of discount applied to lease liabilities as at April 1, 2019 is 11%.

(Refer Note no. 31)

### n) Foreign Currency transactions:

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Indian rupee (INR), which is Future Market Limited's functional and presentation currency.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

### o) Inventories:

Inventories which comprise of finished stock of completed projects are valued at lower of cost or net realizable value. Cost is determined by including cost of land (including development rights), internal development cost, external development charges, materials, services, related overheads and apportioned borrowing costs.

### p) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

### q) Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (Refer Note 26).



**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**r) Segment Reporting:**

The Company is primarily engaged in the activity of mall management business and considers it to be a single reportable business segment. The operations of the Company are within the geographical territory of India which is considered as a single geographical segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director, who has been identified as being the chief operating decision maker, assesses the financial performance and position of the company, and makes strategic decisions. Refer Note 25 for segment information presented.

**s) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**t) Borrowing costs**

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds.

Other borrowing costs are expensed in the period in which they are incurred.

**u) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognised as interest expense. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

**v) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**w) Critical estimates and judgments**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal and actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 14)
- Estimation of current tax expense and payable (Note 6)
- Estimated Fair value of unlisted securities – (Note 23)
- Estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.(a)(b))
- Estimation of Fair valuation of employee share options and no. of expected vesting options (Note 29)
- Recognition of deferred tax assets – availability of future taxable profits against which deferred tax assets can be used (Note 6)
- Probable outcome of matters included under Contingent Liabilities

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**Notes to the financial statements for the year ended March 31, 2020**
**3. Property, Plant and Equipment**

Particulars	Leasehold Improvements	Air Conditioner	Computers	Furniture and fittings	Office and Other Equipments	Plant and Machinery	Vehicles	Total	Right of Use Assets	Capital work-in-progress
<b>Year ended March 31, 2019*</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount	6,933.43	2,041.30	42.73	4,204.52	156.75	4,423.93	0.01	17,802.67	-	-
Additions	11.88	17.22	3.81	-	3.88	11.37	-	48.16	-	82.81
Disposal/Transfer	-	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>6,945.31</b>	<b>2,058.52</b>	<b>46.54</b>	<b>4,204.52</b>	<b>160.63</b>	<b>4,435.30</b>	<b>0.01</b>	<b>17,850.83</b>	<b>-</b>	<b>82.81</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	2,141.20	945.57	28.86	1,829.55	133.32	1,665.79	-	6,744.29	-	-
Depreciation charge during the year	795.29	317.87	4.73	634.66	3.22	624.48	-	2,380.25	-	-
Depreciation related to Disposal/Transfer	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>2,936.49</b>	<b>1,263.44</b>	<b>33.59</b>	<b>2,464.21</b>	<b>136.54</b>	<b>2,290.27</b>	<b>-</b>	<b>9,124.54</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount</b>	<b>4,008.82</b>	<b>795.08</b>	<b>12.95</b>	<b>1,740.31</b>	<b>24.09</b>	<b>2,145.03</b>	<b>0.01</b>	<b>8,726.29</b>	<b>-</b>	<b>82.81</b>
<b>Year ended March 31, 2020</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount	6,945.31	2,058.52	46.54	4,204.52	160.63	4,435.30	0.01	17,850.83	-	82.81
Additions	-	-	3.51	3.76	2.33	47.85	-	57.45	17,131.72	533.39
Disposal/Transfer	-	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>6,945.31</b>	<b>2,058.52</b>	<b>50.05</b>	<b>4,208.28</b>	<b>162.96</b>	<b>4,483.15</b>	<b>0.01</b>	<b>17,908.28</b>	<b>17,131.72</b>	<b>616.20</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	2,936.49	1,263.44	33.59	2,464.21	136.54	2,290.27	-	9,124.54	-	-
Depreciation charge during the year	472.67	318.59	10.10	634.72	17.55	625.02	0.01	2,078.66	2,902.00	-
Depreciation related to Disposal/Transfer	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>3,409.16</b>	<b>1,582.03</b>	<b>43.69</b>	<b>3,098.93</b>	<b>154.09</b>	<b>2,915.29</b>	<b>0.01</b>	<b>11,203.20</b>	<b>2,902.00</b>	<b>-</b>
<b>Net carrying amount</b>	<b>3,536.15</b>	<b>476.49</b>	<b>6.36</b>	<b>1,109.35</b>	<b>8.87</b>	<b>1,567.86</b>	<b>-</b>	<b>6,705.08</b>	<b>14,229.72</b>	<b>616.20</b>

(i) Property, plant and equipment pledged as security (Refer Note 28)

ii) Capital work-in-progress mainly comprises building, furniture & fixtures.

\* Restated pursuant to merger (Refer Note 36)

**4. Investment Properties**

(All amounts in INR lakhs, unless otherwise stated)

	Freehold Land	Building	Total
<b>Year ended March 31, 2019*</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	69.94	7,676.91	<b>7,746.85</b>
Additions	-	569.03	<b>569.03</b>
Disposal/Transfer	-	-	-
<b>Closing gross carrying amount</b>	<b>69.94</b>	<b>8,245.94</b>	<b>8,315.88</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	-	278.46	<b>278.46</b>
Depreciation charge during the year	-	131.63	<b>131.63</b>
Depreciation related to Disposal/Transfer	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>410.09</b>	<b>410.09</b>

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

	Freehold Land	Building	Total
<b>Net carrying amount</b>	<b>69.94</b>	<b>7,835.85</b>	<b>7,905.79</b>
<b>Year ended March 31, 2020</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	69.94	8,245.94	<b>8,315.88</b>
Additions	72.56	-	<b>72.56</b>
Disposal/Transfer	-	(4.53)	<b>(4.53)</b>
<b>Closing gross carrying amount</b>	<b>142.50</b>	<b>8,241.41</b>	<b>8,383.91</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	-	410.09	<b>410.09</b>
Depreciation charge during the year	-	133.31	<b>133.31</b>
Depreciation related to Disposal/Transfer	-	(0.23)	<b>(0.23)</b>
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>543.17</b>	<b>543.17</b>
<b>Net carrying amount</b>	<b>142.50</b>	<b>7,698.24</b>	<b>7,840.74</b>

Refer Note 28 for information on asset pledged as security by the company.

\* Restated pursuant to merger (Refer Note 36 )

## (i) Amounts recognised in profit or loss for investment properties

	As at March 31, 2020	As at March 31, 2019
Rental income	1,018.60	1,013.74
Direct operating expenses from property that generated rental income	44.53	96.56
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	974.07	917.18
Depreciation	133.31	131.63
Profit from investment properties	840.76	785.55

## (ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

	As at March 31, 2020	As at March 31, 2019
Within one year	940.15	727.16
Later than one year but not later than 5 years	1,806.47	1,579.08
Later than 5 years	-	-
<b>Total</b>	<b>2,746.62</b>	<b>2,306.24</b>

## (iii) Fair value

	As at March 31, 2020	As at March 31, 2019
Investment properties	39,773.96	42,162.12

## Estimation of fair value

Estimation of fair value - The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in respective area. This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method.

**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**5(a). Investments**

	As at March 31, 2020	As at March 31, 2019
<b>a. Investment in subsidiaries</b>		
Unquoted		
1,00,000 Equity Shares of Aashirwad Malls Private Limited	570.56	570.56
11,36,600 Equity Shares of Sun City Properties Private Limited	1,295.52	1,295.52
8,47,356 Equity Shares of Suhani Mall Management Company Private Limited	2,023.52	2,023.52
6,58,030 Equity Shares of Future Trade Markets Private Limited	4,019.44	4,019.44
10,000 Equity Shares of Jeremia Real Estate Private Limited Note - (i)	0.20	0.20
<b>b. Investment in joint venture</b>		
Equity Shares		
6,384 Equity Shares of Riddhi Siddhi Mall Management Private Limited	698.14	698.14
<b>Total (a+b)</b>	<b>8,607.38</b>	<b>8,607.38</b>
<b>c. Investment in preference shares of joint venture</b>		
Unquoted		
141 (2019: 257), 0.01% Non Cumulative Optionally Convertible Preference Shares of Riddhi Siddhi Mall Management Private Limited of ₹ 1,000/- each fully paid up.	770.64	931.64
<b>Total (c)</b>	<b>770.64</b>	<b>931.64</b>
<b>d. Investment in equity instruments</b>		
<b>Fair value through other comprehensive income</b>		
Unquoted		
11,425 Equity Shares of V.R.Procurement Corporation Pvt Ltd.	23.02	23.03
Nil* (2019: 10,000) Equity Shares of Navika Developers Private Limited	-	1.00
Nil* (2019: 10,000) Equity Shares of Shreya Mall Management Private Limited	-	1.00
Nil* (2019: 10,000) Equity Shares of Ujjain Future Bazaar Private Limited	-	1.00
6,903* (2019: 6900) Equity Shares of Harmony Mall Management Private Limited	0.69	0.69
10,000 Equity Shares of Ojas Trade Lease and Mall Management Private Limited	1.00	1.00
<b>Total (d)</b>	<b>24.71</b>	<b>27.72</b>
<b>Non-current investments total (a+b+c+d)</b>	<b>9,402.73</b>	<b>9,566.74</b>
Investments in subsidiaries, associates and joint ventures (a+b+c)	9,378.00	9,539.00
Investments (in others) (d)	24.71	27.72
Aggregate amount of unquoted investments	<b>9,402.71</b>	<b>9,566.72</b>
<b>Current</b>		
UTI - Floating Rate Fund	1,015.59	300.44
Aditya Birla Sun Life Floating Rate Fund	-	10.76
<b>Current investments total</b>	<b>1,015.59</b>	<b>311.20</b>

(i) During the previous year, the Company had acquired 100% shares of Jeremia Real Estate Private Limited.

(Refer Note 27 on Acquisition of Subsidiaries)

\* During the year, pursuant to a Scheme of Amalgamation, Navika Developers Private Limited, Rain Fruits and More Private Limited, Shreya Mall Management Private Limited and Ujjain Future Bazaar Private Limited merged with Harmony Mall Management Private Limited (Harmony). Accordingly in lieu of the investments held by the Company in Navika Developers Private Limited, Shreya Mall Management Private Limited and Ujjain Future Bazaar Private Limited received 1 (one) fully paid up equity share each of Harmony Mall Management Private Limited.

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 5(b). Trade receivables

	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Related Parties	907.64	399.35
Others	2,829.73	731.17
<b>Total</b>	<b>3,737.37</b>	<b>1,130.52</b>
Less: Allowance for bad and doubtful debts	(120.70)	(79.48)
<b>Total Trade receivables</b>	<b>3,616.67</b>	<b>1,051.04</b>
<b>Breakup of securities details</b>		
Secured, considered good	-	-
Unsecured, considered good	3,634.48	1,061.87
Doubtful	102.89	68.65
<b>Total</b>	<b>3,737.37</b>	<b>1,130.52</b>
Less: Allowance for doubtful debts	(120.70)	(79.48)
<b>Total trade receivables</b>	<b>3,616.67</b>	<b>1,051.04</b>

## 5(c). Loans

	As at March 31, 2020	As at March 31, 2019
<b>Non Current</b>		
Security Deposits	225.26	210.16
<b>Total Non current loans and advances</b>	<b>225.26</b>	<b>210.16</b>
<b>Current</b>		
Security Deposits	1,852.00	1,844.16
Loans and advances	4,581.82	3,498.62
Loans and advances to related parties	1,284.11	693.63
<b>Total current loans and advances</b>	<b>7,717.93</b>	<b>6,036.41</b>

## 5(d). Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
<b>Cash on hand</b>	<b>4.82</b>	<b>1.26</b>
<b>Balances with Banks</b>		
In current accounts	439.34	524.46
<b>Total Cash and cash equivalents</b>	<b>444.16</b>	<b>525.72</b>

## 5(e). Bank Balances other than above

	As at March 31, 2020	As at March 31, 2019
Fixed Deposit*	6.50	6.50
Interest accrued on fixed deposit	0.36	1.10
<b>Total Bank Balances other than above</b>	<b>6.86</b>	<b>7.60</b>

\* Lien against Bank Guarantee

## 5(f). Other financial assets

	As at March 31, 2020	As at March 31, 2019
<b>Other current financial assets</b>		
<b>Considered good</b>		
Unbilled Revenue	192.36	154.57
Advance to Staff	9.78	3.00
<b>Total current financial assets</b>	<b>202.14</b>	<b>157.57</b>

**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**6(a). Non - Current Tax Assets**

	As at March 31, 2020	As at March 31, 2019
Balances with Govt. Authorities	1,073.54	899.19
<b>Total Non-current tax assets</b>	<b>1,073.54</b>	<b>899.19</b>

**6(b). Current and deferred tax**

**6(b). (i) Statement of profit and loss:**

	As at March 31, 2020	As at March 31, 2019
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	(3.78)	(45.71)
<b>Total current tax (expense)</b>	<b>(3.78)</b>	<b>(45.71)</b>
<b>Deferred tax</b>		
Decrease (increase) in deferred tax assets	910.93	304.33
(Decrease) increase in deferred tax liabilities	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>910.93</b>	<b>304.33</b>
<b>Income tax expense</b>	<b>907.15</b>	<b>258.62</b>

**6(b) (ii) The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :**

	As at March 31, 2020	As at March 31, 2019
<b>Profit from operation before income tax expenses</b>	2,014.06	1,267.38
<b>Tax rate @ 27.82% / 25.168%</b>	506.90	352.59
<i>Differences due to:</i>		
Permanent Differences	0.03	6.33
Standard Deduction on Rental Income	(115.32)	(123.64)
Change in Tax Rates	591.89	-
Excess provisions for previous years w/off	(3.78)	(45.70)
Adjustment related to Unabsorbed Tax Losses	82.56	(155.24)
Fixed Assets - Depreciation	(100.22)	228.56
Leases	(44.65)	0.00
Others	(10.26)	(4.29)
<b>Income tax expenses</b>	<b>907.15</b>	<b>258.61</b>

**6(b) (iii) Tax losses**

As on March 31, 2020, the Company has net operating losses and carry forwards that shall expire as follows:

<b>Net operating losses</b>	
2023	4,300.42
2024	2,369.19
2026	2,482.17
2027	610.88
	<b>9,762.66</b>
<b>Unabsorbed depreciation</b>	
Indefinitely	6,197.47

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 6(b) (iv) Deferred tax assets (net)

	As at March 31, 2020	As at March 31, 2019
<b>Deferred tax assets</b>		
Unabsorbed Tax Losses	4,016.84	5,021.48
Defined benefit obligation		
Provisions	46.86	33.75
Fair valuation of financials assets-P&L Assets	284.60	354.92
Fair valuation of financials assets-P&L Liabilities	(212.71)	(361.96)
<b>Fair valuation of financials assets-P&amp;L (Net)</b>	<b>71.90</b>	<b>(7.04)</b>
Fair valuation of financials assets-OCI Assets	54.48	59.39
Fair valuation of financials assets-OCI Liabilities	-	-
<b>Fair valuation of financials assets-OCI (Net)</b>	<b>54.48</b>	<b>59.39</b>
Property Plant & Equipment	1,199.67	1,153.11
Leases	1,749.41	-
Freehold Land	7.84	7.78
<b>Deferred tax liabilities</b>		
Defined benefit obligation	-	0.06
<b>Total deferred tax assets (net)</b>	<b>7,147.00</b>	<b>6,268.53</b>

## 6(b) (v) Movement in deferred tax liabilities

	Provisions	Unabsorbed Tax Losses	Fair valuation of financial assets	Property Plant & Equipment	Freehold Land	Leases	MAT credit entitlement	Total
<b>At March 31, 2018</b>	<b>16.09</b>	<b>4,981.50</b>	<b>289.32</b>	<b>1,094.49</b>	<b>8.32</b>	<b>-</b>	<b>679.17</b>	<b>7,068.89</b>
(Charged)/credited:								
- to profit or loss	21.35	436.14	(140.71)	58.62	(0.54)	-	(679.17)	(304.31)
- to other comprehensive income	(3.63)	(396.15)	(96.27)	-	-	-	-	(496.05)
<b>At March 31, 2019</b>	<b>33.81</b>	<b>5,021.48</b>	<b>52.35</b>	<b>1,153.11</b>	<b>7.78</b>	<b>-</b>	<b>-</b>	<b>6,268.53</b>
(Charged)/credited:								
- to profit or loss	9.64	(1,004.64)	78.94	46.56	0.05	(41.48)	-	(910.93)
- to other comprehensive income	3.41	-	(4.90)	-	-	-	-	(1.49)
- Opening Reserves (Ind AS 116)	-	-	-	-	-	1,790.89	-	1,790.89
<b>At March 31, 2020</b>	<b>46.86</b>	<b>4,016.84</b>	<b>126.39</b>	<b>1,199.67</b>	<b>7.83</b>	<b>1,749.41</b>	<b>-</b>	<b>7,147.00</b>

## 7. Other assets

	As at March 31, 2020	As at March 31, 2019
<b>Other non-current assets</b>		
Business Advance	880.20	1,450.27
Capital Advance	3,350.00	3,350.00
Balances with Govt. Authorities	102.03	21.80
Corpus Funds	7.50	7.50
Prepaid Expense	-	310.80
<b>Total Other Non-current assets</b>	<b>4,339.73</b>	<b>5,140.37</b>
<b>Other current assets</b>		
Security Deposits	231.00	5.86
Business Advance	449.12	686.12
Other Receivables	-	62.69
Prepaid Expense	17.08	46.80
<b>Total Other current assets</b>	<b>697.20</b>	<b>801.47</b>

**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**8. Inventories**

	As at March 31, 2020	As at March 31, 2019
Finished Shop	863.37	917.61
<b>Total Inventories</b>	<b>863.37</b>	<b>917.61</b>

**9. Assets classified as held for sale**

	As at March 31, 2020	As at March 31, 2019
Buildings*	-	6,277.75
Investments	1,954.69	3,989.17
<b>Total</b>	<b>1,954.69</b>	<b>10,266.92</b>

\*During the year, the company has disposed off substantial part of the building situated at Ahmedabad for ₹ 7,297.49 Lakhs which was vested with the company through an approved scheme of amalgamation.

In January 2019, the Board of Directors resolved to sell the entire stake of their wholly owned subsidiaries, Gati Realtors Private Limited and Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited). 51% stake of both the entities have been sold during the year and the sale of remaining 49% stake is expected to be completed in next 12 Months. The investments are presented separately under assets held for sale.

**Non-recurring fair value measurements**

Assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the assets was based on the proposed sales consideration negotiated with the buyer.

**10(a). Equity Share capital**

	As at March 31, 2020	As at March 31, 2019
<b>Authorised</b>		
90,300,000 Equity Shares [March 31, 2019: 90,260,000] of ₹ 10/- each	9,030.00	9,026.00
5,000 Preference Shares [March 31, 2019: 5,000] of ₹ 100/- each	5.00	5.00
<b>Total</b>	<b>9,035.00</b>	<b>9,031.00</b>
<b>Issued Capital*</b>		
5,75,44,951 Equity Shares [March 31, 2019: 56,291,851] of ₹ 10/- each	5,754.50	5,629.19
<b>Total</b>	<b>5,754.50</b>	<b>5,629.19</b>

\*includes 570 shares held in abeyance

	As at March 31, 2020	As at March 31, 2019
<b>Subscribed and paid up</b>		
5,75,44,381 Equity Shares [March 31, 2019: 56,291,281] of ₹ 10/- each	5,754.44	5,629.13
<b>Total</b>	<b>5,754.44</b>	<b>5,629.13</b>

**a) Movements in Equity Share Capital**

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	5,62,91,281	5,629.13	5,62,91,281	5,629.13
Add: shares issued during the year	12,53,100	125.31	-	-
<b>Balance as at the end of the year</b>	<b>5,75,44,381</b>	<b>5,754.44</b>	<b>5,62,91,281</b>	<b>5,629.13</b>

**Terms and Rights attached to equity shares:-**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder is eligible to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their shareholding.



## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

**Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2020) including equity shares issued pursuant to contract without payment being received in cash**

- (i) In Financial Year 2015 -16 - Allotted 3,16,750 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 11, 2015.  
(ii) In Financial Year 2016 -17 - Allotted 1,20,125 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 14, 2016.  
(iii) In Financial Year 2019-20 - Allotted 12,53,100 equity shares of ₹ 10/- each under Scheme of Merger by absorption. (Refer Note 36)

**b) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the company.**

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% held	Number of shares	% held
Future Corporate Resources Private Limited (Formerly known as Suhani Trading And Investment Consultants Private Limited)	4,11,29,343	71.47%	4,11,29,343	73.06%
Ishbhoomi Fabtraders Private Limited	40,96,745	7.12%	40,97,145	7.28%
	<b>4,52,26,088</b>	<b>78.59%</b>	<b>4,52,26,488</b>	<b>80.34%</b>

**10(b). Other Equity**

	As at March 31, 2020	As at March 31, 2019
<b>Reserve and surplus</b>		
Capital Reserve	2,636.54	2,636.54
Securities Premium	27,045.67	25,291.33
Retained Earnings	(23,820.56)	(19,721.00)
Subordinated Debt*	5,355.98	5,355.98
Other Reserves	(162.00)	(154.09)
<b>Total</b>	<b>11,055.63</b>	<b>13,408.76</b>

\* The subordinated debt represents loan taken from Future Corporate Resources Private Limited (Formerly known as Suhani Trading And Investment Consultants Private Limited)

**(i) Capital Reserve**

	As at March 31, 2020	As at March 31, 2019
Opening Balance	2,636.54	2,636.54
<b>Closing Balance</b>	<b>2,636.54</b>	<b>2,636.54</b>

**(ii) Securities Premium**

	As at March 31, 2020	As at March 31, 2019
Opening Balance	25,291.33	25,291.33
Share issued	1,754.34	-
<b>Closing Balance</b>	<b>27,045.67</b>	<b>25,291.33</b>

**(iii) Retained Earnings**

	As at March 31, 2020	As at March 31, 2019
Opening Balance	(19,721.00)	(16,119.99)
Add: Profit for the year	1,106.91	1,008.76
Add: Lease Liability	(5,197.79)	-
Items of other comprehensive income recognised in retained earnings	-	(4,619.64)
Remeasurements of post-employment benefit obligation	(12.09)	13.50
Deferred tax (Actuarial Gains)	3.41	(3.63)
<b>Closing Balance</b>	<b>(23,820.56)</b>	<b>(19,721.00)</b>

**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

(iv) **Other Reserves**

	As at March 31, 2020	As at March 31, 2019
Opening Balance	(154.09)	(4,888.41)
Items of other comprehensive income transfer to retained earnings	-	4,619.65
Change in fair value of FVOCI equity instruments	(3.01)	607.09
Deferred tax (Fair Value)	(4.90)	(492.42)
<b>Closing Balance</b>	<b>(162.00)</b>	<b>(154.09)</b>

**Nature and purpose of other reserves**

**Securities Premium**

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Other Reserves - FVOCI equity investments**

The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

11(a). **Borrowings**

	As at March 31, 2020	As at March 31, 2019
<b>Non current Borrowing</b>		
<b>Secured</b>		
Term loans from banks	-	3,495.25
<b>Total Non current Borrowing</b>	<b>-</b>	<b>3,495.25</b>
Less: Current Maturities of long term borrowing	-	(3,495.25)
<b>Non current borrowings</b>	<b>-</b>	<b>-</b>

**Secured borrowings and assets pledged as security**

Sr. No	Nature of security	Terms of Repayment
1	Term Loan from Bank, balance outstanding ₹ NIL (March 31, 2019 : ₹ 3,500.00 lakhs) are secured by (a) Charge on Assets created out of the proposed Term Loan. (b) First pari pasu charge on the immovable property owned by Banshi Mall Management Company Private Limited Located at SOBO Central Mall (c) Corporate Guarantee of Banshi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters	Repayable in 16 quarterly installments starting from June 2016.Last installment due in March 2020. Rate of interest - MCLR (1 Year) + 2.35% Present Effective Rate - 11.10% (11.10%)”

	As at March 31, 2020	As at March 31, 2019
<b>Current Borrowing</b>		
<b>Unsecured</b>		
Other Loans and Advances	-	11,358.24
<b>Total Current Borrowing</b>	<b>-</b>	<b>11,358.24</b>
<b>Current borrowings</b>	<b>-</b>	<b>11,358.24</b>

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 11(b). Other Non-current financial liabilities

	As at March 31, 2020	As at March 31, 2019
Secured deposits		
From Related Parties	294.76	244.45
From Others	1,571.46	1,414.01
<b>Total</b>	<b>1,866.22</b>	<b>1,658.46</b>
Lease Liabilities	17,812.81	-
<b>Total Non-current financial liabilities</b>	<b>19,679.03</b>	<b>1,658.46</b>

## 11(b). Other Current financial liabilities

	As at March 31, 2020	As at March 31, 2019
Security deposits:		
From Related Parties	108.36	98.41
From Others	120.38	386.55
<b>Total</b>	<b>228.74</b>	<b>484.96</b>
Lease Liabilities	3,367.85	-
Purchase Consideration	-	1,879.65
Current Maturities of Long-Term Borrowings	-	3,495.24
Other payables (Retention Money)	331.98	303.96
<b>Total Current financial liabilities</b>	<b>3,928.57</b>	<b>6,163.81</b>

## 11(c). Trade payables

	As at March 31, 2020	As at March 31, 2019
<b>Total outstanding, due of, micro and small enterprises</b>	<b>59.81</b>	<b>-</b>
<b>Total outstanding from others:</b>		
Related Parties	684.02	35.09
Others	710.75	540.40
<b>Total Trade payables</b>	<b>1,454.58</b>	<b>575.49</b>

## 12. Provisions

	As at March 31, 2020	As at March 31, 2019
Non current Employee benefit obligations		
Gratuity	41.92	26.42
Leave entitlement	20.95	8.09
<b>Total Non current Employee benefit obligations</b>	<b>62.87</b>	<b>34.51</b>
Current Employee benefit obligations		
Gratuity	1.81	5.37
Leave entitlement	0.81	0.15
Other Provisions	35.46	35.46
<b>Total current Employee benefit obligations</b>	<b>38.08</b>	<b>40.98</b>

Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

13. Other liabilities

	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Deferred Rent Income	481.24	644.16
<b>Total Other Non-current liabilities</b>	<b>481.24</b>	<b>644.16</b>
	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Statutory dues (including provident fund, tax deducted at source and others)	131.04	134.40
Advance from customers	-	6,271.36
Advance from customers (Related Parties)	24,913.57	12,578.46
Deferred Rent Income	239.42	233.15
Other payables	360.12	144.49
<b>Total Other current liabilities</b>	<b>25,644.15</b>	<b>19,361.86</b>

14. Disclosure as per Indian Accounting Standard 19 - Employee Benefits

**Defined Contribution Plan**

**Provident Fund**

The contributions to the Provident Fund of the employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. Employer's Contribution to Provident Fund amounting to ₹ 20.08 Lakhs (Previous Year ₹ 16.57 Lakhs) has been recognized as an expense in the Statement of Profit and Loss.

**Defined Benefit Plan**

**Gratuity**

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or company scheme whichever is beneficial. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
<b>Opening defined benefit obligation</b>	31.80	38.57
Current service cost	4.87	7.09
Interest expense/(income)	2.42	2.97
<b>Total amount recognised in profit and loss</b>	<b>7.29</b>	<b>10.06</b>
<i>Acquisition / Divestiture</i>	12.23	-
(Gain)/loss from change in demographic assumptions	(0.04)	-
(Gain)/loss from change in financial assumptions	4.30	0.13
Experience (gains)/losses	7.82	(13.62)
<b>Total amount recognised in other comprehensive income</b>	<b>12.08</b>	<b>(13.49)</b>
Employer contributions	-	-
Benefit payments	(7.43)	(3.34)
<b>Closing defined benefit obligation</b>	<b>43.74</b>	<b>31.80</b>

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

The net liability disclosed above relates to unfunded plans are as follows:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	43.74	31.80
Fair value of plan assets	-	-
Surplus /(Deficit)	43.74	31.80
Effect of assets ceiling	-	-
<b>Net Defined Benefit Liability/(Assets)</b>	<b>43.74</b>	<b>31.80</b>

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
<b>Financial Assumptions</b>		
Discount rate	6.76%	7.65%
Salary growth rate	5.00%	5.00%
<b>Demographic Assumptions</b>		
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	1.00%	1.00%
Retirement age	58 years	58 years

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Discount rate		
a. Discount rate -100 basis point	49.38	22.21
b. Discount rate+100 basis point	38.94	17.31
Salary growth rate		
a. Rate -100 basis point	39.40	17.24
b. Rate+100 basis point	48.46	21.64

Expected Future Cash Flows

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Year 1	1.82	0.34
Year 2	0.70	1.45
Year 3	1.67	0.37
Year 4	2.18	0.39
Year 5	2.99	0.43
Year 6 to 10	12.53	3.57

**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**15. Revenue from operations**

	Year ended March 31, 2020	Year ended March 31, 2019
Sales	150.01	7.52
Rent and other related revenues	11,970.70	12,498.58
Project Management Consultancy	35.00	-
Brokerage & Commissions Income	-	138.73
<b>Total</b>	<b>12,155.71</b>	<b>12,644.83</b>

**16. Other Income**

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Interest Income</b>		
On bank deposits	0.40	0.48
On others	665.37	1,390.61
Profit on Redemption of Preference Shares	999.00	-
Profit on sale of Property, Plant & Equipment	1,056.97	-
Profit on sale of Investments	1,919.49	407.68
Fair Valuation of Investments	0.11	1.20
Excess Provision Written Back	225.99	32.40
Dividend Received*	-	-
Miscellaneous Income	36.57	27.67
<b>Total</b>	<b>4,903.90</b>	<b>1,860.04</b>

\* Dividend Received ₹ 25.70 (Previous Year ₹ Nil).

**17. Operating Costs**

	Year ended March 31, 2020	Year ended March 31, 2019
Mall Maintenance Charges	3,235.42	1,999.89
Rent	376.05	4,731.21
<b>Total</b>	<b>3,611.47</b>	<b>6,731.10</b>

**18. Changes in inventories of finished goods, work-in progress and stock-in-trade**

	Year ended March 31, 2020	Year ended March 31, 2019
Cost of units sold	121.28	3.54
<b>Total</b>	<b>121.28</b>	<b>3.54</b>

**19. Employee Benefits Expense**

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Bonus	551.52	579.16
Contribution to Provident and Other Funds	28.76	26.27
Staff Welfare Expenses	11.52	12.20
<b>Total</b>	<b>591.80</b>	<b>617.63</b>

**20. Finance Costs**

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses	2,947.81	1,962.08
Other Borrowing costs	-	5.57
<b>Total</b>	<b>2,947.81</b>	<b>1,967.65</b>

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 21. Depreciation and amortization expense

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant and Equipment	2,078.66	2,380.25
Depreciation on Investment Property	133.31	131.63
Depreciation on Right of Use Assets	2,902.00	-
	<b>5,113.97</b>	<b>2,511.88</b>

## 22. Other Expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Power and Fuel	432.79	471.18
Repairs and Maintenance - Others	360.34	217.63
Auditors' Remuneration		
Statutory Audit Fees	7.00	7.60
Tax Audit Fees	1.00	0.50
Other Services	1.00	0.90
Rates and Taxes	343.08	215.86
Insurance	14.68	11.71
Legal and Professional Fees	620.81	150.09
Listing Fees/Custodian Charges	7.21	6.74
Director Sitting Fees	14.00	14.05
Marketing and Promotion	54.91	24.83
Office Rent	52.76	36.89
Provision for Doubtful Debts	41.22	20.75
Travelling and Conveyance Expenses	33.80	49.54
Water Charges	12.68	10.97
Other Expenses	661.94	131.86
<b>Total</b>	<b>2,659.22</b>	<b>1,371.10</b>

## 23. Fair value measurements

## 23(a) Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity Instruments	-	24.71	-	-	27.72	-
- Investment in subsidiaries, joint ventures and associates	-	9,378.00	-	-	9,539.01	-
- Mutual Funds	1,015.59	-	-	311.20	-	-
Loans	-	-	7,943.19	-	-	6,246.57
Trade receivables	-	-	3,616.67	-	-	1,051.04
Cash and cash equivalents	-	-	444.16	-	-	525.72
Bank Balances other than above	-	-	6.86	-	-	7.60
Other financial assets	-	-	202.14	-	-	157.57
<b>Total financial assets</b>	<b>1,015.59</b>	<b>9,402.71</b>	<b>12,213.02</b>	<b>311.20</b>	<b>9,566.73</b>	<b>7,988.50</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	11,358.24
Deposits from customer	-	-	19,679.03	-	-	1,658.46
Other financial liabilities	-	-	3,928.57	-	-	6,163.81
Trade payables	-	-	1,454.58	-	-	575.49
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>25,062.18</b>	<b>-</b>	<b>-</b>	<b>19,756.00</b>

**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**23(b) Fair value hierarchy**

Investment in Mutual Funds which are measured at Fair Value through Profit and Loss Account are measured under Level 1.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed are calculated under Level 3 except loans and security deposits which is measured at Level 2.

Investment in Equity Shares which are measured at Fair Value through Other Comprehensive Income are measured under Level 3.

**Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the periods ended March 31 :

	Investment in - Equity instruments
<b>As at March 31, 2018</b>	<b>844.92</b>
Sale of Investment	(1,424.29)
Gains/(losses) recognised in Other Comprehensive Income	607.09
<b>As at March 31, 2019</b>	<b>27.72</b>
Sale of Investment	-
Gains/(losses) recognised in Other Comprehensive Income	(3.01)
<b>As at March 31, 2020</b>	<b>24.71</b>

**Valuation processes**

The Company has obtained assistance of independent and competent third party valuation experts to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the Company and the valuer on periodic basis. Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

**23(c) Fair value of financial assets and liabilities measured at amortised cost**

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Loans	7,943.19	7,983.03	6,246.57	6,291.75
<b>Total</b>	<b>7,943.19</b>	<b>7,983.03</b>	<b>6,246.57</b>	<b>6,291.75</b>
<b>Financial liabilities</b>				
Borrowings	-	-	11,358.24	11,358.24
Deposits from customer	19,679.03	19,789.04	1,658.46	1,763.59
<b>Total</b>	<b>19,679.03</b>	<b>19,789.04</b>	<b>13,016.70</b>	<b>13,121.83</b>

**The following methods and assumptions were used to estimate the fair values:**

1. Fair value of trade receivables, trade payables, cash and cash equivalent, Bank balances other than above, other financial assets and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 in the fair value hierarchy due to the inclusion of observable inputs.
3. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
4. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
5. The fair value of the long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans). Further, the Company has no long-term Borrowings with fixed rate of interest.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

**24. Financial risk management**

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk are reviewed regularly to reflect changes in market conditions and the company's activities.

**A. Market risks**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. The company is not exposed to any foreign currency risk as neither operates internationally nor has any foreign currency transaction.

**(a) Price Risk - Exposure:**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through OCI. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

	March 31, 2020	March 31, 2019
BSE Sensex 30- Increase 5%	50.78	15.56
BSE Sensex 30- Decrease 5%	(50.78)	(15.56)

Above referred sensitivity pertains to investment in quoted securities. Profit for the year would increase/(decrease) as a result of gains/(losses) on the same as at fair value through profit or loss.

**(b) Interest rate risk**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2020	March 31, 2019
Variable rate borrowings	-	3,495.25
Percentage of variable rate borrowings to total borrowings	0%	24%
<b>Total borrowings</b>	<b>-</b>	<b>14,853.49</b>

**Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	March 31, 2020	March 31, 2019
Interest rates – increase by 50 basis points*	-	(17.48)
<b>Interest rates – decrease by 50 basis points*</b>	<b>-</b>	<b>17.48</b>

\*Holding all other variables constant

**B. Credit Risks**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

**Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management.

The Company measures the expected credit loss of trade receivables and loan and advances customers wise based on historical trend. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, adequate provision for the loss on collection of receivable has been made.

**Movement in provisions of doubtful debts**

	March 31, 2020	March 31, 2019
Opening provision	79.48	91.32
Add:- Additional provision made	41.22	20.75
Less:- Provision write off	-	32.59
<b>Closing provisions</b>	<b>120.70</b>	<b>79.48</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

**C. Liquidity Risk:**

Liquidity risk is the risk that the company will face in meeting its obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the company's credit rating and impair investor confidence.

**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

Maturity patterns of liabilities:

	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2020</b>			
Trade payables	1,454.58	-	<b>1,454.58</b>
Borrowings	-	-	-
Other Financial liabilities	3,928.57	20,517.35	<b>24,445.92</b>
<b>As at March 31, 2019</b>			
Trade payables	575.49	-	<b>575.49</b>
Borrowings	11,358.24	-	<b>11,358.24</b>
Other Financial liabilities	6,168.57	2,605.40	<b>8,773.97</b>

**D. Capital Management**

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company does not distribute dividends to the shareholders.

**25. Segment information**

In accordance with the Accounting Standard Ind-AS 108 - Operating Segment, segment information has been given in the consolidated financial statements of Future Market Networks Limited, no separate disclosure of segment reporting is required in these financial statements

**26. Earnings per share**

	As at March 31, 2020	As at March 31, 2019
<b>(a) Basic and diluted earnings per share</b>		
Profit attributable to the equity holders of the company	1,106.91	1,008.76
Total basic earnings per share attributable to the equity holders of the company (₹)	1.94	1.79
<b>(b) Diluted earnings per share</b>		
Profit attributable to the equity holders of the company	1,106.91	1,008.76
Total diluted earnings per share attributable to the equity holders of the company (₹)	1.94	1.79
<b>(c) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5,69,41,797	5,62,91,281
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	5,69,41,797	5,62,91,281

**27. Acquisition of Subsidiaries:**

**a. Jeremia Real Estate Private Limited**

On August 27, 2018 the company had acquired 10,000 Equity Shares of Jeremia Real Estate Private Limited, being 100% shareholding of the company. The acquisition of the specified assets referred to as "Business Combination" under Ind AS 103.

Total Purchase Consideration transferred : ₹ 0.20 lakhs (entire cash) upon acquisition. The fair value of net assets acquired as at the date of acquisition were ₹ (7.63 lakhs).

**b. Future Retail Destination Private Limited**

The company had purchased 1,50,00,000 shares of Future Retail Destination Private Limited (Formerly known as Future Retail Destination Limited), being balance 50% of the share holding of the said company from the other co-venturer in the month of September 2018. Since the Company had already established full control over operations of Future Retail Destination Private Limited, by virtue of the agreement, it was already being treated as subsidiary of the Company, since the date of above agreement.

The purchase consideration paid by the Company to its venturer was ₹ 1,400 lakhs for acquisition of balance 50% stake. Further it may also be noted that the Company had resolved to divest the entire stake in Future Retail Destination Private Limited to an identified buyer, and the sale was expected to be completed within a period on next twelve months. Consequently, the investment in Future Retail Destination Private Limited was classified as Assets held for Sale - under Note 9.

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 28. Assets pledge as security

The carrying amounts of assets pledged as security for current and non - current borrowings are :

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current Assets</b>		
<i>First Charge</i>		
Property, Plant and Equipment	-	8,710.09
Investment Properties	-	2,867.71
Assets Held for Sale	-	-
<b>Total Non Current Assets pledged as Security</b>	-	<b>11,577.80</b>
<b>Total Assets pledged as Security</b>	-	<b>11,577.80</b>

## 29. Share based payments

## (a) Employee option plan/ Tradable Options

- (i) FMNL-Employee Stock Option Scheme-2012 was suspended with effect from May 25, 2018.
- (ii) Employee option trade plan/Tradable Options

Future Market Networks Limited (FMNL) has granted 7,60,000 options to eligible employees on May 25, 2018 under Employee Stock Option Scheme 2016 ("ESOS 2016") at an exercise price of ₹ 85/- per equity share. These options shall vest over a period of four years in the proportion of 25% for each year from the date of grant. These options can be exercised anytime within a period of three years from the date of vesting.

## (b) The details pertaining to number of options, weighted average price and assumptions considered for fair value are disclosed below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Weighted Average Exercise price	No. of options	Weighted Average Exercise price	No. of options
Options outstanding at the beginning of the period	₹ 85	2,10,000	-	-
Options granted during the period	-	-	₹ 85	7,60,000
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	(5,50,000)
Forfeited during the period	-	-	-	-
<b>Options outstanding at the end of the period</b>	-	<b>2,10,000</b>	-	<b>2,10,000</b>
<b>Options vested and exercisable at the end of the period</b>	-	<b>2,10,000</b>	-	<b>2,10,000</b>

## (c) Effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position:

Total expenses arising from share-based payment transactions on account of Share option plans recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2020	March 31, 2019
Employee compensation expense	-	-

Effect of the employee share option plan on the financial statements is as follows:

Particulars	March 31, 2020	March 31, 2019
Deferred employee compensation reserve	-	-

**Note:**

Since the fair value of the employee stock options is lower than the exercise price there will be no Employee compensation expense and hence there is no impact in the Statement of Profit & Loss.

(All amounts in INR lakhs, unless otherwise stated)

**Notes to the financial statements for the year ended March 31, 2020**

**(d) Method and Assumptions used to estimate the Fair Value of Options granted during the previous year:**

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

1. Risk Free Interest Rate	7.59% - 7.88%
2. Expected Life	2.5 - 5.5 years
3. Expected Volatility	76.99%
4. Dividend Yield	0.00%
5. Price of the Underlying Share in Market at the Time of the Option Grant (₹)	122.10

**30. Related party transactions**

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

**(a) Name of related parties and related parties relationship:-**

Name of Related Parties	Relationship	
	March 31, 2020	March 31, 2019
PAN India Food Solutions Private Limited	-	
Splendor Fitness Private Limited		
Galaxy Cloud Kitchens Limited (Formerly known as Galaxy Entertainment Corporation Limited)	Director Interest	Director Interest
Grihith Trade Ventures Private Limited (w.e.f. 05.06.2018)	-	
Aashirwad Malls Private Limited		
Suhani Mall Management Company Private Limited		
Sun City Properties Private Limited		
Gati Realtors Private Limited (upto 28.08.2019)	Subsidiary	Subsidiary
Future Trade Markets Private Limited		
Future Retail Destination Private Limited (Formerly known as Future Retail Destination Limited) (upto 25.10.2019)		
Jeremia Real Estate Private Limited (w.e.f 27.08.2018)		
Utility Developers Private Limited (upto 31.07.2018)	Director Interest	Joint Venture
Riddhi Siddhi Mall Management Private Limited		
Gati Realtors Private Limited (w.e.f 29.08.2019)	Joint Venture	-
Future Retail Destination Private Limited (Formerly known as Future Retail Destination Limited) (w.e.f 26.10.2019)		
Future Corporate Resources Private Limited (Formerly known as Suhani Trading & Investment Consultants Private Limited)	Holding Company	Holding Company
Retail Trust	Ultimate Parent Entity	Ultimate Parent Entity
Future Retail Limited	Associate of Holding Company	Associate of Holding Company
Praxis Home Retail Limited		
Future Enterprises Limited		
Future Generali India Insurance Company Limited	Promoter's Group Company	Promoter's Group Company
Future Lifestyle Fashions Limited		
Future Supply Chain Solutions Limited		
Nufuture Digital (India) Limited		
Ms. Ritu Pawan Agarwal	Relative of KMP	Relative of KMP
Ms. Jollamma Anil Cherian		

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Mr. Anil Cherian	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)
Mr. Pawan Agarwal (upto 20.05.2019)		
Mr. Pramod Arora (upto 08.10.2018)	-	Key Managerial Personnel (KMP)
Mr. Pawan Agarwal (w.e.f. 21.05.2019)	Executive Director & CFO	
Mr. Pramod Arora (w.e.f. 09.10.2018)	Non-Executive Director	Non-Executive Director
Mr. Sunil Biyani (Director upto 30.05.2018)	Non-Executive Director	Non-Executive Director
Mr. Rajesh Kalyani	Non-Executive Director	Non-Executive Director
Ms. Udit Jhunjhunwala	Independent Director	Independent Director
Mr. Vijai Singh Dugar		
Mr. K.A Somayajulu		

## (b) Key management personnel compensation

## Earnings per share

Particulars	March 31, 2020	March 31, 2019
Short-term employee benefits	91.37	139.88
Post-employment benefits	15.58	11.83
<b>Total</b>	<b>106.95</b>	<b>151.71</b>

## (c) The following transactions were carried out with the Related Parties in the ordinary course of business:-

Nature of Transaction	Subsidiary Company	Joint Ventures	Holding Company	Relative of KMP	Directors	Director Interested	Associate of the Holding Company	KMP	Promoter's Group Company
Interest Income	118.29	32.12	-	-	-	-	-	-	-
	63.91	36.71	-	-	-	-	-	-	-
Project Management Consultancy	-	35.00	-	-	-	-	-	-	9.00
	-	-	-	-	-	-	-	-	-
Brokrage & Commision	-	-	-	-	-	-	89.84	-	-
	-	-	-	-	-	-	-	-	-
Lease Rent Expenses	-	-	-	6.72	-	4.50	5.69	-	12.24
	-	-	-	6.72	-	6.00	36.89	-	-
Reimbursement of Expenses	-	-	-	-	-	-	251.31	-	67.48
	-	-	-	-	-	-	312.04	-	-
Sitting Fees / Remuneration	-	-	-	-	65.78	-	-	39.58	-
	-	-	-	-	14.05	-	-	139.88	-
Project Expenses	-	-	-	-	-	-	-	-	625.00
	-	-	-	-	-	-	-	-	-
Advances /Loans given net off received back	516.91	(68.99)	-	-	-	-	-	-	-
	183.00	(459.39)	-	-	-	-	-	-	-
Advances /Loans / Deposits taken net off repaid back	-	-	-	-	-	-	322.78	-	594.15
	-	-	-	-	-	(660.23)	181.85	-	-
Purchase of Property, Plant & Equipments and Capital work in progress	68.80	-	-	-	-	6.35	1.09	-	-
	-	-	-	-	-	-	1.99	-	-
Rent Income	-	-	-	-	-	-	1,287.98	-	370.58
	-	-	-	-	-	-	1,534.04	-	-
Preference share redemption	-	1,160.00	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Dividend from Pref. Shares #	-	0.00	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

Nature of Transaction	Subsidiary Company	Joint Ventures	Holding Company	Relative of KMP	Directors	Director Interested	Associate of the Holding Company	KMP	Promoter's Group Company
Deposit received	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	56.00	-	-
Insurance Expenses	-	-	-	-	-	-	-	-	19.92
Staff Welfare Expenses	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	0.37	-	-
CAM Income	-	-	-	-	-	-	355.35	-	140.07
	-	-	-	-	-	-	334.23	-	-
Promotor's Contribution	-	-	450.00	-	-	-	-	-	-
CAM Paid	3.81	-	-	-	-	-	2.89	-	-
	-	-	-	-	-	-	-	-	-
Sundry Balance Written off	-	-	-	-	-	-	3.13	-	189.02
	-	-	-	-	-	-	5.00	-	-

# Dividend Received ₹ 25.70 (Previous Year ₹ Nil)

**Outstanding Balance as at March 31, 2020**

Receivable	-	-	-	-	-	28.19	845.28	-	123.69
	-	-	-	-	-	-	399.35	-	-
Payables	-	-	-	-	0.65	-	7,451.00	0.25	683.94
	-	-	-	-	-	3.24	5.00	-	-
Subordinated Debt	-	-	5,355.97	-	-	-	-	-	-
	-	-	5,355.97	-	-	-	-	-	-
Loans & Advances	643.77	640.33	-	-	-	-	-	-	1.51
	624.64	68.99	-	-	-	-	-	-	-
Loan / Advance Taken	-	-	-	-	-	-	12,901.24	-	16,029.26
	-	-	2,500.00	-	-	-	(12,578.46)	-	-
Investments in OCPS	-	770.64	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Security Deposits Taken	-	-	-	-	-	49.74	459.00	-	205.94
	-	-	-	-	-	-	504.00	-	-

Note: Figures in italic represents previous year's figures.

**(d) Significant Related Party transactions :**

Nature of Transaction	Name of the Company	March 31, 2020	March 31, 2019
Interest Income	Suhani Mall Management Company Private Limited	33.11	14.26
	Future Trade Markets Private Limited	0.34	0.67
	Future Retail Destination Private Limited	-	1.64
	Sun City Properties Private Limited	37.60	32.85
	Aashirwad Malls Private Limited	1.86	1.32
	Jeremia Real Estate Private Limited	4.53	2.39
	Gafi Realtors Private Limited	69.78	10.80
	Riddhi Siddhi Mall Management Private Limited	3.19	36.71
	Brokrage & Commision	Future Retail Limited	-
Project Management Consultancy	Riddhi Siddhi Mall Management Private Limited	35.00	-
	Nufuture Digital (India) Limited	9.00	-
Lease Rent Expenses	Ms. Jollamma Anil Cherian	3.36	3.36
	Ms. Ritu Pawan Agarwal	3.36	3.36
	Galaxy Cloud Kitchens Limited (formerly known as Galaxy Entertainment Corporation Limited)	4.50	-
	Future Retail Limited	5.69	-
	Future Lifestyle Fashions Limited	12.24	-

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Nature of Transaction	Name of the Company	March 31, 2020	March 31, 2019
Reimbursement of Expenses	Future Retail Limited	251.31	275.59
	Praxis Home Retail Limited	47.64	36.45
	Future Lifestyle Fashions Limited	19.85	-
Remuneration to KMP	Mr. Pawan Agarwal	51.78	52.37
	Mr. Anil Cherian	39.58	41.42
	Mr. Pramod Arora	-	46.09
Sitting Fees	Mr. Rajesh Kalyani	3.35	3.35
	Mr. Sunil Biyani	1.60	1.20
	Mr. Vijai Singh Dugar	3.70	4.15
	Mr. K.A Somayajulu	3.55	3.55
	Mr. Pramod Arora	0.80	0.80
	Ms. Uditia Jhunjhunwala	1.00	1.00
Prof. Shares Redemption	Riddhi Siddhi Mall Management Private Limited	1,160.00	-
Dividend from Prof. Shares Redemption	Riddhi Siddhi Mall Management Private Limited	0.00	-
Insurance Expenses	Future Generali India Insurance Company Limited	19.92	-
Project Expenses	Future Supply Chain Solutions Limited	625.00	-
Loan Given net off received Back	Suhani Mall Management Company Private Limited	88.77	17.67
	Sun City Properties Private Limited	10.63	0.80
	Aashirwad Malls Private Limited	(11.00)	17.55
	Jeremia Real Estate Private Limited(27.08.2018)	2.51	27.86
	Gati Realtors Private Limited	426.00	119.12
	Utility Developers Private Limited	-	(0.44)
	Riddhi Siddhi Mall Management Private Limited	(68.99)	(458.95)
	Advances /Loans taken net off repaid back	Future Retail Limited	322.78
	Future Enterprises Limited	594.15	-
	Grihith Trade Ventures Private Limited	-	(660.23)
Deposit Received	Future Retail Limited	-	56.00
Purchase	Future Retail Limited	1.09	1.99
	Galaxy Cloud Kitchens Limited (formerly known as Galaxy Entertainment Corporation Limited)	6.35	-
	Gati Realtors Private Limited	68.80	-
Rent Income	Future Retail Limited	1,287.98	1,406.77
	Praxis Home Retail Limited	193.73	127.28
	Future Lifestyle Fashions Limited	176.84	-
Rent Expenses	Future Retail Limited	-	36.89
	Galaxy Cloud Kitchens Limited (formerly known as Galaxy Entertainment Corporation Limited)	-	6.00
Promoter's Contribution	Future Corporate Resources Private Limited (Formerly Known as "Suhani Trading and Investment Private Limited")	-	450.00
Staff Welfare Expenses	Kamadgiri Fashion Limited	-	0.37
CAM Income	Future Retail Limited	355.35	267.10
	Praxis Home Retail Limited	88.13	67.14
	Future Supply Chain Solutions Limited	43.94	-
	Future Lifestyle Fashions Limited	8.00	-
CAM Paid	Aashirwad Malls Private Limited	3.81	-
	Future Retail Limited	2.89	-
Sundry Balance Written off	Future Retail Limited	3.13	5.00
	Praxis Home Retail Limited	0.02	-
	Future Lifestyle Fashions Limited	189.00	-

**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**31. In respect of lease taken by the company, the future minimum lease rental obligation under :**

(i) Amount recognised in the balance sheet

**Right-of-use assets**

Particulars	As at March 31, 2020
<b>As at March 31, 2019 -</b>	
Right-of-use assets on transition	-
Additions	17,131.72
Depreciation charge for the year	2,902.00
Deletions	-
<b>Net carrying amount as at March 31, 2020</b>	<b>14,229.72</b>

**Lease liabilities**

Maturity analysis of lease liabilities

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i)	Not later than one year	4,699.59	2,594.60
ii)	Later than one year but not later than five years	7,216.90	7,819.02
iii)	Later than five years	-	1,605.25

Effective 1 April 2019, the company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Consequently the company recorded the lease liability and right of use assets at the present value of the lease payments discounted at incremental borrowings as on the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted.

Particulars	As at March 31, 2020
<b>(ii) Amounts recognised in the Statement of Profit or Loss</b>	
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	2,902.00
Interest expense (included in finance costs)	2,452.08
Expense relating to short-term leases (included in other expenses)	393.97
Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	-
Income from subleasing right-of-use assets (included in other income)	-
<b>(iii) Gains or losses arising from sale and leaseback transactions -</b>	<b>-</b>
<b>(iv) The total cash outflow for leases during the year ended March 31, 2020</b>	<b>5,049.60</b>

**32. In respect of operating lease given by the company, the future minimum lease rental receivable under operating leases is as follows:**

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i)	Gross block of assets let out on operating lease	26,149.69	26,096.79
ii)	Accumulated depreciation	11,746.37	9,534.73
iii)	Depreciation charged during the year to the Statement of Profit and Loss	5,113.97	2,511.91
iv)	Lease rentals recognised in Statement of Profit and Loss	8,722.04	8,352.54
v)	Lease rentals receivable not later than one year	8,722.04	5,953.03
vi)	Lease rentals receivable later than one year and not later than five years	26,090.02	14,918.32
vii)	Lease rentals receivable later than five years	-	-

**33. Payable to MSME**

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.



## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 34. Disclosures as per Part A of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013 in relation to loans and advances given (except advances given for business / capital purpose)

Sr No	Name of Companies	Relationship	Outstanding Balance		Maximum Balance outstanding during the year	
			As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
<b>A</b>	<b>Loans Given</b>					
1	Future Trade Markets Private Limited	Subsidiary	-	-	100.54	31.09
2	Suhani Mall Management Company Private Limited.	Subsidiary	284.29	164.52	284.29	164.52
3	Sun City Properties Private Limited	Subsidiary	312.98	266.82	312.98	266.82
4	Riddhi Siddhi Mall Management Private Limited.	Joint Venture	-	68.99	68.99	491.61
5	Future Retail Destination Private Limited*	Joint Venture	-	-	-	92.47
6	Ufility Developers Private Limited	Other Body Corporate	-	-	-	0.44
7	Ojas Trade Lease and Mall Management Private Limited	Other Body Corporate	-	-	-	530.97
8	Niyman Mall Management Company Private Limited	Other Body Corporate	-	-	-	524.78
9	Acute Retail Infra Private Limited	Other Body Corporate	-	-	-	196.52
10	Nishta Mall Management Company Private Limited	Other Body Corporate	-	-	-	1,704.99
11	Precision Realty Developers Private Limited	Other Body Corporate	-	-	-	2,071.16
12	Unique Malls Private Limited	Other Body Corporate	-	-	-	2,285.15
13	Navika Developers Private Limited**	Other Body Corporate	-	-	-	12.90
14	Ujjain Future Bazaar Private Limited**	Other Body Corporate	-	3,313.39	-	3,313.39
15	Harmony Malls Management Private Limited	Other Body Corporate	4,564.74	-	4,564.74	649.97
16	Gati Realtors Private Limited***	Joint Venture	640.33	144.56	640.33	144.56
17	Aashirwad Malls Pvt. Ltd.	Subsidiary	9.55	18.73	18.73	18.73
18	Jeremia Real Estate Private Limited#	Subsidiary	36.95	30.00	36.95	30.00

\* cease to be Subsidiary w.e.f. October 25, 2019

\*\* Got merged with Harmony Mall Management Private Limited w.e.f. April 1, 2018

\*\*\* cease to be Subsidiary Company w.e.f. August 28, 2019

# became subsidiary company w.e.f. August 27, 2018

<b>B Corporate Guarantee Given</b>				
i.	Central Bank of India - Unique Malls Private Limited	Other Body Corporate	18,750	18,750
ii.	Hero FinCorp Limited - Hare Krishna Operating Lease Private Limited	Other Body Corporate	14,000	-
		Investments made are given under Schedule 5(a)		
<b>C</b>	<b>Investments</b>			

Note:

(a). All the above loans are interest bearing as stated above.

**Notes to the financial statements for the year ended March 31, 2020**
**(All amounts in INR lakhs, unless otherwise stated)**
**35. Change in Tax Rate**

On September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies; an option to pay income tax at reduced rate (i.e 22% plus applicable surcharge and cess) effective from April 1, 2019, subject to certain conditions. The tax expenses for the year ended March 31, 2020 have been provided at reduced tax rate.

**36. Scheme of Merger by absorption of Star Shopping Centres Private Limited**

The Company had entered into a Scheme of Merger by absorption of Star Shopping Centres Private Limited (Star) and their respective Shareholders under Section 230-232 and other applicable provisions of the Companies Act, 2013 ("the Act") in order to consolidate the business under single entity. The Scheme was approved by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on August 2, 2019 with appointed date as April 1, 2017.

Pursuant to the aforesaid Scheme of merger the Authorized Share Capital of the Company has been increased to ₹ 9,035.00 lakhs (Rupees Nine Thousand Thirty Five Lakhs) divided into 9,03,00,000 equity shares of ₹ 10/- each and 5,000 Preference Shares of ₹ 100/- each.

- a) The figures for the current year include figures of Star Shopping Centres Private Limited (STAR / Transferor Company), the subsidiary of the Company (60% of the paid up share capital held by the Company), which is amalgamated with the Company with effect from April 1, 2017, being the appointed date, as per the Scheme of Merger by absorption ("the scheme") of Star Shopping Centres Private Limited (Star) and their respective Shareholders under Section 230-232 and other applicable provisions of the Companies Act, 2013 ("the Act") sanctioned Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on August 2, 2019 with appointed date as April 1, 2017 and are therefore to that extent not comparable with those of previous year.
- b) In accordance with the scheme and as per approval of the NCLT:
  - i) The assets and liabilities of STAR have been transferred to and vested with the Company with effect from April 1, 2017 and have been recorded at their respective fair values under the purchase method of accounting for amalgamations as prescribed in Indian Accounting Standard 103 on Accounting of Amalgamations.
  - ii) Consequent to Merger by absorption, the Company allotted 12,53,100 Equity Shares of ₹ 10/- each fully paid up on September 24, 2019 to the eligible shareholders of Transferor Company who holds 40% of the paid up share capital of Transferor Company and 60% of the equity capital held by the Company in Transferor Company shall be cancelled.

Accordingly, the Company has accounted for the merger under the purchase consideration method retrospectively for all periods presented in the above results as prescribed in Ind AS 103 - Business Combinations of entities under joint control. Accordingly, the previous period/ year numbers have been restated with effect from April 1, 2017, being the Appointed Date, as provided in the Scheme. The impact of the merger on these results is as under :

Particulars	As at March 31, 2019	
	Reported	Restated
<b>Non-current assets</b>		
Property, plant and equipment	8,710.09	8,726.29
Deferred tax assets (net)	6,344.15	6,268.53
<b>Current assets</b>		
<b>Financial assets</b>		
Trade receivables	1,072.36	1,051.04
Cash and cash equivalents	418.18	525.72
Other current assets	1,990.72	801.47
<b>Equity</b>		
Other Equity	15,287.02	13,408.76
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Other financial liabilities	1,598.25	1,658.46
Provisions	27.31	34.51
Other non-current liabilities	623.24	644.16
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Trade payables	440.97	575.49
Other financial liabilities	3,895.79	6,163.81
Other current liabilities	19,574.66	19,361.86
Provisions	0.49	40.98

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended	
	March 31, 2019	
	Reported	Restated
Revenue from operations	10,378.57	12,644.83
Profit / (Loss) before tax	1,189.96	1,267.38
Profit / (Loss) after tax	964.03	1,008.76

**37. Impact of COVID-19**

Due to the outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19, and believes that the impact is likely to be medium term in nature. The management does not see any long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

**38. Contingent Liabilities not provided for:**

- Corporate Guarantee given to bank on behalf of Companies - ₹ 18,750 Lakhs (2019: ₹ 18,750 Lakhs) (Refer Note 34B)
- Corporate Guarantee given to NBFC for sanctioning term loan of ₹ 14,000 lakhs (2019 : ₹ Nil) to Hare Krishna Operating Lease Private Limited for exclusive charge on immovable property of R Mall situated at Lal Bahadur Shastri Marg, Revenue Village of Mulund West to the extent of - ₹ 7,000 lakhs (2019 : ₹ Nil). The fair value of the immovable property as at March 31, 2020 is ₹ 12,248.16 lakhs. (Refer Note 34)
- Service Tax disputed demand - ₹ Nil (2019 : ₹ 95.80 lakhs)

The demand is related to the tax liabilities of the erstwhile owner of the commercial property situated at D-09, Dhanvantari Chikitsa Kendra Yojna, Nanakheda, Ujjain, Madhya Pradesh – 456010. The property was acquired from a financial institution and not from the alleged assessee/erstwhile owner.

Based on the interpretation of relevant provisions, the Company has been legally advised that the demand is not maintainable and accordingly no provision has been made.

- In an Arbitration proceedings before the sole Arbitrator, appointed by the Hon'ble High Court of Calcutta, in respect of disputes arose out of termination of a license agreement related to a shopping mall, the Arbitrator has awarded a net amount of ₹ 1,290.52 lakhs to the Claimant after allowing certain counter claims of the Company.

The Company has filed an Arbitration Petition challenging the arbitration award U/s 34 of Arbitration and Conciliation Act, 1996 before the Hon'ble High Court, Calcutta. Claimant through its Proprietor has also challenged the aforesaid arbitration award before the Hon'ble High Court, Calcutta. The matters are pending before the High Court, Calcutta.

- The Company has sub lease rights with respect to the above OCC mall in Mumbai and there were serious disputes amongst the parties under the said arrangement. The parties have arrived at a settlement in a suit filed by the Company and tendered consent terms with Hon'ble High Court of Bombay in the suit filed by the Company viz. Consent Terms dated December 8, 2017 and Supplemental Consent Terms dated April 2019 (Consent Terms). The Consent Terms deals with settlement of long standing dispute between the Company including settlement of past claims of sub lessor (Neel Kamal City Shopping Mall (India) Limited - which has taken it on lease from the lessor and sub-leased it to the Company) under the original arrangement till March 31, 2019 for an amount of ₹ 1,741 lakhs (over and above the existing receivables standing in the books), out of which ₹ 491 lakhs was paid during the year under review, with an arrangement for future periods including reduced rentals for the sub lease period upto August 2027. The arrangement deals with entitlement of lease rental in respect of premises owned by various third parties and a minority of such third party owners have intervened in the matter raising objections with respect of approval of consent terms by the Hon'ble Court. The Court has taken the consent terms on record but not yet issued an order sanctioning the Consent Terms. In case, the Consent Terms are accepted as filed, the Company will have to honour its payment obligations for the said amount and the parties shall be administrated in terms of the Consent Terms. However, if the Consent Terms are not approved, the parties shall be relegated to the original position of the suit filed by the Company. In view of this, the above has been disclosed as contingent liabilities pending approval of Hon'ble High Court in relation to the Consent Terms.

Also, few Gala owners of the mall have filed claim of ₹ 218.53 lakhs against the company to pay the lease rental/claim amount along with @18% interest, for appointment of court receiver, appointment of commissioner to visit suit premises and retained from subletting and/or giving the suit premises on Leave and License basis or parting with possession or inducting any third party.

- Demand due to delay in payment of interest under section 31(4) under Maharashtra Stamp Act for ₹ 90.83 lakhs (2019 : ₹ Nil) with regard to the amalgamation of Future Realtors (India) Private Limited, AIGL Holdings & investments Private Limited and Prudent Vintrade Private Limited with Future Market Networks Limited (formerly known as Agre Developers Limited) affected in January 2012.
- A debt recovery case was filed by Union Bank of India of ₹ 294.67 lakhs before Debt Recovery Tribunal -III Kolkata. The company has filed fresh interim application against the defendant and the matter is postponed to April 17, 2020 against the Learned DIT III.

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

- (h) An arbitration petition was filed by Mr.LaxmiPat Surana before High Court at Calcutta for occupational charges in respect of the licensed premises situated at Block B Puja Complex, known as Puja the Mega Mart at Jhargram Rd, Kharagpur. Accordingly the court has passed the direction in the favour of the petitioner for ₹ 7,050.61 lakhs. However, the matter could not be taken due to COVID 19 situation.
- (i) An Execution Application was filed by Laxmi Pat Surana (Petitioner) before the High Court at Calcutta to pay ₹ 2,573.99 lakhs. However, there is no further progress under this matter.
- (ii) TDS disputed demand - ₹ 5.46 lakhs (2019 : ₹ 5.46 lakhs)

The demand is related to the penalty levied u/s 272A(2)(g) of the Income Tax Act, 1961 pertaining to financial year 2014-15. The Company has filed an appeal against the demand.

### 39. Capital Commitments / Asset Purchase Agreement / Put Option Agreement

- (a) In the previous year, the Company (FMNL) has entered into a put option asset purchase agreement, wherein the FMNL has issued a put option to Axis Bank Ltd in relation to a loan facility of ₹ 7,500 lakhs provided by the Bank to a Borrower for purchase of assets being movable assets. In case of default by the borrower, the Bank can enforce the put option agreement entered with FMNL, whereby FMNL shall be obligated to purchase the assets acquired by the Borrower out of the loan amount, at a price which shall not be less than the outstanding loan obligation of the Borrower towards the Bank.

FMNL had also mortgaged its immovable property with the bank against the facility given by the Bank to the borrower, as a part of the above transaction. (Included in Note 28 - Assets Pledged as Security)

As per our report of even date  
For S K Patodia & Associates  
Chartered Accountants  
Firm Registration No. : 112723W

Dhiraj Lalpuria  
Partner  
Membership Number : 146268

Place : Mumbai  
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar  
Director  
DIN: 06463399

Pawan Agarwal  
Executive Director and Chief Financial Officer  
DIN: 01435580

Place : Mumbai  
Date : June 30, 2020

Rajesh Kalyani  
Director  
DIN: 00220632

Anil Cherian  
Head - Legal and Company Secretary

**Consolidated  
Financial Statements  
and Notes**

**INDEPENDENT AUDITOR’S REPORT**

**To the Members of  
FUTURE MARKET NETWORKS LIMITED,  
Report on the Audit of Consolidated Ind-AS Financial Statements**

**Opinion**

We have audited the consolidated Ind-AS financial statements of **Future Market Networks Limited** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which includes the Group’s share of profit in its joint ventures, which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind-AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind-AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate audited financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind-AS financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind-AS specified under Section 133 of the Act, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated profit and other comprehensive income and its consolidated changes in equity and the consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the “Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

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

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<b>Revenue Recognition :</b>	
The Group earns revenue from leasing out of commercial units / shops. Revenue pertaining to lease rents is recognized on straight line basis over the lease term in accordance with Ind AS 116. Contingent rent is that portion of the lease payments that is not fixed in amount but is based on the future amount of a factor that changes other than with the passage of time (eg. percentage of future sales, amount of future use, future price indices, future market rates of interest). Such rent is recognised in the Statement of Profit & Loss in the period they are earned.	As part of our audit, we: <ul style="list-style-type: none"> <li>Assessed the appropriateness of the accounting policies for revenue recognition, the amount of revenue recognised as per the agreement entered into with the tenants along with Ind AS 116.</li> <li>Performed analytical procedures to identify deviations in monthly rent received from the tenants / lessees / sub-lessees.</li> <li>Performed substantive testing by verifying the implementation and operating effectiveness of controls over the data set collected by the management with regards to the revenue of shops and the computation of such contingent rent.</li> <li>Tested the design, implementation and operating effectiveness of controls over the calculation of discount and rebates.</li> <li>Assessed the adequacy of the Group’s disclosures made in to the financial statements</li> </ul>
<b>Allowance for credit losses</b>	
The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions.  The Group considered current and anticipated future economic conditions relating to industry the Group deals with.  In calculating expected credit loss, the Group has also considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.	As part of our audit, we: <ul style="list-style-type: none"> <li>Tested the effectiveness of controls over the development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions, completeness and accuracy of information used in the estimation of probability of default and computation of the allowance for credit losses.</li> <li>Verified the mathematical accuracy and computation of the allowances by using the same input data used by the Group.</li> </ul>

### Information Other Than the Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Group's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Ind-AS Financial Statements

The Holding Company's management and Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the entities included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind-AS financial statements, the respective management and Board of Directors of the entities included in the Group, its associates and jointly controlled entities are responsible for assessing the ability of the Group 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 Group, its associate or jointly controlled entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group, its associates and jointly controlled entities are also responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Ind AS Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Ind AS consolidated 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to financial statements 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 Groups 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 Ind AS consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS consolidated financial statements, including the disclosures, and whether the Ind AS consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding company and such other entities included in the financial statements of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we 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 Ind AS consolidated financial statements for the year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

1. The corresponding financial information of the Group for the year ended March 31, 2019 included in these Consolidated Ind-AS financial statements, are based on the financial statements for the year ended March 31, 2019 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) which were audited by M/s. Viren Gandhi & Co., Chartered Accountants ("previous Statutory Auditor") on which they expressed an unmodified opinion vide their report dated May 21, 2019 and the same was approved by the members of the Holding Company on September 16, 2018 in the annual general meeting. (Also refer Note 37 to the consolidated financial statements)

Our opinion is not qualified in respect of these matters.

2. We did not audit the financial statements of five subsidiaries included in the consolidated financial statement, whose financial statements reflect total assets of ₹ 15,246.96 lakhs as at March 31, 2020, total revenues of ₹ 615.68 lakhs, total net profit of ₹ 85.55 lakhs, total comprehensive income / (loss) of ₹ (235.05) lakhs and net cash (outflows) ₹ 1773.46 lakhs for the year ended March 31, 2020, as considered in the consolidated Ind-AS financial statements. The consolidated Ind-AS financial statements also include the Group's share of profit / (loss) of ₹ 103.57 lakhs for the year ended on that date, in respect of one joint venture, not audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the management. Our opinion on the consolidated Ind-AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, in terms of sub-section (3) of Section 143 of the Act, is based solely on the report of the other auditors.

3. The consolidated financial statements also includes the Group's share of net profit/(loss) after tax and total comprehensive income / (loss) of ₹ (6.45) lakhs for the period from April 1, 2019 to August 28, 2019, in respect of one wholly owned subsidiary and net profit/(loss) after tax of ₹ (18.41) lakhs of that joint venture for the period from August 29, 2019 to March 31, 2020 respectively, whose financial statements have not been audited by us.

Further, net profit/(loss) after tax and total comprehensive income / (loss) of ₹ (10.57) lakhs for the period from April 1, 2019 to October 25, 2019, as considered in the consolidated financial statements, in respect of another wholly owned subsidiary and net profit/(loss) after tax and total comprehensive income / (loss) of ₹ (8.90) lakhs of that joint venture for the period from October 26, 2019 to March 31, 2020, whose financial statements have not been audited by us.

The financial statements of these entities has not been reviewed or audited by their auditors and has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the information provided by the Management and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated Ind-AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

4. As required by Section 143 (3) of the Act, based on our audit and other financial information of such subsidiaries and its jointly controlled entities, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statement;
  - d) In our opinion, the aforesaid consolidated Ind-AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.



- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and its subsidiaries, to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries, is not in excess of the limit laid down under Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - Refer Note 39 on Contingent Liabilities to the consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2020;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

**For S. K. Patodia & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 112723W**

**Place : Mumbai**  
**Date : June 30, 2020**

**Dhiraj Lalpuria**  
**Partner**  
**Membership Number: 146268**  
**UDIN : 20146268AAAAIQ5411**

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 4 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Future Market Networks Limited

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Future Market Networks Limited ("the Holding Company"), its subsidiaries and joint ventures (the Holding Company and its subsidiaries together referred to as "the Group") as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and jointly controlled entities all incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India (ICAI). Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence obtained by us and by the other auditors of the subsidiaries and jointly controlled entities in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that:
  - i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
  - ii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or dispositions of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Holding Company, its subsidiaries, its associates and jointly controlled entities have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and as such internal financial controls were operating effectively as at March 31, 2020 based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company, its subsidiaries, its associates and jointly controlled entities 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 (the "Guidance Note").

**For S. K. Patodia & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 112723W**

**Place : Mumbai**  
**Date : June 30, 2020**

**Dhiraj Lalpuria**  
**Partner**  
**Membership Number: 146268**  
**UDIN : 20146268AAAAIQ5411**

Consolidated Balance Sheet as at March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019*
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	6,796.61	8,880.82
(b) Right of Use Assets	3	14,477.37	-
(c) Capital work-in-progress	3	1,191.09	632.68
(d) Investment properties	4	11,274.03	11,396.52
(e) Goodwill on consolidation		1,834.36	1,834.36
(f) Investments accounted for using the equity method	5 (a)	1,612.20	1,669.62
(g) <b>Financial assets</b>			
(i) Investments	5 (a)	1,993.63	2,436.89
(ii) Loans	5 (c)	225.26	210.16
(iii) Other financial assets	5 (f)	18.75	17.57
(h) Non-current tax assets	6 (a)	1,073.54	899.19
(i) Deferred tax assets (net)	6 (b)	7,147.00	6,268.53
(j) Other non-current assets	7	4,339.73	5,140.37
<b>Total non-current assets</b>		<b>51,983.57</b>	<b>39,386.71</b>
<b>Current assets</b>			
(a) Inventories	8	863.37	917.61
(b) <b>Financial assets</b>			
(i) Investments	5 (a)	1,050.99	2,343.54
(ii) Trade receivables	5 (b)	3,725.20	1,127.72
(iii) Cash and cash equivalents	5 (d)	676.66	534.74
(iv) Bank Balances other than above	5 (e)	231.15	219.67
(v) Loans	5 (c)	9,617.44	7,955.06
(vi) Other financial assets	5 (f)	4,001.10	270.70
(c) Other current assets	7	831.79	922.59
		<b>20,997.70</b>	<b>14,291.63</b>
Assets classified as held for sale	9	3,725.20	10,591.36
<b>Total current assets</b>		<b>24,722.90</b>	<b>24,882.99</b>
<b>Total assets</b>		<b>76,706.47</b>	<b>64,269.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	10 (a)	5,754.44	5,629.13
(b) Other Equity	10 (b)	11,265.60	12,307.79
Equity attributable to owners		17,020.04	17,936.92
(c) Non Controlling Interest		475.45	494.59
<b>Total Equity</b>		<b>17,495.49</b>	<b>18,431.51</b>

## Consolidated Balance Sheet as at March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019*
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) <b>Financial liabilities</b>			
(i) Borrowings	11 (a)	-	-
(ii) Lease liabilities	11 (b)	18,425.98	-
(iii) Other financial liabilities	11 (b)	1,924.56	1,815.76
(b) Provisions	12	62.87	34.51
(c) Deferred tax liabilities (net)	6(b)	39.86	227.89
(d) Other non-current liabilities	13	581.67	655.30
<b>Total non-current liabilities</b>		<b>21,034.94</b>	<b>2,733.46</b>
<b>Current liabilities</b>			
(a) <b>Financial liabilities</b>			
(i) Borrowings	11 (a)	376.87	11,707.05
(ii) Trade payables			
-Total outstanding due of micro and small enterprises	11 (c)	59.81	-
-Others	11 (c)	1,444.36	593.64
(iii) Lease liabilities	11 (b)	3,380.76	-
(iv) Other financial liabilities	11 (b)	2,363.81	6,413.29
(b) Provisions	12	51.30	40.98
(c) Current tax liabilities (net)		3.02	12.81
(d) Other current liabilities	13	30,496.11	24,157.24
		<b>38,176.04</b>	<b>42,925.01</b>
Liabilities classified as held for sale		-	179.72
<b>Total current liabilities</b>		<b>38,176.04</b>	<b>43,104.73</b>
<b>Total Liabilities</b>		<b>59,210.98</b>	<b>45,838.19</b>
<b>Total Equity and Liabilities</b>		<b>76,706.47</b>	<b>64,269.70</b>
The above balance sheet should be read in conjunction with the accompanying notes.	1-40		

\* Restated pursuant to merger (Refer Note 37)

As per our report of even date  
For S K Patodia & Associates  
Chartered Accountants  
Firm Registration No. : 112723W

Dhiraj Lalpuria  
Partner  
Membership Number : 146268

Place : Mumbai  
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar  
Director  
DIN: 06463399

Pawan Agarwal  
Executive Director and Chief Financial Officer  
DIN: 01435580

Place : Mumbai  
Date : June 30, 2020

Rajesh Kalyani  
Director  
DIN: 00220632

Anil Cherian  
Head - Legal and Company Secretary

Consolidated Statement of Profit and Loss for year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019*
<b>Income</b>			
(a) Revenue from Operations	15	12,676.79	13,126.74
(b) Other Income	16	6,728.73	1,710.28
<b>Total Income</b>		<b>19,405.52</b>	<b>14,837.02</b>
<b>Expenses</b>			
(a) Operating Costs	17	3,629.21	6,806.18
(b) Changes in inventories of finished goods, work-in progress and stock-in-trade	18	121.28	3.54
(c) Employee Benefits Expense	19	638.11	646.03
(d) Finance Costs	20	3,035.39	2,036.90
(e) Depreciation and amortization expense	21	5,248.10	2,632.32
(f) Other Expenses	22	2,869.18	1,511.83
<b>Total Expenses</b>		<b>15,541.27</b>	<b>13,636.80</b>
<b>Profit before exceptional item, share of net profits of investments accounted for using equity method and tax</b>		<b>3,864.25</b>	<b>1,200.22</b>
Share of net profit of associates and joint ventures accounted by using equity method		76.87	147.75
<b>Profit before exceptional item and tax</b>		<b>3,941.12</b>	<b>1,347.97</b>
Less : Exceptional items		-	34.59
<b>Profit/(Loss) Before Tax</b>		<b>3,941.12</b>	<b>1,313.38</b>
<b>Income Tax Expenses</b>			
Current Tax	6	7.01	18.99
Deferred Tax	6	928.10	343.52
Earlier Year's Provision written back		(3.77)	(45.70)
<b>Total Tax Expenses</b>		<b>931.34</b>	<b>316.81</b>
<b>Profit/(Loss) after tax from Continuing Operations (A)</b>		<b>3,009.78</b>	<b>996.57</b>
<b>Discontinued Operations</b>			
Profit / (Loss) from Discontinued Operations before tax		(16.38)	15.53
Tax Expense on Discontinued Operations		0.65	7.78
<b>Profit / (Loss) after tax from Discontinued Operations (B)</b>		<b>(17.03)</b>	<b>7.75</b>
<b>Profit / (Loss) after tax for the Year (A+B)</b>		<b>2,992.75</b>	<b>1,004.32</b>
<b>Other Comprehensive Income</b>			
<b>(a) Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	10	(12.09)	13.49
Equity instruments through other comprehensive income		(443.26)	1,244.17
Share of other comprehensive income of associates and joint ventures accounted by using equity method		-	4.08
<b>(b) Income tax relating to items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	10	(3.41)	3.63
Equity instruments through other comprehensive income		(114.74)	659.12
Share of other comprehensive income of associates and joint ventures accounted by using equity method		-	-
<b>Other Comprehensive Income for the year, net of taxes (C)</b>		<b>(337.20)</b>	<b>598.98</b>
<b>Total Comprehensive Income for the year (A+B+C)</b>		<b>2,655.55</b>	<b>1,603.30</b>
<b>Profit is attributable to :</b>			
Owners of Future Market Networks Limited		2,967.85	993.41
Non Controlling Interest		24.91	10.92
<b>Other comprehensive income is attributable to :</b>			
Owners of Future Market Networks Limited		(293.14)	534.36
Non Controlling Interest		(44.05)	64.63

## Consolidated Statement of Profit and Loss for year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019*
<b>Total comprehensive income is attributable to :</b>			
Owners of Future Market Networks Limited		2,674.71	1,527.76
Non Controlling Interest		(19.14)	75.55
<b>Total comprehensive income is attributable to Owners of Future Market Networks Limited</b>			
Continuing Operations		2,691.73	1,520.01
Discontinuing Operations		(17.03)	7.75
<b>Earnings per equity share from profit attributable to owners of Future Market Networks Limited from Continuing Operations (Face value of ₹ 10/- each)</b>			
Basic (in ₹)		5.24	1.75
Diluted (in ₹)		5.24	1.75
<b>Earnings per equity share from profit attributable to owners of Future Market Networks Limited from Discontinuing Operations (Face value of ₹ 10/- each)</b>			
Basic (in ₹)		(0.03)	0.01
Diluted (in ₹)		(0.03)	0.01
<b>Earnings per equity share from profit attributable to owners of Future Market Networks Limited (Face value of ₹ 10/- each)</b>			
Basic (in ₹)		5.21	1.76
Diluted (in ₹)		5.21	1.76
The above statement of profit and loss should be read in conjunction with the accompanying notes.	1-40		

\* Restated pursuant to merger (Refer Note 37)

As per our report of even date  
For S K Patodia & Associates  
Chartered Accountants  
Firm Registration No. : 112723W

Dhiraj Lalpuria  
Partner  
Membership Number : 146268

Place : Mumbai  
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar  
Director  
DIN: 06463399

Pawan Agarwal  
Executive Director and Chief Financial Officer  
DIN: 01435580

Place : Mumbai  
Date : June 30, 2020

Rajesh Kalyani  
Director  
DIN: 00220632

Anil Cherian  
Head - Legal and Company Secretary

**Consolidated Statement of Change in Equity**

(All amounts in INR lakhs, unless otherwise stated)

**A. Equity Share Capital**

<b>As at March 31, 2019</b>	<b>5,629.13</b>
Changes in equity share capital	125.31
<b>As at March 31, 2020</b>	<b>5,754.44</b>

**B. Other Equity**

Particulars	Reserves and Surplus				Other Reserves	Total Other Equity	Non-controlling interests	Total
	Securities Premium	Retained Earnings	Capital Reserve	Subordinated Debt	FVOCI - equity investments			
<b>Balance as at March 31, 2018*</b>	<b>25,291.33</b>	<b>(18,476.12)</b>	<b>3,166.47</b>	<b>4,905.98</b>	<b>(4,620.02)</b>	<b>10,267.64</b>	<b>1,884.91</b>	<b>12,152.55</b>
Profit / (Loss) for the year	-	993.41	-	-	-	<b>993.41</b>	10.92	<b>1,004.33</b>
Other comprehensive income for the year	-	9.87	-	-	524.49	<b>534.36</b>	64.63	<b>598.99</b>
<b>Total comprehensive income for the year</b>	-	<b>1,003.28</b>	-	-	<b>524.49</b>	<b>1,527.77</b>	<b>75.55</b>	<b>1,603.32</b>
Addition / (Deduction) during the year	-	62.38	-	450.00	-	<b>512.38</b>	(1,465.87)	<b>(953.49)</b>
Reclassification	-	(4,619.65)	-	-	4,619.65	-	-	-
<b>Balance as at March 31, 2019*</b>	<b>25,291.33</b>	<b>(22,030.11)</b>	<b>3,166.47</b>	<b>5,355.98</b>	<b>524.12</b>	<b>12,307.79</b>	<b>494.59</b>	<b>12,802.38</b>
Profit / (Loss) for the year	-	2,967.85	-	-	-	<b>2,967.85</b>	24.91	<b>2,992.76</b>
Other comprehensive income for the year	-	(8.68)	-	-	(284.46)	<b>(293.14)</b>	(44.05)	<b>(337.19)</b>
<b>Total comprehensive income for the year</b>	-	<b>2,959.17</b>	-	-	<b>(284.46)</b>	<b>2,674.71</b>	<b>(19.14)</b>	<b>2,655.57</b>
Addition / (Deduction) during the year	1,754.34	-	-	-	-	<b>1,754.34</b>	-	<b>1,754.34</b>
Lease Liability	-	(5,471.24)	-	-	-	<b>(5,471.24)</b>	-	<b>(5,471.24)</b>
<b>Balance as at March 31, 2020</b>	<b>27,045.67</b>	<b>(24,542.18)</b>	<b>3,166.47</b>	<b>5,355.98</b>	<b>239.66</b>	<b>11,265.60</b>	<b>475.45</b>	<b>11,741.05</b>

The above statement of changes in Equity should be read in conjunction with the accompanying notes.

\* Restated pursuant to merger (Refer Note 37)

**For S K Patodia & Associates**  
Chartered Accountants  
Firm Registration No. : 112723W

**Dhiraj Lalpuria**  
Partner  
Membership Number : 146268

Place : Mumbai  
Date : June 30, 2020

**For and on behalf of the Board of Directors**

**Vijai Singh Dugar**  
Director  
DIN: 06463399

**Pawan Agarwal**  
Executive Director and Chief Financial Officer  
DIN: 01435580

Place : Mumbai  
Date : June 30, 2020

**Rajesh Kalyani**  
Director  
DIN: 00220632

**Anil Cherian**  
Head - Legal and Company Secretary



## Consolidated Cash Flow Statement for year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019*
	<b>Cash Flow from operating activities</b>		
	<b>Profit / (Loss) before Tax (including discontinued operations)</b>	<b>3,941.12</b>	<b>1,328.93</b>
	Adjustments for		
	<b>Add:</b>		
	Provision For Doubtful Debts	41.22	20.75
	Depreciation and amortisation expense	5,248.10	2,632.32
	Finance costs	3,035.39	2,036.90
	Bad debts	505.90	32.58
	Provision for Gratuity & Leave Encashment	23.21	4.45
	Interest Income	(610.40)	(1,345.29)
	Sundry balance written back	(225.99)	(32.40)
	Profit on sale of Investments	(3,679.84)	(93.13)
	Profit on sale of Property, Plant & Equipment (net)	(1,056.96)	-
	Profit on redemption of Preference Shares	(999.00)	-
	Share of (Profit)/Loss of Associates and Joint Ventures	(76.87)	(147.75)
	Gratuity & Leave Encashment Paid	(9.29)	(0.34)
	Dividend Income	-	(1.45)
	<b>Operating Profit before Working Capital change</b>	<b>6,136.60</b>	<b>4,435.57</b>
	<b>Change in operating assets and liabilities</b>		
	Trade and Other Receivables	(8,177.53)	682.56
	Trade Payable, Other Liabilities & Provisions	(5,820.46)	(2,295.74)
	Inventories	54.23	1.11
		<b>(13,943.76)</b>	<b>(1,612.07)</b>
	<b>Cash generated from operations</b>	<b>(7,807.16)</b>	<b>2,823.50</b>
	Income taxes (paid)/ refund	(330.29)	(328.73)
<b>A</b>	<b>Net cash outflow from operating activities</b>	<b>(8,137.45)</b>	<b>2,494.77</b>
	<b>Cash flow from investing activities:</b>		
	Purchase of Property, Plant & Equipment, CWIP and Investment Property	(688.43)	(1,030.86)
	Proceeds from divestment in stake of subsidiary	-	1,762.29
	Proceeds from Redemption / Sale of Non Current Investments	3,906.64	-
	Redemption of Preference shares	1,160.00	-
	Purchase of Investment	-	(1,403.70)
	Proceeds from Sale of Property, Plant & Equipment	7,339.01	-
	Loans received / (given)	(1,532.92)	6,460.46
	Interest received	630.23	746.62
	Proceeds from maturity of bank deposits	(11.48)	-
	Investment in Bank Deposits	-	(13.73)
<b>B</b>	<b>Net cash inflow from investing activities</b>	<b>10,803.05</b>	<b>6,521.08</b>
	<b>Cash flow from financing activities</b>		
	Interest paid	(330.17)	(723.05)
	Proceeds from Subordinated Debt	-	450.00
	Net Proceeds from Current Borrowings	(3,486.05)	(3,372.33)
	Net Repayment of Non Current Borrowings	-	(5,041.32)
<b>C</b>	<b>Net cash outflow from financing activities</b>	<b>(3,816.22)</b>	<b>(8,686.70)</b>

**Consolidated Cash Flow Statement for year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019*
<b>Net increase/(decrease) in cash and cash equivalents from Continuing Operations</b>	<b>(1,150.63)</b>	<b>329.15</b>
Add: Cash and cash equivalents at the beginning of the financial year	2,878.28	3,460.70
Add: Cash and cash equivalents classified as held for sale at the beginning of the period	-	-
Add: Cash and cash equivalents of subsidiaries acquired during the year	-	0.86
Less: Cash and cash equivalents classified as held for sale	-	(912.43)
<b>Cash and cash equivalents at the end of the year</b>	<b>1,727.65</b>	<b>2,878.28</b>
Cash and cash equivalents [See Note 5(d)]	676.66	534.74
Investment in Liquid Funds [See Note 5(a)]	1,050.99	2,343.54
<b>Balance as per Statement of Cash Flow</b>	<b>1,727.65</b>	<b>2,878.28</b>

\* Restated pursuant to merger (Refer Note 37)

The above statement of cash flows should be read in conjunction with the accompanying notes.

**Change in Liability arising from financing activities**

Particulars	As at March 31, 2019	Cash Flows	Non Cash Changes	As at March 31, 2020
Current Borrowings	11,707.06	10,436.04	894.15	376.87
Non Current Borrowings (including current maturities)	3,692.39	3,698.79	(6.40)	(0.00)

Particulars	As at March 31, 2018	Cash Flows	Non Cash Changes	As at March 31, 2019
Current Borrowings	15,039.76	(3,341.06)	8.36	11,707.06
Non Current Borrowings (including current maturities)	8,722.46	(5,041.32)	11.25	3,692.39

As per our report of even date  
For S K Patodia & Associates  
Chartered Accountants  
Firm Registration No. : 112723W

Dhiraj Lalpuria  
Partner  
Membership Number : 146268

Place : Mumbai  
Date : June 30, 2020

For and on behalf of the Board of Directors

Vijai Singh Dugar  
Director  
DIN: 06463399

Pawan Agarwal  
Executive Director and Chief Financial Officer  
DIN: 01435580

Place : Mumbai  
Date : June 30, 2020

Rajesh Kalyani  
Director  
DIN: 00220632

Anil Cherian  
Head - Legal and Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****1. BACKGROUND**

Future Market Networks Limited (the “Company”) is a public limited company incorporated in India under the provisions of Companies Act, 1956 and validly existing under Companies Act, 2013 (“the Act”). Information on the Group’s structure is provided in Note 34. Equity shares of the Company are listed with the BSE Limited and the National Stock Exchange of India. The group is engaged in the business of building capacity and enabling the infrastructure for future markets in a more efficient and cost effective manner. It aims to create a network of new markets by integrating and better organizing the modern wholesale trade, retail and logistics infrastructure in India.

The consolidated financial statements comprise financial statements of the Company and its subsidiaries (collectively referred to as the “Group”). These consolidated financial statements were authorized for issue by the Company’s Board of Directors on June 30, 2020.

**2. Significant Accounting Policies:****a) Basis of preparation:****i. Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the (“the Act”) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

**ii. Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value;
- assets held for sale measured at lower of carrying amount or fair value less cost to sell; and
- share-based payments

**iii. Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

**Principles of consolidation and equity accounting:****i. Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

**ii. Associates**

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

**iii. Joint ventures**

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

**iv. Equity method**

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group’s share of the post – acquisition profits or losses of the investee in profit and loss, and other comprehensive income of the investee in other

comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 1 (h) below.

v. **Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity (Note 34).

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

b) **Property, plant and equipment:**

All items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term. Leasehold improvements are amortised over the period of lease or estimated useful life, whichever is lower.

Useful life considered for calculation of depreciation for various assets class are as follows-

• Leasehold Improvements	16 years
• Machinery	10 years
• Furniture, fittings and equipment	10 years
• Office and other equipments	5 Years
• Computers	3 Years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

c) **Investment properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent

expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Freehold land is carried at cost. Investment properties are depreciated using the straight-line method over their estimated useful lives.

Useful life considered for calculation of depreciation for Freehold Building is as follows-

- Freehold buildings 60 years

#### d) Investments and other financial assets:

##### i. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The Classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

##### ii. Measurement of financial assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

###### **Debt instruments:**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following categories:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

###### **Equity instruments:**

The Group subsequently measures all equity investments other than in subsidiaries, joint ventures and associates at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognised in profit or loss as other income when the right to receive of the Group established.

##### iii. Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### iv. Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability is recognised when the obligation specified in the contract is discharged, completed or expired.

**e) Interest income:**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**f) Dividends:**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

**g) Trade receivables:**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**h) Cash and Cash Equivalents:**

Cash and cash equivalents includes cash in hand, deposits with banks and short term highly liquid investments, which are readily convertible into cash and have original maturities of three months or less from the Balance Sheet date.

**i) Revenue Recognition:**

As on April 1, 2019, there are no ongoing contracts covered under the provisions of Ind – AS 115.

The Group derives revenues primarily from leasing of immovable properties which is primarily covered under Ind AS – 116 and consequently the same are accounted as per the said standard.

In relation to revenues not covered under Ind AS 116, the revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from sale of services are recognized at a time on which the performance obligation is satisfied except Revenue from real estate property development where in revenue is recognized in the financial year in which the agreement to sell is executed.

The period over which revenue is recognised is based on entity's right to payment for performance completed. In determining whether an entity has right to payment, the entity shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than entity's failure to perform as per the terms of the contract.

**j) 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 and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

**k) Employee Benefits:**

**Short term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees's service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of

services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### **Post-employment obligations**

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

### **Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Re measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### **Defined contribution plans**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **Share-based payments**

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, which is based on the Black Scholes model.

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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 28.

## **l) Income Tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

On March 30, 2019, the Ministry of Corporate Affairs issued amendments in the guidance to the Ind AS 12 – Income taxes. The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

- (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty Financial Statements.
- (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount
- (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The effect on adoption of Ind AS 12 Appendix C is insignificant in the financial statements

On September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies; an option to pay income tax at reduced rate (i.e. 22% plus applicable surcharge and cess) effective from April 1, 2019, subject to certain conditions. The tax expenses for the year ended March 31, 2020 have been provided at reduced tax rate.

### m) Leases:

#### **As a lessor**

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### **As a lessee**

The Ministry of Corporate Affairs (“MCA”) notified the new Ind AS 116 “Leases’ with the date of initial application being April 1, 2019.

On April 1, 2019, the Group has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings.

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Group has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The Group has made use of the following practical expedients available in its transition to Ind AS 116 –



- a) The Group will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Group or modified by the Group before April 1, 2019.
- b) The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Group has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
- c) The Group excluded the initial direct costs from measurement of the RoU asset
- d) The Group does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.
- e) The weighted average rate of discount applied to lease liabilities as at April 1, 2019 is 11%.

(Refer Note no. 31)

**n) Foreign Currency transactions:**

**Functional and presentation currency**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Indian rupee (INR), which is Future Market Network's Limited's functional and presentation currency.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

**o) Inventories:**

Inventories which comprise of finished stock of completed projects are valued at lower of cost or net realizable value. Cost is determined by including cost of land (including development rights), internal development cost, external development charges, materials, services, related overheads and apportioned borrowing costs.

**p) Investments in joint ventures and associates:**

Investments in joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

**q) Earnings per share:**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (Note 26).

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**r) Segment Reporting:**

The Group is primarily engaged in the activity of mall management business and considers it to be a single reportable business segment. The operations of the Group are within the geographical territory of India which is considered as a single geographical segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director, who has been identified as being the chief operating decision maker, assesses the financial performance and position of the company, and makes strategic decisions. Refer Note 25 for segment information presented.

**s) Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**t) Borrowing costs:**

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds.

Other borrowing costs are expensed in the period in which they are incurred.

**u) Provisions and contingent liabilities:**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognised as interest expense. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

**v) Rounding of amounts:**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**w) Critical estimates and judgments:**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal and actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 14)
- Estimation of current tax expense and payable (Note 6)
- Estimated Fair value of unlisted securities – (Note 23)
- Estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.(a)(b))
- Estimation of Fair valuation of employee share options and no. of expected vesting options (Note 28)
- Recognition of deferred tax assets – availability of future taxable profits against which deferred tax assets can be used (Note 6)
- Probable outcome of matters included under Contingent Liabilities

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 3. Property, Plant and Equipment

Particulars	Leasehold Improvements	Air Conditioner	Computer and Software	Furniture and fittings	Office and Other Equipments	Plant and Machinery	Vehicles	Total	Right of Use Assets	Capital work-in-progress
<b>Year ended March 31, 2019 *</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount	6,933.43	2,343.34	42.98	4,204.52	156.82	4,528.08	0.01	18,209.18	-	995.29
Additions	11.88	17.22	4.44	-	3.88	11.37	-	48.79	-	413.06
Assets classified as held for sale	-	-	(0.60)	-	-	-	-	(0.60)	-	(775.67)
<b>Closing gross carrying amount</b>	<b>6,945.31</b>	<b>2,360.56</b>	<b>46.82</b>	<b>4,204.52</b>	<b>160.70</b>	<b>4,539.45</b>	<b>0.01</b>	<b>18,257.37</b>	-	<b>632.68</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	2,141.20	1,086.11	28.86	1,829.55	133.32	1,714.27	-	6,933.31	-	-
Depreciation charge during the year	795.29	364.72	4.73	634.66	3.22	640.62	-	2,443.24	-	-
<b>Closing accumulated depreciation</b>	<b>2,936.49</b>	<b>1,450.83</b>	<b>33.59</b>	<b>2,464.21</b>	<b>136.54</b>	<b>2,354.89</b>	-	<b>9,376.55</b>	-	-
<b>Net carrying amount March 31, 2019</b>	<b>4,008.82</b>	<b>909.73</b>	<b>13.23</b>	<b>1,740.31</b>	<b>24.16</b>	<b>2,184.56</b>	<b>0.01</b>	<b>8,880.82</b>	-	<b>632.68</b>
<b>Year ended March 31, 2020</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount	6,945.31	2,360.56	46.82	4,204.52	160.70	4,539.45	0.01	18,257.37	-	632.68
Additions	-	-	3.51	3.76	2.33	47.86	-	57.46	17,393.07	558.41
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>6,945.31</b>	<b>2,360.56</b>	<b>50.33</b>	<b>4,208.28</b>	<b>163.03</b>	<b>4,587.31</b>	<b>0.01</b>	<b>18,314.83</b>	<b>17,393.07</b>	<b>1,191.09</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	2,936.49	1,450.83	33.59	2,464.21	136.54	2,354.89	-	9,376.55	-	-
Depreciation charge during the year	472.67	365.44	10.10	634.72	17.55	641.18	0.01	2,141.67	2,915.70	-
Depreciation related to Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>3,409.16</b>	<b>1,816.27</b>	<b>43.69</b>	<b>3,098.93</b>	<b>154.09</b>	<b>2,996.07</b>	<b>0.01</b>	<b>11,518.22</b>	<b>2,915.70</b>	-
<b>Net carrying amount March 31, 2020</b>	<b>3,536.15</b>	<b>544.29</b>	<b>6.64</b>	<b>1,109.35</b>	<b>8.94</b>	<b>1,591.24</b>	-	<b>6,796.61</b>	<b>14,477.37</b>	<b>1,191.09</b>

(i) Property, plant and equipment pledged as security (Refer Note 27)

ii) Capital work-in-progress mainly comprises building, furniture &amp; fixtures.

\* Restated pursuant to merger (Refer Note 37)

## 4. Investment Properties

	Freehold Land	Building	Total
<b>Year ended March 31, 2019 *</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	2,938.25	11,191.85	14,130.10
Additions	-	569.04	569.04
Disposal/Transfer	-	(39.97)	(39.97)
Assets classified as held for sale	(2,620.50)	-	(2,620.50)
<b>Closing gross carrying amount</b>	<b>317.75</b>	<b>11,720.92</b>	<b>12,038.67</b>
<b>Accumulated depreciation and impairment</b>			
Opening accumulated depreciation	-	453.07	453.07
Depreciation charge during the year	-	189.08	189.08
<b>Closing accumulated depreciation</b>	-	<b>642.15</b>	<b>642.15</b>
<b>Net carrying amount</b>	<b>317.75</b>	<b>11,078.77</b>	<b>11,396.52</b>

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

	Freehold Land	Building	Total
<b>Year ended March 31, 2020</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	317.75	11,720.92	<b>12,038.67</b>
Additions	72.56	-	<b>72.56</b>
Disposal/Transfer	-	(4.53)	<b>(4.53)</b>
Assets classified as Investment Properties	-	-	-
<b>Closing gross carrying amount</b>	<b>390.31</b>	<b>11,716.39</b>	<b>12,106.70</b>
<b>Accumulated depreciation and impairment</b>			
Opening accumulated depreciation	-	642.15	<b>642.15</b>
Depreciation charge during the year	-	190.75	<b>190.75</b>
Depreciation related to Disposal/Transfer	-	(0.23)	<b>(0.23)</b>
<b>Closing accumulated depreciation</b>	-	<b>832.67</b>	<b>832.67</b>
<b>Net carrying amount</b>	<b>390.31</b>	<b>10,883.72</b>	<b>11,274.03</b>

Refer Note 27 for information on asset pledged as security by the company.

\* Restated pursuant to merger (Refer Note 37)

**(i) Amounts recognised in profit or loss for investment properties**

	As at March 31, 2020	As at March 31, 2019
Rental income	1,478.49	1,450.89
Direct operating expenses from property that generated rental income	122.88	173.92
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	1,355.61	1,276.97
Depreciation	190.75	189.08
Profit from investment properties	1,164.86	1,087.89

**(ii) Leasing arrangements**

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

	As at March 31, 2020	As at March 31, 2019
Within one year	940.15	727.16
Later than one year but not later than 5 years	1,806.48	1,579.08
Later than 5 years	-	-
<b>Total</b>	<b>2,746.63</b>	<b>2,306.24</b>

**(iii) Fair value**

	As at March 31, 2020	As at March 31, 2019
Investment properties	46,444.57	47,248.33

**Estimation of fair value**

Estimation of fair value - The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in respective area. This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method.

## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 5(a). Investments

	As at March 31, 2020	As at March 31, 2019
<b>a. Investment in joint venture</b>		
Unquoted		
6384 Equity Shares of Riddhi Siddhi Mall Management Private Limited	841.56	737.98
<b>Total (a)</b>	<b>841.56</b>	<b>737.98</b>
<b>b. Investment in preference shares</b>		
Unquoted		
141 (2019: 257), 0.01% Non Cumulative Optionally Convertible Preference Shares of Riddhi Siddhi Mall Management Private Limited of ₹ 1,000/- each fully paid up.	770.64	931.64
<b>Total (b)</b>	<b>770.64</b>	<b>931.64</b>
<b>c. Investment in equity instruments</b>		
<b>Fair value through other comprehensive income</b>		
Unquoted		
11,425 Equity Shares of V.R.Procurement Corporation Private Limited	23.02	23.03
Nil* (2019: 10,000) Equity Shares of Navika Developers Private Limited	-	1.00
Nil* (2019: 10,000) Equity Shares of Shreya Mall Management Private Limited	-	1.00
Nil* (2019: 10,000) Equity Shares of Ujjain Future Bazaar Private Limited	-	1.00
6,903* (2019: 6900) Equity Shares of Harmony Mall Management Private Limited	0.69	0.69
20,00,000 Equity Shares of Precision Reality Developers Private Limited	167.00	338.80
98,094** Equity Shares of Acute Retail Infra Private Limited	573.44	722.81
10,000 Equity Shares of Ojas Trade Lease and Mall Management Private Limited	1.00	1.00
33,582 Equity Shares of Nishta Mall Management Company Private Limited	654.28	1,148.99
87,272 Equity Shares of Unique Malls Private Limited	574.20	198.57
<b>Total (c)</b>	<b>1,993.63</b>	<b>2,436.89</b>
<b>Non-current investments total (a+b+c)</b>	<b>3,605.82</b>	<b>4,106.51</b>
Investments accounted for using the equity method(a+b)	1,612.20	1,669.62
Investments (in others)(c)	1,993.63	2,436.89
Aggregate amount of unquoted investments	<b>3,605.83</b>	<b>4,106.51</b>
<b>Current</b>		
UTI - Floating Rate Fund	1,050.99	2,332.78
Aditya Birla Sun Life Floating Rate Fund	-	10.76
<b>Current investments total</b>	<b>1,050.99</b>	<b>2,343.54</b>

\*During the year, pursuant to a Scheme of Amalgamation, Navika Developers Private Limited, Rain Fruits and More Private Limited, Shreya Mall Management Private Limited and Ujjain Future Bazaar Private Limited merged with Harmony Malls Management Private Limited (Harmony). Accordingly in lieu of the investments held by the Company in Navika Developers Private Limited, Shreya Mall Management Private Limited and Ujjain Future Bazaar Private Limited received 1 fully paid up equity (one) share each of Harmony Malls Management Private Limited.

\*\* Investment in equity instruments pledge as security (Refer Note 27)

Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

5(b). Trade receivables

	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Receivables from related parties	997.14	399.35
Others	2,865.65	807.85
Less: Allowance for bad and doubtful debts	(137.59)	(79.48)
<b>Total Trade receivables</b>	<b>3,725.20</b>	<b>1,127.72</b>
<b>Breakup of securities details</b>		
Secured, considered good		
Unsecured, considered good	3,759.90	1,138.55
Doubtful	102.89	68.65
<b>Total</b>	<b>3,862.79</b>	<b>1,207.20</b>
Less: Allowance for doubtful debts	(137.59)	(79.48)
<b>Total Trade receivables</b>	<b>3,725.20</b>	<b>1,127.72</b>

Refer Note 27 for information on Trade receivable pledged as security by the company.

5(c). Loans

	As at March 31, 2020	As at March 31, 2019
<b>Non- Current</b>		
Security Deposits	225.26	210.16
<b>Total Non-current loans and advances</b>	<b>225.26</b>	<b>210.16</b>
<b>Current</b>		
Security Deposits	1,895.28	1,887.44
Loans and advances to others	7,081.82	5,998.62
Loans and advances to related parties	640.34	69.00
<b>Total current loans and advances</b>	<b>9,617.44</b>	<b>7,955.06</b>

5(d). Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Cash on hand	5.09	1.71
<b>Balances with Banks</b>	<b>-</b>	<b>-</b>
In current accounts	671.57	533.03
<b>Total Cash and cash equivalents</b>	<b>676.66</b>	<b>534.74</b>

5(e). Bank Balances other than above

	As at March 31, 2020	As at March 31, 2019
Fixed Deposit*	230.79	218.57
Interest accrued on fixed deposit	0.36	1.10
<b>Total Bank Balances other than above</b>	<b>231.15</b>	<b>219.67</b>

\*Lien against Bank Guarantee, ₹ 6.50 lakhs (March 31, 2019 : ₹ 6.50 lakhs)

## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 5(f). Other financial assets

	As at March 31, 2020	As at March 31, 2019
<b>Other non-current financial assets</b>		
<b>Considered good</b>		
Bank deposits with more than 12 months maturity	18.75	17.57
<b>Total Non-current financial assets</b>	<b>18.75</b>	<b>17.57</b>

## Other financial assets

	As at March 31, 2020	As at March 31, 2019
<b>Other current financial assets</b>		
<b>Considered good</b>		
Interest Accrued but not due	1.79	2.22
Loan and Advances to others	3,790.48	109.41
Unbilled Revenue	196.05	154.57
Advance to Staff	12.78	4.50
<b>Total current financial assets</b>	<b>4,001.10</b>	<b>270.70</b>

## 6(a). Non - Current Tax Assets

	As at March 31, 2020	As at March 31, 2019
Balances with Govt. Authorities	1,073.54	899.19
<b>Total Non-current tax assets</b>	<b>1,073.54</b>	<b>899.19</b>

## 6(b). Current and deferred tax

## 6(b). (i) Statement of profit and loss:

	As at March 31, 2020	As at March 31, 2019
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	7.01	18.99
Adjustments for current tax of prior periods	(3.77)	(45.70)
<b>Total current tax (expense)</b>	<b>3.24</b>	<b>(26.71)</b>
<b>Deferred tax</b>		
Decrease (increase) in deferred tax assets	928.75	351.30
(Decrease) increase in deferred tax liabilities	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>928.75</b>	<b>351.30</b>
<b>Income tax expense</b>	<b>931.99</b>	<b>324.59</b>

## 6(b) (ii) The reconciliation between the statutory income tax rate applicable to the group and the effective income tax rate of the group is as follows :

	As at March 31, 2020	As at March 31, 2019
<b>Profit from operation before income tax expenses</b>	<b>3,924.74</b>	<b>1,328.91</b>
<b>Tax rate @ 25.168% / 27.82%</b>	<b>992.55</b>	<b>369.70</b>
<b>Differences due to:</b>		
Permanent differences	0.03	6.33
Profit of share in associate and JV not taxable	(480.71)	26.32
Standard deduction on rental income	(115.32)	(123.64)
Change in tax rate	599.88	-
Difference in tax rate of other group entity	-	(3.62)
Adjustment related to unabsorbed losses	81.12	(141.35)
Property, Plant & Equipment - Depreciation	(100.22)	-
Excess provisions for previous years w/off	(3.77)	(45.70)
Leases	(44.65)	-
Others	3.07	236.55
<b>Income tax expenses</b>	<b>931.99</b>	<b>324.59</b>

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**6(b) (iii) Tax losses**

	As at March 31, 2020	As at March 31, 2019
<b>Net Deferred Tax Asset</b>		
Tax losses	4,016.84	5,021.48
Defined benefit obligation	-	0.06
Provisions	46.86	33.75
Fair valuation of financials assets-P&L (Net)	71.90	(7.04)
Fair valuation of financials assets-OCI (Net)	54.48	59.39
Property Plant & Equipment	1,199.67	1,153.11
Freehold Land	7.84	7.78
Lease Liability	1,749.41	-
<b>Net Deferred Tax Asset</b>	<b>7,147.00</b>	<b>6,268.53</b>
<b>Net Deferred Tax Liabilities</b>		
Tax losses	430.36	468.38
MAT Credit	-	7.99
Fair valuation of financials assets-OCI (Net)	-	(276.25)
Property, plant and equipment	(406.71)	(401.43)
Fair valuation of financials assets-P&L (Net)	-	(26.59)
Fair Valuation of Security Deposit	(30.62)	-
Fair Valuation of Investment	(156.61)	-
Security Deposit - Given	28.63	-
Lease Liability	95.09	-
<b>Net Deferred Tax Liabilities</b>	<b>(39.86)</b>	<b>(227.89)</b>
<b>Deferred tax assets (net)</b>	<b>7,107.14</b>	<b>6,040.64</b>

**6(b) (iv) Movement in deferred tax liabilities**

	Provisions	Unabsorbed Tax Losses	Fair valuation of financial assets	Property Plant & Equipment	Freehold Land	MAT credit entitlement	Security Deposits	Leases	Total
<b>At March 31, 2018*</b>	<b>16.09</b>	<b>5,495.45</b>	<b>162.79</b>	<b>685.09</b>	<b>8.32</b>	<b>679.17</b>	-	-	<b>7,046.91</b>
(Charged)/credited:									
- to profit or loss	21.35	390.57	(150.31)	66.60	(0.54)	(679.17)	-	-	<b>(351.51)</b>
- to other comprehensive income	(3.63)	(396.15)	(262.97)	-	-	-	-	-	<b>(662.75)</b>
- Deferred tax on basis adjustment	-	-	-	-	-	7.99	-	-	<b>7.99</b>
<b>At March 31, 2019*</b>	<b>33.81</b>	<b>5,489.86</b>	<b>(250.50)</b>	<b>751.69</b>	<b>7.78</b>	<b>7.99</b>	-	-	<b>6,040.64</b>
(Charged)/credited:									
- to profit or loss	9.64	(1,042.66)	74.91	41.27	0.06	-	28.63	1,844.50	<b>956.36</b>
- to other comprehensive income	3.41	(0.00)	114.73	-	-	-	-	-	<b>118.14</b>
- Deferred tax on basis adjustment	-	-	-	-	-	(7.99)	-	-	<b>(7.99)</b>
<b>At March 31, 2020</b>	<b>46.86</b>	<b>4,447.20</b>	<b>(60.85)</b>	<b>792.97</b>	<b>7.84</b>	-	<b>28.63</b>	<b>1,844.50</b>	<b>7,107.14</b>

\* Restated pursuant to merger (Refer Note 37)



## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 7. Other assets

	As at March 31, 2020	As at March 31, 2019
<b>Other non-current assets</b>		
Business Advance	880.20	1,450.27
Capital Advance	3,350.00	3,350.00
Corpus Funds	7.50	7.50
Balances with Govt. Authorities	102.03	21.80
Prepaid Expense	-	310.80
<b>Total Other Non-current assets</b>	<b>4,339.73</b>	<b>5,140.37</b>
<b>Other current assets</b>		
Security Deposits	231.00	5.86
Business Advance	449.12	686.12
Balances with Govt. Authorities	108.79	97.60
Prepaid Expense	38.07	65.61
Other receivables	4.81	67.40
<b>Total Other current assets</b>	<b>831.79</b>	<b>922.59</b>

## 8. Inventories

	As at March 31, 2020	As at March 31, 2019
Finished Shops	863.37	917.61
<b>Total Inventories</b>	<b>863.37</b>	<b>917.61</b>

## 9. Assets classified as held for sale

	As at March 31, 2020	As at March 31, 2019
Buildings*	-	6,277.75
Investments	3,725.20	4,313.61
<b>Total</b>	<b>3,725.20</b>	<b>10,591.36</b>

\*During the year, the company has disposed off substantial part of the building situated at Ahmedabad for ₹ 7,297.49 Lakhs which was vested with the company through an approved scheme of amalgamation.

In January 2019, the Board of Directors resolved to sell the entire stake of their wholly owned subsidiaries, Gati Realtors Private Limited and Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited). 51% stake of both the entities have been sold during the year and sale of remaining 49% stake is expected to be completed in next 12 Months. The investments are presented separately under assets held for sale.

**Non-recurring fair value measurements**

Assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the assets was based on the proposed sales consideration negotiated with the buyer.

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**10(a). Equity Share capital**

	As at March 31, 2020	As at March 31, 2019
<b>Authorised</b>		
90,300,000 Equity Shares [31st March, 2019: 90,260,000] of ₹ 10/- each	9,030.00	9,026.00
5,000 Preference Shares [31st March, 2019: 5,000] of ₹ 100/- each	5.00	5.00
<b>Total</b>	<b>9,035.00</b>	<b>9,031.00</b>
<b>Issued Capital*</b>		
5,75,44,951 Equity Shares [31st March, 2019: 56,291,851] of ₹ 10/- each	5,754.50	5,629.19
<b>Total</b>	<b>5,754.50</b>	<b>5,629.19</b>
*includes 570 shares held in abeyance		
<b>Subscribed and paid up</b>		
5,75,44,381 Equity Shares [31st March, 2019: 56,291,281] of ₹ 10/- each	5,754.44	5,629.13
<b>Total</b>	<b>5,754.44</b>	<b>5,629.13</b>

**a) Movements in Equity Share Capital**

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	5,62,91,281	5,629.13	5,62,91,281	5,629.13
Add: shares issued during the year	12,53,100	125.31	-	-
<b>Balance as at the end of the year</b>	<b>5,75,44,381</b>	<b>5,754.44</b>	<b>5,62,91,281</b>	<b>5,629.13</b>

**Terms and Rights attached to equity shares:-**

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder is eligible to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts in proportion of their shareholding.

**Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2019) including equity shares issued pursuant to contract without payment being received in cash**

- (i) In Financial Year 2015 -16 - Allotted 3,16,750 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 11, 2015.
- (ii) In Financial Year 2016 -17 - Allotted 1,20,125 equity shares of ₹ 10/- each under FMNL - ESOS 2012 on December 14, 2016.
- (iii) In Financial Year 2019-20 - Allotted 12,53,100 equity shares of ₹ 10/- each under Scheme of Merger by absorption. (Refer Note 37)

**b) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the group.**

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% held	Number of shares	% held
Future Corporate Resources Private Limited (Formerly known as Suhani Trading And Investment Consultants Private Limited)	4,11,29,343	71.47%	4,11,29,343	73.06%
Ishbhoomi Fabtraders Private Limited	40,96,745	7.12%	40,97,145	7.28%
	<b>4,52,26,088</b>	<b>78.59%</b>	<b>4,52,26,488</b>	<b>80.34%</b>

## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 10(b). Other Equity

	As at March 31, 2020	As at March 31, 2019
Capital Reserve	3,166.47	3,166.47
Securities Premium	27,045.67	25,291.33
Retained Earnings	(24,542.18)	(22,030.11)
Subordinated Debt *	5,355.98	5,355.98
Other Reserves	239.66	524.12
<b>Total Other Equity</b>	<b>11,265.60</b>	<b>12,307.79</b>

\* The subordinated debt represents loan taken from Future Corporate Resources Private Limited (Formerly known as Suhani Trading And Investment Consultants Private Limited)

## (i) Capital Reserve

	As at March 31, 2020	As at March 31, 2019
Opening Balance	3,166.47	3,166.47
<b>Closing Balance</b>	<b>3,166.47</b>	<b>3,166.47</b>

## (ii) Securities Premium

	As at March 31, 2020	As at March 31, 2019
Opening Balance	25,291.33	25,291.33
Share issued	1,754.34	-
<b>Closing Balance</b>	<b>27,045.67</b>	<b>25,291.33</b>

## (iii) Retained Earnings

	As at March 31, 2020	As at March 31, 2019
Opening Balance	(22,030.11)	(18,476.11)
Add: Profit for the year	2,967.85	993.41
Add: Profit on acquisition of JV	-	62.38
Add: Lease Liability	(5,471.24)	-
Items of other comprehensive income recognised in retained earnings:	-	(4,619.65)
Remeasurements of post-employment benefit obligation & Deferred Tax (Actuarial Gains)	(8.68)	9.86
<b>Closing Balance</b>	<b>(24,542.18)</b>	<b>(22,030.11)</b>

## (iv) Other Reserves

	As at March 31, 2020	As at March 31, 2019
Opening Balance	524.12	(4,620.02)
Change in fair value of FVOCI equity instruments & Deferred Tax there-on (Fair Value)	(284.46)	524.49
Items of other comprehensive income transfer to retained earnings	-	4,619.65
<b>Closing Balance</b>	<b>239.66</b>	<b>524.12</b>

**Nature and purpose of other reserves****Securities Premium**

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**FVOCI equity investments**

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**11(a). Borrowings**

	As at March 31, 2020	As at March 31, 2019
<b>Non current Borrowing</b>		
<b>Secured</b>		
Term loans from banks	-	3,692.39
<b>Total Long Term Borrowing</b>	-	<b>3,692.39</b>
Less: Current Maturities of long term borrowing	-	3,692.39
<b>Non current borrowings</b>	-	-

Nature of security	Terms of Repayment
Term Loan from Bank, balance outstanding ₹ NIL lakhs (March 31, 2019 : ₹ 3,500.00 lakhs) are secured by (a) Charge on Assets created out of the proposed Term Loan. (b) First pari pasu charge on the immovable property owned by Banshi Mall Management Company Private Limited located at SOBO Central Mall (c) Corporate Guarantee of Banshi Mall Management Company Private Limited (d) Personal Guarantee of the Promoters.	Repayable in 16 quarterly instalments starting from June 2016. Last instalment due in March 2020. Rate of interest - MCLR (1 Year) + 2.35% Present Effective Rate - Nil (11.10%)
Term Loan from Bank, balance outstanding ₹ NIL lakhs (March 31, 2019 : ₹ 197.15 lakhs) is secured by hypothecation of lease rent receivables from Future Lifestyle Fashions Limited. Collateral : Equitable mortgage of mall located at plot bearing TS No 145 Part of Mart ward, Block No 6, Main Road, Visakhapatnam, Andhra Pradesh.	Repayable in 108 quarterly instalments starting from February 2011. Last instalment due in January 2020. Rate of interest - 4% above the Base Rate Present Effective Rate - Nil (11.70%)

**Current Borrowing**

	As at March 31, 2020	As at March 31, 2019
<b>Unsecured</b>		
Loans from related party	361.87	333.82
Other Loans and Advances	15.00	11,373.23
<b>Total Current Borrowing</b>	<b>376.87</b>	<b>11,707.05</b>

**11(b). Other financial liabilities**

	As at March 31, 2020	As at March 31, 2019
<b>Non Current</b>		
<b>Security deposits</b>		
From Related Parties	294.77	244.45
From Others	1,629.79	1,571.31
Lease Liabilities	18,425.98	-
<b>Total Non-current financial liabilities</b>	<b>20,350.54</b>	<b>1,815.76</b>

## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
<b>Security deposits</b>		
From Related Parties	108.36	98.42
From Others	123.48	389.98
<b>Total</b>	<b>231.84</b>	<b>488.40</b>
Current Maturities of Long-Term Borrowings	-	3,692.39
Lease Liabilities	3,380.76	-
Purchase Consideration	-	1,879.65
Other Payables (Retention Money)	2,131.97	352.85
<b>Total Current financial liabilities</b>	<b>5,744.57</b>	<b>6,413.29</b>

## 11(c). Trade payables

	As at March 31, 2020	As at March 31, 2019
<b>Total outstanding due of micro and small enterprises</b>	59.81	-
<b>Total outstanding from others:</b>		
Related Parties	684.92	35.09
Others	759.44	558.55
<b>Total Trade payables</b>	<b>1,504.17</b>	<b>593.64</b>

## 12. Provisions

	As at March 31, 2020	As at March 31, 2019
<b>Non current Employee benefit obligations</b>		
Gratuity	41.92	26.42
Leave entitlement	20.95	8.09
<b>Total Non current Employee benefit obligations</b>	<b>62.87</b>	<b>34.51</b>
<b>Current Employee benefit obligations</b>		
Gratuity	1.82	5.37
Leave entitlement	0.81	0.15
Other Provisions	48.67	35.46
<b>Total current Employee benefit obligations</b>	<b>51.30</b>	<b>40.98</b>

## 13. Other liabilities

	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Deferred Rent Income	581.67	655.30
<b>Total Other Non-current liabilities</b>	<b>581.67</b>	<b>655.30</b>

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Statutory dues (including provident fund, tax deducted at source and others)	149.11	147.81
from Related Parties	-	15,078.46
from Others	29,690.45	8,548.23
Deferred Rent Income	252.73	238.24
Other payables	403.82	144.50
<b>Total Other current liabilities</b>	<b>30,496.11</b>	<b>24,157.24</b>

**14. Disclosure as per Indian Accounting Standard 19 - Employee Benefits**

**Defined Contribution Plan**

**Provident Fund**

The contributions to the Provident Fund of the employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. Employer's Contribution to Provident Fund amounting to ₹ 20.08 Lakhs (previous year ₹ 16.57 Lakhs) has been recognized as an expense in the Statement of Profit and Loss.

**Defined Benefit Plan**

**Gratuity**

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or company scheme whichever is beneficial. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
<b>Opening defined benefit obligation</b>	<b>31.80</b>	<b>38.57</b>
Current service cost	4.87	7.09
Interest expense/(income)	2.42	2.97
<b>Total amount recognised in profit and loss</b>	<b>7.29</b>	<b>10.06</b>
Acquisition / Divestiture	12.24	-
(Gain)/loss from change in demographic assumptions	(0.04)	-
(Gain)/loss from change in financial assumptions	4.31	0.13
Experience (gains)/losses	7.82	(13.62)
<b>Total amount recognised in other comprehensive income</b>	<b>12.09</b>	<b>(13.49)</b>
Employer contributions	-	-
Benefit payments	(7.44)	(3.34)
<b>Closing defined benefit obligation</b>	<b>43.74</b>	<b>31.80</b>

The net liability disclosed above relates to unfunded plans are as follows:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	43.74	31.80
Fair value of plan assets	-	-
Surplus /(Deficit)	43.74	31.80
Effect of assets ceiling	-	-
<b>Net Defined Benefit Liability/(Assets)</b>	<b>43.74</b>	<b>31.80</b>

## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

**Significant estimates: Actuarial assumptions**

The significant actuarial assumptions were as follows:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Financial Assumptions		
Discount rate	6.76%	7.65%
Salary growth rate	5.00%	5.00%
Demographic Assumptions		
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	1.00%	1.00%
Retirement age	58 years	58 years

**Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Discount rate		
a. Discount rate -100 basis point	49.38	22.21
b. Discount rate+100 basis point	38.94	17.31
Salary growth rate		
a. Rate -100 basis point	39.40	17.24
b. Rate+100 basis point	48.46	21.64

**Expected Future Cash Flows**

	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Year 1	1.82	0.34
Year 2	0.70	1.45
Year 3	1.67	0.37
Year 4	2.18	0.39
Year 5	2.99	0.43
Year 6 to 10	12.53	3.57

**15. Revenue from Operations**

	Year ended March 31, 2020	Year ended March 31, 2019
Sales	150.01	7.52
Rent and other related revenues	12,464.92	12,952.52
Project Management Consultancy	61.86	27.97
Brokerage & Commissions Income	-	138.73
<b>Total</b>	<b>12,676.79</b>	<b>13,126.74</b>

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**16. Other Income**

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Interest Income</b>		
On bank deposits	13.50	14.33
On others	560.90	1,330.97
Profit on sale of Property, Plant & Equipment	1,056.96	-
Profit on sale of Investments	3,835.70	246.02
Fair Valuation of Investments	0.11	57.31
Profit on Redemption of Preference Shares	999.00	-
Excess Provision Written Back	225.99	32.40
Dividend Income*	-	1.46
Miscellaneous Income	36.57	27.79
<b>Total</b>	<b>6,728.73</b>	<b>1,710.28</b>

\* Dividend Received ₹ 25.70 (Previous Year ₹ Nil).

**17. Operating Costs**

	Year ended March 31, 2020	Year ended March 31, 2019
Mall Maintenance Charges	3,253.16	2,017.03
Rent	376.05	4,789.15
<b>Total</b>	<b>3,629.21</b>	<b>6,806.18</b>

**18. Changes in inventories of finished goods, work-in progress and stock-in-trade**

	Year ended March 31, 2020	Year ended March 31, 2019
Cost of units sold	121.28	3.54
<b>Total</b>	<b>121.28</b>	<b>3.54</b>

**19. Employee Benefits Expense**

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Bonus	597.83	607.56
Contribution to Provident and Other Funds	28.76	26.27
Staff Welfare Expenses	11.52	12.20
<b>Total</b>	<b>638.11</b>	<b>646.03</b>

**20. Finance Costs**

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses	3,035.19	2,031.43
Other Borrowing costs	0.20	5.47
<b>Total</b>	<b>3,035.39</b>	<b>2,036.90</b>

**21. Depreciation and amortization expense**

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant and Equipment	2,141.65	2,443.24
Depreciation on Investment Property	190.75	189.08
Depreciation on Right of Use Assets	2,915.70	-
<b>Total</b>	<b>5,248.10</b>	<b>2,632.32</b>



## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 22. Other Expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Power and Fuel	441.03	480.49
Repairs and Maintenance - Others	361.68	220.54
Auditors' Remuneration		
Statutory Audit Fees	9.02	9.29
Tax Audit Fees	1.00	0.50
Other Services	1.00	0.90
Rates and Taxes	364.72	235.27
Insurance	16.31	12.94
Legal and Professional Fees	651.72	193.94
Listing Fees/Custodian Charges	7.21	6.74
Management Consultancy Charges	-	40.00
Director Sitting Fees	19.00	18.05
Provision for Doubtful Debts	58.11	20.75
Travelling and Conveyance Expenses	34.68	51.09
Sundry Balance Written Off	10.85	5.15
Water Charges	12.68	10.97
Other Expenses	880.17	205.21
<b>Total</b>	<b>2,869.18</b>	<b>1,511.83</b>

## 23. Fair value measurements

## 23(a) Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
-Equity Instruments	-	1,993.63	-	-	2,436.89	-
-Mutual Funds	1,050.99	-	-	2,343.54	-	-
Loans	-	-	9,842.70	-	-	8,165.22
Trade receivables	-	-	3,725.23	-	-	1,127.73
Cash and cash equivalents	-	-	676.66	-	-	534.74
Bank Balances other than above	-	-	249.90	-	-	237.25
Other financial assets	-	-	4,001.11	-	-	270.71
<b>Total financial assets</b>	<b>1,050.99</b>	<b>1,993.63</b>	<b>18,495.60</b>	<b>2,343.54</b>	<b>2,436.89</b>	<b>10,335.65</b>
<b>Financial liabilities</b>						
Borrowings	-	-	376.87	-	-	11,707.06
Lease Liability	21,806.75	-	-	-	-	-
Deposits from customer	-	-	418.25	-	-	2,304.16
Other financial liabilities	-	-	2,131.98	-	-	5,924.90
Trade payables	-	-	1,504.18	-	-	593.64
<b>Total financial liabilities</b>	<b>21,806.75</b>	<b>-</b>	<b>4,431.28</b>	<b>-</b>	<b>-</b>	<b>20,529.76</b>

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**23(b) Fair value hierarchy**

Investment in Mutual Funds which are measured at Fair Value through Profit and Loss Account are measured under Level 1.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed are calculated under Level 3 except loans and security deposits which is measured at Level 2.

Investment in Equity Shares which are measured at Fair Value through Other Comprehensive Income are measured under Level 3.

**Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the period ended March 31 :

	Investment in - Equity instruments
<b>As at March 31, 2018</b>	<b>2,617.01</b>
Sale of Investment	(1,424.29)
Gains/(losses) recognised in Other Comprehensive Income	1,244.17
<b>As at March 31, 2019</b>	<b>2,436.89</b>
Sale of Investment	-
Gains/(losses) recognised in Other Comprehensive Income	(443.26)
<b>As at March 31, 2020</b>	<b>1,993.63</b>

**Valuation processes**

The group has obtained assistance of independent and competent third party valuation experts to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the group and the valuer on periodic basis. Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

**23(c) Fair value of financial assets and liabilities measured at amortised cost**

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Loans	9,842.70	9,842.70	8,165.22	8,205.06
<b>Total</b>	<b>9,842.70</b>	<b>9,842.70</b>	<b>8,165.22</b>	<b>8,205.06</b>
<b>Financial liabilities</b>				
Borrowings	376.87	376.87	11,707.06	11,707.06
Deposits from customer	418.25	418.25	2,304.16	2,417.87
<b>Total</b>	<b>795.12</b>	<b>795.12</b>	<b>14,011.22</b>	<b>14,124.93</b>

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivables, trade payables, cash and cash equivalent, Bank balances other than above, other financial assets and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 in the fair value hierarchy due to the inclusion of observable inputs.
3. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.
4. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
5. The fair value of the long-term Borrowings with floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans). Further, the Company has no long-term Borrowings with fixed rate of interest.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 24. Financial risk management

The group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The group's senior management has overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk are reviewed regularly to reflect changes in market conditions and the group's activities.

## A. Market risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The group is not exposed to any foreign currency risk as neither operates internationally nor has any foreign currency transaction.

## (a) Price Risk - Exposure:

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet at fair value through OCI. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

	March 31, 2020	March 31, 2019
BSE Sensex 30- Increase 5%	52.55	117.18
BSE Sensex 30- Decrease 5%	(52.55)	(117.18)

Above referred sensitivity pertains to investment in quoted securities. Profit for the year would increase/(decrease) as a result of gains/(losses) on the same as at fair value through profit or loss.

## (b) Interest rate risk:

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2020	March 31, 2019
Variable rate borrowings	-	3,692.39
Percentage of variable rate borrowings to total borrowings	0%	24%
<b>Total borrowings</b>	<b>376.87</b>	<b>15,399.44</b>

## Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	March 31, 2020	March 31, 2019
Interest rates – increase by 50 basis points*	-	(18.46)
Interest rates – decrease by 50 basis points*	-	18.46

\*Holding all other variables constant

## B. Credit Risks

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

## Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management.

The group measures the expected credit loss of trade receivables and loan and advances customers wise based on historical trend. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, adequate provision for the loss on collection of receivable has been made.

## Movement in provisions of doubtful debts

	March 31, 2020	March 31, 2019
<b>Opening provision</b>	<b>79.48</b>	<b>91.32</b>
Add:- Additional provision made	58.11	20.75
Less:- Provision write off	-	32.59
<b>Closing provisions</b>	<b>137.59</b>	<b>79.48</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**C. Liquidity Risk:**

Liquidity risk is the risk that the group will face in meeting its obligations associated with its financial liabilities. The group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the group's credit rating and impair investor confidence.

The following table shows the maturity analysis of the group's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

Maturity patterns of liabilities:

	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2020</b>				
Trade payables	1,504.17	1,504.17	-	<b>1,504.17</b>
Borrowings	376.87	376.87	-	<b>376.87</b>
Other Financial liabilities	26,951.51	5,640.98	21,310.53	<b>26,951.51</b>
<b>As at March 31, 2019</b>				
Trade payables	593.64	593.64	-	<b>593.64</b>
Borrowings	11,707.06	11,707.05	-	<b>11,707.05</b>
Other Financial liabilities	9,203.46	6,418.05	2,785.41	<b>9,203.46</b>

**D. Capital Management**

The group aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group does not distribute dividends to the shareholders.

**25. Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Director of the group. Entire group has been as one reportable segment based on the information reviewed by CODM.

**(a) Description of segments and principal activities**

The group is engaged in the business of building capacity and enabling the infrastructure for future markets in a more efficient and cost effective manner. It aims to create a network of new markets by integrating and better organizing the modern wholesale trade, retail and logistics infrastructure in India

**(b) Segment revenue**

The group operates as a single segment. The segment revenue is measured in the same way as in the statement of profit or loss.

Segment	As at March 31, 2020		As at March 31, 2019	
	Revenue from external customers	Total segment revenue	Revenue from external customers	Total segment revenue
Mall Management	12,676.79	12,676.79	13,126.74	13,126.74
<b>Total segment revenue</b>	<b>12,676.79</b>	<b>12,676.79</b>	<b>13,126.74</b>	<b>13,126.74</b>

The group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from external customers	As at March 31, 2020	As at March 31, 2019
India	12,676.79	13,126.74
Outside India	-	-
<b>Total</b>	<b>12,676.79</b>	<b>13,126.74</b>

## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## (c) Segment assets

The group is domiciled in India. The amount of Non current assets broken down by location of the customers is shown in the table below.

Non current assets*	As at March 31, 2020	As at March 31, 2019
India	41,230.74	29,011.67
Outside India	-	-
<b>Total</b>	<b>41,230.74</b>	<b>29,011.67</b>

\*Other than financial instruments and deferred tax assets

## (d) Major Customer

Total 1 no of customers are contributing more than 10% of the total revenue of the group

Major Customer	As at March 31, 2020	As at March 31, 2019
<b>Customer 1 (Related party)</b>	<b>1,643.33</b>	<b>1,673.86</b>

## 26. Earnings per share

	As at March 31, 2020	As at March 31, 2019
<b>(a) Basic and diluted earnings per share</b>		
<b>Profit attributable to the equity holders of the group from Continuing Operations</b>	2,984.88	985.66
Total basic earnings per share attributable to the equity holders of the group (₹)	5.24	1.75
<b>Profit attributable to the equity holders of the group from Discontinuing Operations</b>	(17.03)	7.75
Total basic earnings per share attributable to the equity holders of the group (₹)	(0.03)	0.01
<b>Profit attributable to the equity holders of the group from Continuing &amp; Discontinuing Operations</b>	2,967.85	993.41
Total basic earnings per share attributable to the equity holders of the group (₹)	5.21	1.76
<b>(b) Weighted average number of shares used as the denominator</b>	5,69,41,797	5,62,91,281
<b>(c) Diluted earnings per share is same as basic earning per share</b>		

## 27. Assets pledge as security

The carrying amounts of assets pledged as security for current and non - current borrowings are :

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current Assets</b>		
<b>Financial Assets</b>		
First Charge		
- Trade Receivables	-	30.71
<b>Total Current Assets pledged as Security</b>	<b>-</b>	<b>30.71</b>
<b>Non-Current Assets</b>		
First Charge		
Property, Plant and Equipment	-	8,864.63
Capital Work-in-Progress	-	-
Investment Properties	-	6,110.63
Investment in equity instruments	573.44	722.81
<b>Total Non Current Assets pledged as Security</b>	<b>573.44</b>	<b>15,698.07</b>
<b>Total Assets pledged as Security</b>	<b>573.44</b>	<b>15,728.78</b>

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**28. Share based payments**

**(a) Employee option plan/ Tradable Options**

- (i) FMNL-Employee Stock Option Scheme-2012 was suspended with effect from May 25, 2018.
- (ii) Employee option trade plan/Tradable Options

Future Market Networks Limited (FMNL) has granted 7,60,000 options to eligible employees on May 25, 2018 under Employee Stock Option Scheme 2016 ("ESOS 2016") at an exercise price of ₹ 85/- per equity share. These options shall vest over a period of four years in the proportion of 25% for each year from the date of grant. These options can be exercised anytime within a period of three years from the date of vesting.

**(b) The details pertaining to number of options, weighted average price and assumptions considered for fair value are disclosed below:**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Weighted Average Exercise price	No. of options	Weighted Average Exercise price	No. of options
Options outstanding at the beginning of the period	₹ 85.00	2,10,000	-	-
Options granted during the period	-	-	₹ 85.00	7,60,000
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	(5,50,000)
Forfeited during the period	-	-	-	-
<b>Options outstanding at the end of the period</b>	-	<b>2,10,000</b>	-	<b>2,10,000</b>
<b>Options vested and exercisable at the end of the period</b>	-	-	-	-

**(c) Effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position:**

Total expenses arising from share-based payment transactions on account of Share option plans recognised in consolidated profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2020	March 31, 2019
Employee compensation expense	-	-

Effect of the employee share option plan on the consolidated financial statements is as follows:

Particulars	March 31, 2020	March 31, 2019
Deferred employee compensation reserve	-	-

**Note:**

Since the fair value of the employee stock options is lower than the exercise price there will be no Employee compensation expense and hence there is no impact in the Statement of Profit & Loss.

**(d) Method and Assumptions Used to Estimate the Fair Value of Options Granted During the Year:**

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

1. Risk Free Interest Rate	7.59% - 7.88%
2. Expected Life	2.5 - 5.5 years
3. Expected Volatility	76.99%
4. Dividend Yield	0.00%
5. Price of the Underlying Share in Market at the Time of the Option Grant (₹)	122.10

## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 29. Discontinued Operations

## a) Description

In January 2019, the Board of Directors of the Holding company had resolved to divest the entire stake of their wholly owned subsidiaries, Gati Realtors Private Limited and Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited), acquired on August 14, 2017 and September 18, 2018 respectively.

Consequently, the associated assets & liabilities are presented as held for sale and is classified as discontinued operations in the financial statements for year ended March 31, 2020 and for the year ended March 31, 2019.

Accordingly, both Gati Realtors Private Limited and Future Retail Destination Private Limited ceased to be the subsidiaries of the Company with effect from August 29, 2019 and October 26, 2019 respectively. 51% stake of both the entities have been sold during the year and Sale of remaining 49% stake is expected to be completed in next 12 Months. The investments are presented separately under assets held for sale.

## b) Financial performance and cash flow information

	Gati Realtors Private Limited		Future Retail Destination Private Limited	
	April 1, 2019 to August 28, 2019	April 1, 2018 to March 31, 2019	April 1, 2019 to October 25, 2019	April 1, 2018 to March 31, 2019
<b>Financial performance</b>				
Revenue from Operations				
Other Income	23.03	-	9.18	30.08
<b>Total</b>	<b>23.03</b>	<b>-</b>	<b>9.18</b>	<b>30.08</b>
<b>Expenses</b>				
Employee benefits expense	-	-	-	5.74
Finance costs	0.78	-	-	-
Depreciation and amortization expense	0.07	0.02	-	-
Other expenses (including impairment loss)	1.25	2.44	23.46	6.37
<b>Total</b>	<b>2.10</b>	<b>2.46</b>	<b>23.46</b>	<b>12.11</b>
<b>Profit before tax</b>	<b>20.93</b>	<b>(2.46)</b>	<b>(14.28)</b>	<b>17.97</b>
Tax Expenses	4.37	-	(3.72)	7.79
<b>Profit from discontinued operations</b>	<b>16.56</b>	<b>(2.46)</b>	<b>(10.56)</b>	<b>10.18</b>

## c) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were classified as held for sale in relation to the discontinued operations as at August 28, 2019 in case of Gati Realtors Private Limited and October 25, 2019 in case of Future Retail Destination Private Limited :

## Earnings per share

Particulars	Gati Realtors Private Limited	Future Retail Destination Private Limited
<b>Assets classified as held for sale:</b>		
Property, Plant and equipment	0.74	1,578.42
Capital Work-in progress	804.43	997.67
Investment properties	996.33	-
Other Non Current Assets	0.90	1.50
Investments	-	548.48
Cash and cash equivalents	126.47	1.61
Trade Receivables	-	-
Other Financial assets	9.77	-
Other assets	0.30	2.06
<b>Total assets of disposal group classified as held for sale</b>	<b>1,938.94</b>	<b>3,129.74</b>
<b>Liabilities directly associated with assets classified as held for sale:</b>		
Borrowings	606.58	-
Trade Payables	3.66	-
Other Liabilities	216.68	198.52
Current tax Liability (net)	4.37	-
Deferred tax Liability (net)	-	4.64
Other current liabilities	8.71	0.57
<b>Total liabilities of disposal group classified as held for sale</b>	<b>840.00</b>	<b>203.73</b>
<b>Net Assets</b>	<b>1,098.94</b>	<b>2,926.01</b>

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

<b>Cash Flow</b>		
Net cash inflow / (outflow) from operating activities	219.79	187.23
Net cash inflow / (outflow) from investing activities	(556.99)	(997.07)
Net cash inflow / (outflow) from financing activities	462.02	-
<b>Net increase / (decrease) in cash generated from discontinued operations</b>	<b>124.82</b>	<b>(809.84)</b>

The following assets and liabilities were classified as held for sale in relation to the discontinued operations as at March 31, 2019 :

<b>Particulars</b>	<b>Gati Realtors Private Limited</b>	<b>Future Retail Destination Private Limited</b>
<b>Assets classified as held for sale:</b>		
Property, Plant and equipment	0.62	-
Capital Work-in progress	189.50	586.18
Investment properties	1,042.10	1,578.42
Other Non Current Assets	0.90	1.50
Investments	-	829.95
Cash and cash equivalents	1.66	80.83
Other assets	-	2.00
<b>Total assets of disposal group classified as held for sale</b>	<b>1,234.78</b>	<b>3,078.88</b>
<b>Liabilities directly associated with assets classified as held for sale:</b>		
Trade Payables	18.64	-
Other Liabilities	1.50	151.67
Deferred tax liability (net)	-	7.79
Other current liabilities	-	0.14
<b>Total liabilities of disposal group classified as held for sale</b>	<b>20.14</b>	<b>159.60</b>
<b>Net Assets</b>	<b>1,214.64</b>	<b>2,919.28</b>

<b>Cash Flow</b>		
Net cash inflow / (outflow) from operating activities	12.27	16.79
Net cash inflow / (outflow) from investing activities	(14,745.49)	778.66
Net cash inflow / (outflow) from financing activities	12,981.33	(1.68)
<b>Net increase / (decrease) in cash generated from discontinued operations</b>	<b>(1,751.89)</b>	<b>793.77</b>

**30. Related party transactions**

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

**(a) Name of related parties and related parties relationship:-**

<b>Name of Related Parties</b>	<b>Relationship</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
PAN India Food Solutions Private Limited	-	
Splendor Fitness Private Limited		
Galaxy Cloud Kitchens Limited (Formerly known as Galaxy Entertainment Corporation Limited)	Director Interest	Director Interest
Grihith Trade Ventures Private Limited (w.e.f. 05.06.2018)	-	
Utility Developers Private Limited (upto 31.07.2018)	Director Interest	Joint Venture
Riddhi Siddhi Mall Management Private Limited		
Gati Realtors Private Limited (w.e.f. 29.08.2019)	Joint Venture	
Future Retail Destination Private Limited (Formerly known as Future Retail Destination Limited) (w.e.f. 26.10.2019)		-
Future Corporate Resources Private Limited (Formerly known as Suhani Trading & Investment Consultants Private Limited)	Holding Company	Holding Company
Retail Trust	Ultimate Parent Entity	Ultimate Parent Entity



## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Name of Related Parties	Relationship	
	March 31, 2020	March 31, 2019
Future Retail Limited	Associate of Holding Company	Associate of Holding Company
Praxis Home Retail Limited	Promoter's Group Company	Promoter's Group Company
Future Enterprises Limited		
Future Generali India Insurance Company Limited		
Future Lifestyle Fashions Limited		
Future Supply Chain Solutions Limited		
Nufuture Digital (India) Limited		
Future Generali India Insurance Company Limited		
Future Media India Limited		
Future Outdoor Media Solutions Limited	Relative of KMP	Relative of KMP
Ms. Ritu Pawan Agarwal		
Ms. Jollamma Anil Cherian	Key Managerial Personnel (KMP)	Key Managerial Personnel (KMP)
Mr. Anil Cherian		
Mr. Pawan Agarwal (upto 20.05.2019)		
Mr. Pramod Arora (upto 08.10.2018)		
Mr. Pawan Agarwal (w.e.f. 21.05.2019)		
Mr. Pramod Arora (w.e.f. 09.10.2018)	Executive Director & CFO	Non-Executive Director
Mr. Sunil Biyani (Director upto 30.05.2018)	Non-Executive Director	
Mr. Rajesh Kalyani	Non-Executive Director	
Ms. Udita Jhunjhunwala	Independent Director	Independent Director
Mr. Vijai Singh Dugar		
Mr. K.A Somayajulu		

## (b) Key management personnel compensation

Particulars	March 31, 2020	March 31, 2019
Short-term employee benefits	91.37	139.88
Post-employment benefits	15.58	11.83
<b>Total</b>	<b>106.95</b>	<b>151.71</b>

## (c) The following transactions were carried out with the Related Parties in the ordinary course of business:-

Nature of Transaction	Joint Ventures	Holding Company	Relative of KMP	Directors	Director Interested	Associate of the Holding Company	KMP	Promoter's Group Company
Interest Income	32.12	-	-	-	-	-	-	-
	36.71	-	-	-	-	-	-	-
Project Management Consultancy	35.00	-	-	-	-	-	-	9.00
	-	-	-	-	-	-	-	-
Brokrage & Commision	-	-	-	-	-	89.84	-	-
	-	-	-	-	-	-	-	-
Lease Rent Expenses	-	-	6.72	-	4.50	5.69	-	12.24
	-	-	6.72	-	6.00	36.89	-	-
Reimbursement of Expenses	-	-	-	-	-	251.31	-	67.48
	-	-	-	-	-	312.04	-	-
Sitting Fees / Remuneration	-	-	-	68.98	-	-	40.88	-

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

Nature of Transaction	Joint Ventures	Holding Company	Relative of KMP	Directors	Director Interested	Associate of the Holding Company	KMP	Promoter's Group Company
	-	-	-	15.85	-	-	142.88	-
<b>Project Expenses</b>	-	-	-	-	-	-	-	<b>625.00</b>
<b>Promotor Contribution</b>	-	450.00	-	-	-	-	-	-
<b>Advances /Loans given net off received back</b>	(68.99)	-	-	-	-	-	-	-
	(459.39)	-	-	-	-	-	-	(2,000.00)
<b>Advances /Loans / Deposits taken net off repaid back</b>	-	-	-	-	-	322.78	-	<b>2,610.82</b>
	-	2,050.00	-	-	(660.23)	181.85	-	-
<b>Purchase of Property, Plant &amp; Equipments and Capital work in progress</b>	-	-	-	-	6.35	1.09	-	-
	-	-	-	-	-	1.99	-	-
<b>Rent Income</b>	-	-	-	-	-	1,287.98	-	<b>762.95</b>
	-	-	-	-	-	1,534.04	-	-
<b>Preference share redumption</b>	1,160.00	-	-	-	-	-	-	-
<b>Dividnd from Pref. Shares #</b>	0.00	-	-	-	-	-	-	-
<b>Deposit received</b>	-	-	-	-	-	56.00	-	-
<b>Insurance Expenses</b>	-	-	-	-	-	-	-	<b>20.97</b>
<b>Miscellaneous Expenses</b>	-	-	-	-	-	0.37	-	-
<b>CAM Income</b>	-	-	-	-	-	355.35	-	<b>140.07</b>
	-	-	-	-	-	334.23	-	-
<b>CAM Paid</b>	-	-	-	-	-	2.89	-	-
<b>Sundry Balance Written off</b>	-	-	-	-	-	3.13	-	<b>199.87</b>
	-	-	-	-	-	5.00	-	-
# Dividend Received ₹ 25.70 (Previous Year ₹ Nil)								
<b>Outstanding Balance as at March 31, 2020</b>								
<b>Receivable</b>	-	-	-	-	28.19	845.28	-	<b>123.69</b>
	-	-	-	-	-	399.35	-	-
<b>Payables</b>	-	-	-	0.65	-	7,451.00	0.25	<b>683.94</b>
	-	-	-	-	3.24	5.00	-	-
<b>Subordinated Debt</b>	-	5,355.97	-	-	-	-	-	-
	-	5,355.97	-	-	-	-	-	-
<b>Loans &amp; Advances</b>	640.33	-	-	-	-	-	-	<b>1.51</b>
	68.99	-	-	-	-	-	-	-
<b>Loan / Advance Taken</b>	-	-	-	-	-	12,901.24	-	<b>16,029.26</b>
	-	2,500.00	-	-	-	(12,578.46)	-	-
<b>Investments in OCPs</b>	770.64	-	-	-	-	-	-	-
<b>Security Deposits Taken</b>	-	-	-	-	49.74	459.00	-	<b>205.94</b>
	-	-	-	-	-	504.00	-	-

Note: Figures in italic represents previous year's figures.

## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## (d) Significant Related Party transactions:

Nature of Transaction	Name of the Company	March 31, 2020	March 31, 2019
Interest Income	Gati Realtors Private Limited	28.93	-
	Riddhi Siddhi Mall Management Private Limited	3.19	36.71
Brokrage & Commision	Future Retail Limited	-	89.84
Project Management Consultancy	Riddhi Siddhi Mall Management Private Limited	35.00	-
	Nufuture Digital (India) Limited	9.00	-
Lease Rent Expenses	Jollamma Anil Cherian	3.36	3.36
	Ritu Pawan Agarwal	3.36	3.36
	Galaxy Cloud Kitchens Limited (formerly known as Galaxy Entertainment Corporation Limited)	4.50	6.00
	Future Retail Limited	5.69	-
	Future Lifestyle Fashions Limited	12.24	-
	Future Retail Limited	-	36.89
Reimbursement of Expenses	Future Retail Limited	251.31	275.59
	Praxis Home Retail Limited	47.64	36.45
	Future Lifestyle Fashions Limited	19.85	-
Remuneration to KMP	Mr. Pawan Agarwal	51.78	52.37
	Mr. Anil Cherian	39.58	41.42
	Mr. Pramod Arora	-	46.09
Sitting Fees	Mr. Pawan Agarwal	1.70	1.60
	Mr. Anil Cherian	1.30	1.40
	Mr. Rajesh Kalyani	3.35	3.35
	Mr. Sunil Biyani	1.60	1.20
	Mr. Vijai Singh Dugar	5.10	5.55
	Mr. K.A Somayajulu	3.55	3.55
	Mr. Pramod Arora	0.80	0.80
	Ms. Udit Jhunjhunwala	1.10	1.40
	Ms. Udit Jhunjhunwala	1.10	1.40
Pref. Shares Redemption	Riddhi Siddhi Mall Management Private Limited	1,160.00	-
Dividend from Pref. Shares Redemption	Riddhi Siddhi Mall Management Private Limited	-	-
Insurance Expenses	Future Generali India Insurance Company Limited	20.80	-
	Future Generali India lifeInsurance Company Limited	0.17	-
Project Expenses	Future Supply Chain Solutions Limited	625.00	-
Loan Given net off received Back	Utility Developers Private Limited	-	(0.44)
	Riddhi Siddhi Mall Management Private Limited	(68.99)	(458.95)
	Future Outdoor Media Solutions Limited	-	(2,000.00)
Advances /Loans taken net off repaid back	Future Retail Limited	322.78	181.85
	Future Enterprises Limited	2,394.15	-
	Future Supply Chain Solutions Limited	216.68	-
	Grihith Trade Ventures Private Limited	-	(660.23)
	Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investments Private Limited)	-	2,500.00
Deposit Received	Future Retail Limited	-	56.00
Purchase	Future Retail Limited	1.09	1.99
	Galaxy Cloud Kitchens Limited (formerly known as Galaxy Entertainment Corporation Limited)	6.35	-

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

Nature of Transaction	Name of the Company	March 31, 2020	March 31, 2019
<b>Rent Income</b>	Future Retail Limited	1,287.98	1,406.77
	Praxis Home Retail Limited	193.73	127.28
	Future Lifestyle Fashions Limited	569.21	-
<b>Staff Welfare Expenses</b>	Kamadgiri Fashion Limited	-	0.37
<b>CAM Income</b>	Future Retail Limited	355.35	267.10
	Praxis Home Retail Limited	88.13	67.14
	Future Supply Chain Solutions Limited	43.94	-
	Future Lifestyle Fashions Limited	8.00	-
<b>CAM Paid</b>	Future Retail Limited	2.89	-
<b>Promotor's Contribution</b>	Future Corporate Resources Private Limited (Formerly Known as "Suhani Trading and Investment Private Limited")	-	450.00
<b>Sundry Balance Written off</b>	Future Retail Limited	3.13	5.00
	Praxis Home Retail Limited	0.02	-
	Future Lifestyle Fashions Limited	189.00	-
	Future Media India Limited	10.85	-

**31. In respect of lease taken by the company, the future minimum lease rental obligation under :**

- (i) Amount recognised in the balance sheet

**Right-of-use assets**

Particulars	As at March 31, 2020
<b>As at March 31, 2019 -</b>	
Right-of-use assets on transition	-
Additions	17,393.07
Depreciation charge for the year	2,915.70
Deletions	-
<b>Net carrying amount as at March 31, 2020</b>	<b>14,477.37</b>

**Lease liabilities**

Maturity analysis of lease liabilities

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i)	Not later than one year	4,758.81	2,664.37
ii)	Later than one year but not later than five years	7,484.90	8,074.25
iii)	Later than five years	1,344.13	3,021.35

Effective 1 April 2019, the company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Consequently the company recorded the lease liability and right of use assets at the present value of the lease payments discounted at incremental borrowings as on the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted.

Particulars	As at March 31, 2020
<b>(ii) Amounts recognised in the Statement of Profit or Loss</b>	
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	2,915.70
Interest expense (included in finance costs)	2,521.20
Expense relating to short-term leases (included in other expenses)	393.97
Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	-
Income from subleasing right-of-use assets (included in other income)	-
<b>(iii) Gains or losses arising from sale and leaseback transactions -</b>	<b>-</b>
<b>(iv) The total cash outflow for leases during the year ended March 31, 2020</b>	<b>5,119.37</b>

## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## 32. In respect of operating lease given by the company, the future minimum lease rental receivable under operating leases is as follows:

S. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i)	Gross block of assets let out on operating lease	26,149.69	26,096.79
ii)	Accumulated depreciation as at March 31	11,746.37	9,534.73
iii)	Depreciation charged during the year to the Statement of Profit and Loss	5,113.97	2,511.91
iv)	Lease rentals recognised in Statement of Profit and Loss	8,722.04	8,352.54
v)	Lease rentals receivable not later than one year	8,722.04	5,953.03
vi)	Lease rentals receivable later than one year and not later than five years	26,090.02	14,918.32
vii)	Lease rentals receivable later than five years	-	-

## 33. Payable to MSME

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

## 34. Interests in other entities

## (a) Subsidiaries

The Group's subsidiaries are set out below. Share capital consisting solely of equity shares that are held directly by the group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Date of acquiring subsidiary	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Aashirwad Malls Private Limited	20-Jan-12	India	100.00%	100.00%	NIL	NIL	Mall Management
Suhani Mall Management Company Private Limited	20-Jan-12	India	86.26%	86.26%	13.74%	13.74%	Mall Management
Sun City Properties Private Limited	20-Jan-12	India	55.17%	55.17%	44.83%	44.83%	Mall Management
Future Trade Markets Private Limited	16-Aug-17	India	100.00%	100.00%	NIL	NIL	Ware-housing & Real Estate
Jeremia Real Estate Private Limited	27-Aug-18	India	100.00%	100.00%	NIL	NIL	Ware-housing & Real Estate
Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited) (upto 25.10.2019)*	18-Sep-18	India	-	100.00%	-	NIL	Ware-housing & Real Estate
Gati Realtors Private Limited (upto 28.08.2019)*	14-Aug-17	India	-	100.00%	-	NIL	Ware-housing & Real Estate

\* In January, 2019 the Board of Directors resolved to sell the entire stake of their wholly owned subsidiaries, Gati Realtors Private Limited and Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited). Out of total holding, 51% shares of both entities has been sold during the year. Sale of remaining 49% stake of both entities is expected to be completed in next 12 months.

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**(b) Non-controlling interests (NCI)**

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-group eliminations.

	Suhani Mall Management Private Limited		Sun City Properties Private Limited	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
<b>Summarised balance sheet</b>				
Current assets	2,936.12	2,667.54	84.47	62.56
Current liabilities	5,131.98	5,161.48	739.42	654.97
<b>Net current assets</b>	<b>(2,195.86)</b>	<b>(2,493.94)</b>	<b>(654.95)</b>	<b>(592.41)</b>
Non-current assets	5,512.33	5,824.20	842.53	779.90
Non-current liabilities	811.81	379.42	-	-
<b>Net non-current assets</b>	<b>4,700.52</b>	<b>5,444.78</b>	<b>842.53</b>	<b>779.90</b>
<b>Net assets</b>	<b>2,504.66</b>	<b>2,950.84</b>	<b>187.58</b>	<b>187.49</b>
<b>Accumulated NCI</b>	<b>391.37</b>	<b>410.55</b>	<b>84.08</b>	<b>84.04</b>
	Suhani Mall Management Private Limited		Sun City Properties Private Limited	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
<b>Summarised statement of profit and loss</b>				
Revenue	480.28	438.48	2.91	2.92
Profit for the year	147.87	62.24	0.09	0.92
Other comprehensive income	(320.61)	470.38	-	-
<b>Total comprehensive income</b>	<b>(172.74)</b>	<b>532.62</b>	<b>0.09</b>	<b>0.92</b>
<b>Profit allocated to NCI</b>	<b>(23.73)</b>	<b>73.18</b>	<b>0.04</b>	<b>0.41</b>
<b>Dividends paid to NCI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Suhani Mall Management Private Limited		Sun City Properties Private Limited	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
<b>Summarised cash flow</b>				
Cash flows from operating activities	209.69	3,067.49	(14.87)	(0.74)
Cash flows from investing activities	7.07	(498.65)	(59.73)	(70.60)
Cash flows from financing activities	(19.73)	(2,572.83)	74.20	71.33
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>197.03</b>	<b>(3.99)</b>	<b>(0.40)</b>	<b>(0.01)</b>

## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

## (c) Interests in associates and joint ventures

Set out below are the joint ventures of the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly or indirectly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of Entity	Place of business/ country of incorporation	Relationship	Proportion of Interest (%)	Accounting method	Carrying Value		Share of (Profit) / Loss from Associates and Joint Ventures	
					March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Gati Realtors Private Limited (from 28.08.2019)*	India	Join Venture	49.00%	Equity method	2,140.11	-	14.43	-
Riddhi Siddhi Mall Management Private Limited	India	Join Venture	50.00%	Equity method	1,612.20	1,669.62	(103.57)	(147.75)
Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited) (from 25.10.2019)*	India	Join Venture	49.00%	Equity method	1,585.10	-	12.27	-
<b>Total equity accounted investments</b>					<b>5,337.41</b>	<b>1,669.62</b>	<b>(76.87)</b>	<b>(147.75)</b>

Summarised balance sheet	Year ended	Current assets	Current liabilities	Net current assets	Non-current assets	Non-current liabilities	Net non-current assets	Net assets	% of share
Riddhi Siddhi Mall Management Private Limited	March 31, 2020	795.84	2,789.49	(1,993.65)	6,454.05	213.23	6,240.82	<b>4,247.17</b>	<b>2,123.59</b>
	March 31, 2019	346.48	141.99	204.49	6,235.69	80.16	6,155.53	<b>6,360.02</b>	<b>3,180.01</b>
Future Retail Destination Private Limited (formerly known as Future Retail Destination Limited) (w.e.f. 25.10.2019)	March 31, 2020	1,125.01	302.36	822.65	5,257.72	2,842.20	2,415.52	<b>3,238.17</b>	<b>1,586.70</b>
	March 31, 2019	-	-	-	-	-	-	-	-
Gati Realtors Private Limited (w.e.f. 28.08.2019)	March 31, 2020	1,157.60	1,399.01	(241.41)	8,427.52	5,547.04	2,880.48	<b>2,639.07</b>	<b>1,293.14</b>
	March 31, 2019	-	-	-	-	-	-	-	-

Summarised statement of profit and loss	Year ended	Revenue	Profit for the year	Other comprehensive income	Total comprehensive income
Riddhi Siddhi Mall Management Private Limited	March 31, 2020	725.93	207.15	-	207.15
	March 31, 2019	656.46	295.51	-	295.51
Future Retail Destination private Limited Formerly known as Future Retail Destination Limited) (w.e.f. 25.10.2019)	March 31, 2020	5.18	(35.62)	-	(35.62)
	March 31, 2019	-	-	-	-
Gati Realtors Private Limited (w.e.f. 28.08.2019)	March 31, 2020	32.61	(12.88)	-	(12.88)
	March 31, 2019	-	-	-	-

**Notes to the consolidated financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**35. Additional Information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiary -**

Name of Enterprise	Net assets i.e Total Assets Minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	%	Amount	%	Amount	%	Amount	%	Amount
<b>Parent</b>								
Future Market Networks Limited	53.89%	8,558.80	97.65%	2,847.36	4.92%	(16.59)	109.78%	2,830.77
<b>Subsidiaries:</b>								
Aashirwad Malls Private Limited	3.49%	553.70	-0.59%	(17.19)	0.00%	-	-0.67%	(17.19)
Suhani Mall Management Company Private Limited	18.19%	2,889.00	6.21%	180.98	95.08%	(320.60)	-5.41%	(139.62)
Sun City Properties Private limited	9.70%	1,541.01	0.00%	0.09	0.00%	-	0.00%	0.09
Future Trade Markets Private Limited	14.57%	2,314.85	-2.62%	(76.36)	0.00%	-	-2.96%	(76.36)
Gati Realtors Private Limited	0.00%	-	-0.22%	(6.45)	0.00%	-	-0.25%	(6.45)
Future Retail Destination Private Limited	0.00%	-	-0.36%	(10.57)	0.00%	-	-0.41%	(10.57)
Jeremia Real Estate Private Limited	0.16%	25.93	-0.07%	(1.97)	0.00%	-	-0.08%	(1.97)
<b>Total</b>	100%	15,883	-100.00%	2,915.89	-100%	(337.19)	-100.00%	2,578.70
<b>Minority Interest in all subsidiaries</b>		<b>475.45</b>		<b>24.91</b>		<b>(44.05)</b>		<b>(19.14)</b>
<b>Joint Ventures</b>		<b>1,612.20</b>		<b>76.87</b>		<b>-</b>		<b>76.87</b>
<b>Total</b>		<b>17,020.04</b>		<b>2,967.85</b>		<b>(293.14)</b>		<b>2,674.71</b>

**36. Change in Tax Rate**

On September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies; an option to pay income tax at reduced rate (i.e 22% plus applicable surcharge and cess) effective from April 1, 2019, subject to certain conditions. The tax expenses for the year ended March 31, 2020 have been provided at reduced tax rate.

**37. Scheme of Merger by absorption of Star Shopping Centres Private Limited**

The Holding Company had entered into a Scheme of Merger by absorption of Star Shopping Centres Private Limited (Star) and their respective Shareholders under Section 230-232 and other applicable provisions of the Companies Act, 2013 ("the Act") in order to consolidate the business under single entity. The Scheme was approved by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on August 2, 2019 with appointed date as April 1, 2017.

Pursuant to the aforesaid Scheme of merger the Authorized Share Capital of the Holding Company has been increased to ₹ 9,035.00 lakhs (Rupees Nine Thousand Thirty Five Lakhs) divided into 9,03,00,000 equity shares of ₹ 10/- each and 5,000 Preference Shares of ₹ 100/- each.

- a) The figures for the current year include figures of Star Shopping Centres Private Limited (STAR / Transferor Company), the subsidiary of the Company (60% of the paid up share capital held by the Company), which is amalgamated with the Company with effect from April 1, 2017, being the appointed date, as per the Scheme of Merger by absorption ("the scheme") of Star Shopping Centres Private Limited (Star) and their respective Shareholders under Section 230-232 and other applicable provisions of the Companies Act, 2013 ("the Act") sanctioned Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on August 2, 2019 with appointed date as April 1, 2017 and are therefore to that extent not comparable with those of previous year.
- b) In accordance with the scheme and as per approval of the NCLT:
  - i) The assets and liabilities of STAR have been transferred to and vested with the Holding Company with effect from April 1, 2017 and have been recorded at their respective fair values under the purchase method of accounting for amalgamations as prescribed in Indian Accounting Standard 103 on Accounting of Amalgamations.
  - ii) Consequent to Merger by absorption, the Holding Company allotted 12,53,100 Equity Shares of ₹ 10/- each fully paid up on September 24, 2019 to the eligible shareholders of Transferor Company who holds 40% of the paid up share capital of Transferor Company and 60% of the equity capital held by the Holding Company in Transferor Company shall be cancelled.



## Notes to the consolidated financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Accordingly, the Holding Company has accounted for the merger under the purchase consideration method retrospectively for all periods presented in the above results as prescribed in Ind AS 103 - Business Combinations of entities under joint control. Accordingly, the previous period/ year numbers have been restated with effect from April 1, 2017, being the Appointed Date, as provided in the Scheme. The impact of the merger on these results is as under :

Particulars	As at March 31, 2019	
	Reported	Restated
<b>Non-current assets</b>		
Property, plant and equipment	8,864.62	8,880.82
Deferred tax assets (net)	6,344.15	6,268.53
<b>Current assets</b>		
<b>Financial assets</b>		
Trade receivables	1,149.04	1,127.72
Cash and cash equivalents	427.20	534.74
Other current assets	2,111.84	922.59
<b>Equity</b>		
Other Equity	14,253.44	12,307.79
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Other financial liabilities	1,755.56	1,815.76
Provisions	27.31	34.51
Other non-current liabilities	634.38	655.30
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Trade payables	459.11	593.64
Other financial liabilities	4,145.27	6,413.29
Other current liabilities	24,370.03	24,157.24
Provisions	0.49	40.98

Particulars	Year ended	
	Reported	Restated
Revenue from operations	10,860.48	13,126.74
Profit / (Loss) before tax	1,233.99	1,313.38
Profit / (Loss) after tax	949.87	996.57

**38. Impact of COVID-19**

Due to the outbreak of COVID-19 globally and in India, the Group's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19, and believes that the impact is likely to be medium term in nature. The management does not see any long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

**39. Contingent Liabilities not provided for:**

- Corporate Guarantee given to bank on behalf of Companies - ₹ 18,750 Lakhs (2019: ₹ 18,750 Lakhs) (Refer Note 34 of standalone financial statements)
- Corporate Guarantee given to NBFC for sanctioning term loan of ₹ 14,000 lakhs (2019 : ₹ Nil) to Hare Krishna Operating Lease Private Limited for exclusive charge on immovable property of R Mall situated at Lal Bahadur Shastri Marg, Revenue Village of Mulund West to the extent of - ₹ 7,000 lakhs (2019 : ₹ Nil). The fair value of the immovable property as at March 31, 2020 is ₹12,248.16 lakhs. (Refer Note 34 of standalone financial statements)

**Notes to the consolidated financial statements for the year ended March 31, 2020**

**(All amounts in INR lakhs, unless otherwise stated)**

- c) Service Tax disputed demand - ₹ Nil (2019 : ₹ 95.80 lakhs)

The demand is related to the tax liabilities of the erstwhile owner of the commercial property situated at D-09, Dhanvantari Chikitsa Kendra Yojna, Nanakheda, Ujjain, Madhya Pradesh – 456010. The property was acquired from a financial institution and not from the alleged assessee/erstwhile owner.

Based on the interpretation of relevant provisions, the Company has been legally advised that the demand is not maintainable and accordingly no provision has been made.

- (d) In an Arbitration proceedings before the sole Arbitrator, appointed by the Hon'ble High Court of Calcutta, in respect of disputes arose out of termination of a license agreement related to a shopping mall, the Arbitrator has awarded a net amount of ₹ 1,290.52 lakhs to the Claimant after allowing certain counter claims of the Company.

The Company has filed an Arbitration Petition challenging the arbitration award U/s 34 of Arbitration and Conciliation Act, 1996 before the Hon'ble High Court, Calcutta. Claimant through its Proprietor has also challenged the aforesaid arbitration award before the Hon'ble High Court, Calcutta. The matters are pending before the High Court, Calcutta.

- (e) The Company has sub lease rights with respect to the above OCC mall in Mumbai and there were serious disputes amongst the parties under the said arrangement. The parties have arrived at a settlement in a suit filed by the Company and tendered consent terms with Hon'ble High Court of Bombay in the suit filed by the Company viz. Consent Terms dated December 8, 2017 and Supplemental Consent Terms dated April 2019 (Consent Terms). The Consent Terms deals with settlement of long standing dispute between the Company including settlement of past claims of sub lessor (Neel Kamal City Shopping Mall (India) Limited - which has taken it on lease from the lessor and sub-leased it to the Company) under the original arrangement till March 31, 2019 for an amount of ₹ 1,741 lakhs (over and above the existing receivables standing in the books), out of which ₹ 491 lakhs was paid during the year under review, with an arrangement for future periods including reduced rentals for the sub lease period upto August 2027. The arrangement deals with entitlement of lease rental in respect of premises owned by various third parties and a minority of such third party owners have intervened in the matter raising objections with respect of approval of consent terms by the Hon'ble Court. The Court has taken the consent terms on record but not yet issued an order sanctioning the Consent Terms. In case, the Consent Terms are accepted as filed, the Company will have to honour its payment obligations for the said amount and the parties shall be administrated in terms of the Consent Terms. However, if the Consent Terms are not approved, the parties shall be relegated to the original position of the suit filed by the Company. In view of this, the above has been disclosed as contingent liabilities pending approval of Hon'ble High Court in relation to the Consent Terms.

Also, few Gala owners of the mall have filed claim of ₹ 218.53 lakhs against the company to pay the lease rental/claim amount along with @18% interest, for appointment of court receiver, appointment of commissioner to visit suit premises and retained from subletting and/or giving the suit premises on Leave and License basis or parting with possession or inducting any third party.

- (f) Demand due to delay in payment of interest under section 31(4) under Maharashtra Stamp Act for ₹ 90.83 lakhs (2019 : ₹ Nil) with regard to the amalgamation of Future Realtors (India) Private Limited, AIGL Holdings & investments Private Limited and Prudent Vintrade Private Limited with Future Market Networks Limited (formerly known as Agre Developers Limited) affected in January 2012.
- (g) A debt recovery case was filed by Union Bank of India of ₹ 294.67 lakhs before Debt Recovery Tribunal -III Kolkata. The company has filed fresh interim application against the defendant and the matter is postponed to April 17, 2020 against the Learned DIT III.
- (h) An arbitration petition was filed by Mr.LaxmiPat Surana before High Court at Calcutta for occupational charges in respect of the licensed premises situated at Block B Puja Complex, known as Puja the Mega Mart at Jhargram Rd, Kharagpur. Accordingly the court has passed the direction in the favour of the petitioner for ₹ 7,050.61 lakhs. However, the matter could not be taken due to COVID 19 situation.
- (i) An Execution Application was filed by Laxmi Pat Surana (Petitioner) before the High Court at Calcutta to pay ₹ 2,573.99 lakhs. However, there is no further progress under this matter.
- (j) TDS disputed demand - ₹ 5.46 lakhs (2019 : ₹ 5.46 lakhs)

The demand is related to the penalty levied u/s 272A(2)(g) of the Income Tax Act, 1961 pertaining to financial year 2014-15. The Company has filed an appeal against the demand.

**40. Capital Commitments / Asset Purchase Agreement / Put Option Agreement**

- (a) Estimated amount of contract remaining to be executed on capital work in progress and not provide for - ₹ Nil (2019 : ₹ 14.40 lakhs)

- (b) In the previous year, the Company (FMNL) has entered into a put option asset purchase agreement, wherein the FMNL has issued a put option to Axis Bank Ltd in relation to a loan facility of ₹ 7,500 lakhs provided by the Bank to a Borrower for purchase of assets being movable assets. In case of default by the borrower, the Bank can enforce the put option agreement entered with FMNL, whereby FMNL shall be obligated to purchase the assets acquired by the Borrower out of the loan amount, at a price which shall not be less than the outstanding loan obligation of the Borrower towards the Bank.

FMNL had also mortgaged its immovable property with the bank against the facility given by the Bank to the borrower, as a part of the above transaction. (Included in Note 27 - Assets Pledged as Security)

**For S K Patodia & Associates**  
**Chartered Accountants**  
**Firm Registration No. : 112723W**

**Dhiraj Lalpuria**  
**Partner**  
**Membership Number : 146268**

**Place : Mumbai**  
**Date : June 30, 2020**

**For and on behalf of the Board of Directors**

**Vijai Singh Dugar**  
**Director**  
**DIN: 06463399**

**Pawan Agarwal**  
**Executive Director and Chief Financial Officer**  
**DIN: 01435580**

**Place : Mumbai**  
**Date : June 30, 2020**

**Rajesh Kalyani**  
**Director**  
**DIN: 00220632**

**Anil Cherian**  
**Head - Legal and Company Secretary**





# FUTURE MARKET NETWORKS

catalysing consumption

CIN: L45400MH2008PLC179914

Registered Office:

Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (E), Mumbai - 400060  
Website : [www.fmn.co.in](http://www.fmn.co.in)

# FUTURE RETAIL



Future Retail Limited  
Registered Office: Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060  
P +91 22 6644 2200, F + 91 22 6644 2201, www.futureretail.co.in  
CIN : L51909MH2007PLC268269

5th July, 2019

To,  
Dept. of Corporate Services (CRD)  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

To,  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra - Kurla Complex, Bandra (East)  
Mumbai- 400 051

Scrip Code: 540064  
Scrip Code of Debt : 958809 & 958810

Symbol: FRETAIL

Dear Sir / Madam

**Sub: Annual Report for the financial year ended 31st March, 2019 along with Notice of Twelfth (12<sup>th</sup>) Annual General Meeting.**

Please note that the Twelfth (12<sup>th</sup>) Annual General Meeting ("AGM") of the Members of the Company is scheduled on Tuesday, the 30th day of July, 2019, at 11:30 AM at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021.

Pursuant to Regulation 30, 34 and all other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith Annual Report for the financial year ended 31st March, 2019 and the Notice of the AGM along with Attendance Slip, Proxy Form, which are being sent to the Members of the Company through permitted mode.

The aforesaid documents are also made available on the website of the Company at [www.futureretail.co.in](http://www.futureretail.co.in).

You are kindly requested to take the same on you records.

Thanking you,

Yours faithfully,  
For Future Retail Limited

Virendra Samani  
Company Secretary



Encl.: as above.

# FUTURE RETAIL

## Future Retail Limited

Regd. Off.: Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060  
Tel. No.: +91 22 6644 2200; Fax No.: +91 22 6644 2201; CIN: L51909MH2007PLC268269  
Website: [www.futureretail.co.in](http://www.futureretail.co.in); E-mail ID: [investorrelations@futureretail.in](mailto:investorrelations@futureretail.in)

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### NOTICE

**NOTICE** is hereby given that the Twelfth Annual General Meeting of the Members of Future Retail Limited will be held at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021 on Tuesday, July 30, 2019 at 11:30 AM to transact the following business:

#### ORDINARY BUSINESS:

**1. To receive, consider and adopt**

- a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Board of Directors and the Statutory Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Statutory Auditors thereon.

**2. To appoint a Director in place of Mr. Kishore Biyani (DIN: 00005740), who retires by rotation and being eligible, offers himself for re-appointment.**

#### SPECIAL BUSINESS:

**3. Approval for payment of remuneration to Mr. Kishore Biyani as Managing Director.**

To consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (**“the Act”**) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to the Act (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) thereof or supplements thereto (**“SEBI Listing Regulations”**) and subject to the Articles of Association of the Company and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities while granting such approvals, permissions and sanctions and as recommended by Nomination and Remuneration Committee and approved by Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall deem to include the Nomination and Remuneration Committee or any other Committee constituted or to be constituted to exercise the powers including the powers conferred under this resolution), the consent of the Members of the Company be and is hereby accorded for the payment of remuneration on proportionate basis of annual payment of ₹ 5.95 crore (inclusive of commission) to Mr. Kishore Biyani (DIN: 00005740) as Managing Director for the period from April 1, 2019 to May 1, 2019 (remainder term of his previous tenure of appointment) and that Mr. Kishore Biyani be paid remuneration on the same basis as was paid for the financial year 2018-19 and proportionate commission thereto, as applicable.

**RESOLVED FURTHER THAT** pursuant to the Regulation 17(6)(e) of SEBI Listing Regulations, the approval of the Members be and is hereby also accorded to pay annual remuneration to Managing Director exceeding ₹ 5.00 crore or 2.50 percent of the net profits of the Company, whichever is higher on a proportionate basis.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to vary, amend, modify or revise the terms of remuneration specified above from time to time to the extent the Board may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified above and as permitted under the relevant provisions of the Act and/or as approved by the competent authority.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution including filing of necessary forms with the Registrar of Companies, Maharashtra, Mumbai/Ministry of Corporate Affairs in connection with payment of remuneration and to seek approvals and settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company.”



4. **Approval for re-appointment of Mr. Kishore Biyani as Managing Director of the Company and payment of remuneration thereof.**

To consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (**“the Act”**) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to the Act (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) thereof or supplements thereto (**“SEBI Listing Regulations”**) and subject to the Articles of Association of the Company and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities while granting such approvals, permissions and sanctions and as recommended by Nomination and Remuneration Committee and approved by Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall deem to include the Nomination and Remuneration Committee or any other Committee constituted or to be constituted to exercise the powers including the powers conferred under this resolution), the consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Kishore Biyani (DIN: 00005740) as Managing Director of the Company, for a period of 3 (Three) years with effect from May 2, 2019 on such terms and conditions and Remuneration as set out in the statement annexed to this Notice.

**RESOLVED FURTHER THAT** pursuant to the Regulation 17(6)(e) of SEBI Listing Regulations, the approval of the Members be and is hereby also accorded to pay annual remuneration to Managing Director, exceeding the limit of ₹ 5.00 crore or 2.50 percent of the net profits of the Company, whichever is higher, during the currency of the tenure.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 of the Act read with Schedule V of the Act, where in any financial year during the currency of the tenure of Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to Managing Director the above Remuneration, excluding the commission, as the minimum remuneration for the aforesaid period, by way of salary, perquisites and other allowances and benefits and subject to receipt of the requisite approvals, if any.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to vary, amend, modify or revise the terms of Remuneration payable from time to time to the extent the Board may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified above and as permitted under the relevant provisions of the Act and/or as approved by the competent authority.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution including filing of necessary forms with the Registrar of Companies, Maharashtra, Mumbai/Ministry of Corporate Affairs in connection with such appointment and payment of remuneration and to seek approvals and settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company.”

5. **Approval for payment of remuneration to Mr. Rakesh Biyani as Jt. Managing Director.**

To consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (**“the Act”**) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to the Act (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) thereof or supplements thereto (**“SEBI Listing Regulations”**) and subject to the Articles of Association of the Company and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities while granting such approvals, permissions and sanctions and as recommended by Nomination and Remuneration Committee and approved by Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall deem to include the Nomination and Remuneration Committee or any other Committee constituted or to be constituted to exercise the powers including the powers conferred under this resolution), the consent of the Members of the Company be and is hereby accorded for the payment of remuneration on proportionate basis of annual payment of ₹ 5.43 crore (inclusive of commission) to Mr. Rakesh Biyani (DIN: 00005806) as Jt. Managing Director for the period from April 1, 2019 to May 1, 2019 (remainder term of his previous tenure of appointment) and that Mr. Rakesh Biyani be paid remuneration on the same basis as was paid for the financial year 2018-19 and proportionate commission thereto, as applicable.

**RESOLVED FURTHER THAT** pursuant to the Regulation 17(6)(e) of SEBI Listing Regulations, the approval of the Members be and is hereby also accorded to pay annual remuneration to Jt. Managing Director exceeding ₹ 5.00 crore or 2.50 percent of the net profits of the Company, whichever is higher on a proportionate basis.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to vary, amend, modify or revise the terms of remuneration specified above from time to time to the extent the Board may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified above and as permitted under the relevant provisions of the Act and/or as approved by the competent authority.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution including filing of necessary forms with the Registrar of Companies, Maharashtra, Mumbai/Ministry of Corporate Affairs in connection with such payment of remuneration and to seek approvals and settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company.”

**6. Approval for re-appointment of Mr. Rakesh Biyani as Jt. Managing Director of the Company and payment of remuneration thereof.**

To consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (**“the Act”**) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to the Act (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) thereof or supplements thereto (**“SEBI Listing Regulations”**) and subject to the Articles of Association of the Company and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities while granting such approvals, permissions and sanctions and as recommended by Nomination and Remuneration Committee and approved by Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall deem to include the Nomination and Remuneration Committee or any other Committee constituted or to be constituted to exercise the powers including the powers conferred under this resolution), the consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Rakesh Biyani (DIN: 00005806) as Jt. Managing Director of the Company, for a period of 3 (Three) years with effect from May 2, 2019 on such terms and conditions and Remuneration as set out in the statement annexed to this Notice.

**RESOLVED FURTHER THAT** pursuant to the Regulation 17(6)(e) of SEBI Listing Regulations, the approval of the Members be and is hereby also accorded to pay annual remuneration to Jt. Managing Director, exceeding the limit of ₹ 5.00 crore or 2.50 percent of the net profits of the Company, whichever is higher, during the currency of the tenure.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 of the Act read with Schedule V of the Act, where in any financial year during the currency of the tenure of Jt. Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to Jt. Managing Director the above Remuneration, excluding the commission, as the minimum remuneration for the aforesaid period, by way of salary, perquisites and other allowances and benefits and subject to receipt of the requisite approvals, if any.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to vary, amend, modify or revise the terms of Remuneration payable from time to time to the extent the Board may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified above and as permitted under the relevant provisions of the Act and/or as approved by the competent authority.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution including filing of necessary forms with the Registrar of Companies, Maharashtra, Mumbai/Ministry of Corporate Affairs in connection with such appointment and payment of remuneration and to seek approvals and settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company.”

**7. Approval for entering into Material Related Party Transaction(s).**

To consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in partial modification of the earlier resolution(s) passed by the Members of the Company and pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (**“the Act”**) read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) thereof or supplements thereto (**“SEBI Listing Regulations”**), the provisions of the Memorandum and Articles of Association of the Company and the applicable rules, guidelines and circulars issued by the concerned statutory or regulatory authorities, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall include the Audit Committee or any other Committee constituted or to be constituted to exercise the powers including the powers conferred under this resolution), for entering into the Material Related Party Transaction(s) as entered/ to be entered into by the Company during the financial year 2019-20, as set out in the statement annexed to this Notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to settle and finalise all issues that may arise in this regard, including without limitation, negotiation, finalising and executing necessary agreements, undertakings, memorandum, deeds, documents and such other papers or writings as may be deemed necessary or expedient in its own discretion and in the best interest of the Company without further referring to the Members of the Company and further authorised to delegate all or any of its powers herein conferred to the Committee and/or any Director(s)/Officer(s) of the Company, to give effect to this resolution.”

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of Members not exceeding 50 (Fifty) and holding in aggregate not more than 10% (Ten percent) of the total share capital of the Company. Proxies submitted on behalf of Corporate Members must be supported by an appropriate resolution/authority, as applicable.
2. A Member holding more than 10% (Ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholders.
3. Proxy in the prescribed Form No. MGT-11 as enclosed herewith, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, signed and stamped, not less than 48 (Forty Eight) hours before the commencement of the Twelfth Annual General Meeting ("**AGM**").
4. Pursuant to Section 113 of the Companies Act, 2013 ("**the Act**") and rules framed thereunder, the Corporate Members intending to send their authorised representatives to attend the AGM are requested to send to the Company, a certified copy of the board resolution or power of attorney, if any, authorising their representative(s) to attend and vote, on their behalf, at the AGM.
5. The Statement pursuant to Section 102 of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
6. The Register of Directors and Key Managerial Personnel(s) and their shareholding maintained under Section 170 of the Act along with other Statutory Registers as required under the provisions of Act, will be available for inspection by the Members at the AGM.
7. All documents referred in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9:00 AM to 5:00 PM) on all working days between Monday to Friday of every week, up to the date of the AGM of the Company.
8. Members can avail themselves, the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled into the Company's Registrar & Transfer Agents ("**R&T Agents**"). Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
9. The Securities and Exchange Board of India ("**SEBI**") has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service ("**ECS**") to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments. Members are encouraged to avail ECS facility and requested to update bank account details in the prescribed form to their respective Depository Participant(s) and/or the Company's R&T Agents.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail ID, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code etc., to their respective Depository Participant(s) in case the shares are held in electronic form and to the Company's R&T Agents in case the shares are held in physical form.
11. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of the above, Members are advised to dematerialise shares held by them in physical form.
12. Electronic copy of the Annual Report for financial year 2018-19 and the Notice of the AGM *inter-alia* indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form are being sent to all the Members whose e-mail ID are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for hard copies of the same. For Members who have not registered their e-mail ID, physical copies of the aforesaid documents are being sent through permitted mode.
13. Members who have not registered their e-mail ID so far are requested to register the same for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company in electronic form.
14. Members may also note that the Notice of this AGM and the Annual Report for financial year 2018-19, will be available on the Company's website [www.futureretail.co.in](http://www.futureretail.co.in) and also on website of NSDL at <https://www.evoting.nsdl.com/> for their download. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the Members may also send request to the Company's investor relations e-mail ID: [investorrelations@futureretail.in](mailto:investorrelations@futureretail.in).
15. Members are requested to send their queries with regard to the Accounts at least 7 (Seven) days in advance at the Registered Office of the Company.
16. Members/Proxies are requested to bring the attendance slips duly filled in and copy of the Annual Report to the AGM.

17. Voting through electronic means:

- I. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI Listing Regulations and Secretarial Standard on General Meetings (“SS-2”) issued by The Institute of Company Secretaries of India (“ICSI”) as amended from time to time, the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by Members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (“NSDL”).
- II. The facility for voting through Polling Paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at AGM through Polling Paper.
- III. The Members who have cast their vote through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Friday, July 26, 2019 (9:00 AM) and ends on Monday, July 29, 2019 (5:00 PM). During this period, Members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date of July 23, 2019, may cast their vote through remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. The details of the process and manner for remote e-voting are explained herein below:

Step 1 : Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-voting system.

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-voting website?

- A. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile phone.
- B. Once the home page of e-voting system is launched, click on the icon ‘Login’ which is available under ‘Shareholders’ section.
- C. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.*

- D. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your ID is:
For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your DP ID is 12***** then your user ID is 12*****.
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- E. Your password details are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - i. If your e-mail ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account or last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - ii. If your e-mail ID is not registered, your ‘initial password’ is communicated to you on your postal address.

- F. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
- a) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical 'User Reset Password?' (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- G. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
- H. Now, you will have to click on 'Login' button.
- I. After you click on the 'Login' button, Home page of e-voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-voting system?

- i. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- iii. Select 'EVEN' of the Company.
- iv. Now you are ready for e-voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- vi. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Members**

- 1) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution/authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to [kbindushah@gmail.com](mailto:kbindushah@gmail.com) or with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - 2) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - 3) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or contact at National Securities Depository Limited, Trade World, 'A' Wing, Fourth Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. The Members may note that the designated e-mail ID for the grievances connected with the remote e-voting is [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Members may also write to the Company Secretary at the e-mail ID: [investorrelations@futuresretail.in](mailto:investorrelations@futuresretail.in).
- VI. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. July 23, 2019.
- VII. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. July 23, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or the Company/R&T Agents. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the telephone no. as mentioned above.

- VIII. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Polling Paper.
- IX. Ms. Bindu Darshan Shah (Membership No. A-20066/CP No. 7378), Proprietor M/s. K Bindu & Associates, Practicing Company Secretaries has been appointed as the Scrutiniser to scrutinise the remote e-voting process and voting conducted through Polling Paper at the AGM in a fair and transparent manner.
- X. The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutiniser, by use of Polling Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutiniser shall after the conclusion of voting at the AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company and shall make, not later than 48 (Forty Eight) hours of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him/her in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company and on the website of NSDL after the declaration of result by the Chairperson or a person authorised by him/her in writing. The Results shall also be forwarded to Stock Exchanges.
18. Members are requested to send all communications to our R&T Agents at the following address:  
Link Intime India Private Limited  
C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083  
Tel. No.: +91 22 4918 6270; Fax No.: +91 22 4918 6060  
E-mail ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
19. The requirement to place the matter relating to ratification of appointment of Statutory Auditors by Members at every Annual General Meeting is done away with as per Section 40 of Companies (Amendment) Act, 2017 vide notification dated May 07, 2018 issued by Ministry of Corporate Affairs. Accordingly, no resolution was proposed for ratification of appointment of M/s. NGS & Co. LLP, Chartered Accountants, who are the Statutory Auditors of the Company and were appointed at the Ninth Annual General Meeting held on August 29, 2016. Further, they have confirmed that they are eligible in terms of Section 141 of Act to continue as Statutory Auditors of the Company. The details of remuneration paid to Auditors is provided in the Annual Accounts for the year ended March 31, 2019.
20. The route map to the AGM venue is given herein. The prominent landmark near the venue is Mantralaya, Mumbai.

By order of the Board of Directors  
**For Future Retail Limited**

Place : Mumbai  
Date : May 25, 2019

**Virendra Samani**  
**Company Secretary**

**Registered Office:**

Future Retail Limited  
(CIN: L51909MH2007PLC268269)  
Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (East),  
Mumbai - 400 060

## **Additional Information relating to the Ordinary Business**

### **Item No. 2**

Mr. Kishore Biyani, Managing Director of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment.

Mr. Kishore Biyani is a Commerce Graduate and has done PG Diploma in Management. He has over 38 years of experience in the field of manufacturing, marketing of readymade garments and retail. He has also led the creation of a wide portfolio of consumer brands in fashion, food and in home segment that are distributed through Group's retail chains and various other modern retail networks in the Country.

A brief profile of Mr. Kishore Biyani, including nature of his expertise along with related details as required under the provisions of Act, Regulation 36 of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2") is provided in Annexure - I & II to this Notice.

Mr. Kishore Biyani and his relatives shall be deemed to be concerned or interested in the resolution to the extent of his appointment and their shareholdings in the Company. None of the other Directors, Key Managerial Personnel(s) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the passing of the proposed Resolution.

The Board of Directors recommends the resolution at Item No. 2 as Ordinary Resolution for the approval by the Members.

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## **Statement pursuant to Section 102 of the Companies Act, 2013**

### **Item No. 3 & 4**

Based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the Members of the Company at the Annual General Meeting held on August 29, 2016, had appointed Mr. Kishore Biyani as Managing Director for a period of 3 (Three) years with effect from May 2, 2016 to May 1, 2019.

Mr. Kishore Biyani is the founder and Group CEO of Future Group. Widely acknowledged as the pioneer of modern retail industry in India, Mr. Kishore Biyani is a mentor and role model for many Indian entrepreneurs and a thought leader in Indian business. He is also a Managing Director of Future Lifestyle Fashions Limited.

Over the past two decades, he has created and leads some of India's most popular retail chains like Big Bazaar, Central, Brand Factory, Foodhall, fbb, eZone among others. Over the time, various retail chains like Nilgiris, Aadhaar, easyday, Heritage, Hypercity, WHSmith, Foodworld and others have also become part of Future Group. Simultaneously, he has also led the creation of a wide portfolio of consumer brands in fashion, food and home segment that are distributed through Group's retail chains and various other modern retail networks in the Country. He is believer in Group's corporate credo, 'Rewrite Rules, Retain Values'. Mr. Biyani considers Indianness as the core value driving the Group. His autobiography, 'It Happened in India,' has been translated into a number of languages. Mr. Biyani is a Commerce Graduate and has done PG Diploma in Management.

On review of the performance and growth of the Company which was led by Mr. Kishore Biyani in capacity as Managing Director of the Company and considering the enhanced responsibilities due to expansion of business activities and as recommend by Nomination and Remuneration Committee, the Board of Directors has considered and approved (a) payment of remuneration for the period from April 1, 2019 to May 1, 2019 (remainder term of his previous tenure of appointment) as mentioned in resolution no. 3; (b) re-appointment of Mr. Kishore Biyani as Managing Director of the Company for a further term of 3 (Three) years effective from May 2, 2019 till May 1, 2022 and payment of remuneration thereof, both on such terms and conditions as stipulated below subject to the approval of the Members of the Company, as mentioned in resolution no. 4 of Notice.

### **Remuneration:**

Total Remuneration during the tenure of 3 (Three) years from May 2, 2019 to May 1, 2022 should be in the pay scale of ₹ 5.75 crore to ₹ 8.50 crore per annum which includes basic salary, commission, taxable perquisites and other allowance but excluding perquisites to the extent exempted under the Income-tax Act, 1961.

### **Other Terms and Conditions:**

- a. Perquisites: Subject to overall ceiling as aforesaid, Managing Director shall have liberty to opt for such other allowances, perquisites and incentive as he deems fit including house rent allowance, medical reimbursement, leave travel concession for self and family, club fees, use of Company cars and such other allowances, benefits, amenities and facilities etc., as per the Company's Rules or as may be agreed to between the Board and Managing Director.
- b. Commission: The amount of Commission would be determined by the Board based on the net profits of the Company in a particular year and shall be subject to the overall ceiling laid down under the Act.

- c. The Managing Director will also be a member of the Group Medical and Personal Accident Insurance policies of the Company.
- d. Exempted perquisite: In addition to the perquisites referred above, he will also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration.
- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
  - Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
  - Encashment of leave at the end of the tenure; and
  - Reimbursement of expenses incurred for the business of the Company.
- e. Subject to the applicable provisions of the Act, perquisites and allowances shall be evaluated as per Income Tax Rules, 1962 wherever applicable and at cost, in the absence of any such Rule.
- f. Subject to the superintendence, control and direction of the Board, the Managing Director shall manage and conduct the business and affairs of the Company.
- g. The appointment can be terminated by giving 6 (Six) calendar months' notice in writing by either party.

Furthermore, any recommendation by the Nomination and Remuneration Committee and consideration by the Board for subsequent revisions in the remuneration shall be within the foregoing pay scale.

A brief profile of Mr. Kishore Biyani, including nature of his expertise, as required under Regulation 36 of SEBI Listing Regulations and SS-2 is provided in the Annexure - I to this Notice. Further, additional information as required under Schedule V to the Act, is provided in the Annexure - II to this Notice and also forms part of the Statement.

Mr. Kishore Biyani and his relatives, shall be deemed to be concerned or interested in the resolution to the extent of his appointment, payment of remuneration and their shareholdings in the Company. None of the other Directors, Key Managerial Personnel(s) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the passing of the proposed Resolution(s).

The Board of Directors recommends the resolution at Item No. 3 & 4 as Special Resolution(s) for the approval by the Members.

#### **Item No. 5 & 6**

Based on the recommendation of the Nomination and Remuneration Committee and the approval of Board of Directors, the Members of the Company at the Annual General Meeting held on August 29, 2016, had appointed Mr. Rakesh Biyani as Jt. Managing Director for a period of 3 (Three) years with effect from May 2, 2016 to May 1, 2019.

Mr. Rakesh Biyani is a Commerce Graduate and has done Advanced Management Program from Harvard Business School. He is associated with Future Group for over two decades and managed the expansion of the Group's flagship formats like fbb, Big Bazaar and Central along with supply chain management. He is also actively involved in the areas of fashion, category management, retail stores operations and supply chain business of the Group.

Mr. Rakesh Biyani is instrumental in forming various technology driven processes of retail operation and formation of various joint ventures at group level for ensuring a better product mix and increasing foothold on overall consumption space of Indian retail sector.

On review of the performance and growth of the Company which was led by Mr. Rakesh Biyani in capacity as Jt. Managing Director of the Company and considering the enhanced responsibilities due to expansion of business activities and as recommended by Nomination and Remuneration Committee, the Board of Directors has considered and approved (a) payment of remuneration for the period from April 1, 2019 to May 1, 2019 (remainder term of his previous tenure of appointment) as mentioned in resolution no. 5; (b) re-appointment of Mr. Rakesh Biyani as Jt. Managing Director of the Company for a further term of 3 (Three) years effective from May 2, 2019 till May 1, 2022 and payment of remuneration thereof, both on such terms and conditions as stipulated below subject to the approval of the Members of the Company, as mentioned in resolution no. 6 of Notice.

#### **Remuneration:**

Total Remuneration during the tenure of 3 (Three) years from May 2, 2019 to May 1, 2022 should be in the pay scale of ₹ 5.25 crore to ₹ 8.50 crore per annum which includes basic salary, commission, taxable perquisites and other allowance but excluding perquisites to the extent exempted under the Income-tax Act, 1961.

#### **Other Terms and Conditions:**

- a. Perquisites: Subject to overall ceiling as aforesaid, Jt. Managing Director shall have liberty to opt for such other allowances, perquisites and incentive as he deems fit including house rent allowance, medical reimbursement, leave travel concession



for self and family, club fees, use of Company cars and such other allowances, benefits, amenities and facilities etc., as per the Company's Rules or as may be agreed to between the Board and Jt. Managing Director.

- b. Commission: The amount of Commission would be determined by the Board based on the net profits of the Company in a particular year and shall be subject to the overall ceiling laid down under the Act.
- c. The Jt. Managing Director will also be a member of the Group Medical and Personal Accident Insurance policies of the Company.
- d. Exempted perquisite: In addition to the perquisites referred above, he will also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration.
  - Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
  - Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
  - Encashment of leave at the end of the tenure; and
  - Reimbursement of expenses incurred for the business of the Company.
- e. Subject to the applicable provisions of the Act, perquisites and allowances shall be evaluated as per Income Tax Rules, 1962 wherever applicable and at cost, in the absence of any such Rule.
- f. Subject to the superintendence, control and direction of the Board, the Jt. Managing Director shall manage and conduct the business and affairs of the Company.
- g. The appointment can be terminated by giving 6 (Six) calendar months' notice in writing by either party.

Furthermore, any recommendation by the Nomination and Remuneration Committee and consideration by the Board for subsequent revisions in the remuneration shall be within the foregoing pay scale.

A brief profile of Mr. Rakesh Biyani, including nature of his expertise, as required under Regulation 36 of SEBI Listing Regulations and SS-2 is provided in the Annexure - I to this Notice. Further, additional information as required under Schedule V to the Act, is provided in the Annexure - II to this Notice and also forms part of the Statement.

Mr. Rakesh Biyani and his relatives, shall be deemed to be concerned or interested in the resolution to the extent of his appointment, payment of remuneration and their shareholdings in the Company. None of the other Directors, Key Managerial Personnel(s) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the passing of the proposed Resolution(s).

The Board of Directors recommends the resolution at Item No. 5 & 6 as Special Resolution(s) for the approval by the Members.

#### **Item No. 7**

The Company enters into related party transaction(s) with Future Enterprises Limited ("FEL") for purchase/sale of goods and services, lease rental and service charges, purchase and sale of capital goods and other services. FEL has a specialised apparel design and sourcing team, coupled with manufacturing facilities. FEL supports the fast growing fashion businesses of Future Group and third-party companies. Further, FEL has a leasing infrastructure business spread all over India and provide its services to companies in the Group. FEL enhancing its business activities by capturing consumption data accessible to it through various retail consumption centres of the group as well as other associated business partners.

The Company is also entering into related party transaction(s) with Future Consumer Limited ("FCL") for purchase/sale of goods and services, purchase/sale of asset, deposit and other fees/charges. FCL is mainly into manufacturing and distribution of various FMCG products and supplies to various future group and other companies. FCL is operating various manufacturing and processing facilities across the Country and has good distribution network.

The details of related party transaction(s) are given in the table below. All the related party transaction(s) were entered or to be entered into are at arms' length basis and in the ordinary course of business, in line with the Company's Policy on Related Party Transactions as approved by the Audit Committee and the Board of Directors of the Company.

It is envisaged that the maximum value of the above related party transaction(s) to be entered into individually or taken together with previous transactions during the financial year 2019-20 would exceed ten percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

Further the approval of Members is required, if as per the applicable provisions of Act read with relevant rules framed thereunder, the amount of transaction exceed the threshold limit as provided therein and/or if as per Regulation 23 of Listing Regulations, the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds

ten percent of the annual consolidated turnover of the Company. Accordingly, the approval of Members is sought for following transactions. In terms of provisions of Companies (Meetings of the Board and its Powers) Rules, 2014 as amended, the details in relation to related party transaction(s) are as under:

Name of the Related Party	Nature of Relationship	Name of Director or Key Managerial Personnel who is related, if any	Nature of Transactions as per Section 188 of the Companies Act, 2013	Monetary Value of Transactions (₹ in crore)	Nature, Material Terms and particulars of the contract or arrangement	Any other information relevant or important for the Members to take decision on the proposed resolution
Future Enterprises Limited ("FEL")	Related party	Mr. Kishore Biyani (Promoter and Vice Chairman of FEL)	Lease Rental & Service charges	700	As per the terms of the respective contracts or arrangements entered into or to be entered into from time to time in the ordinary course of business and on an arms' length basis.	The transaction have been reviewed and approved by the Audit Committee / Board and an arms' length price has been established. In case of resale by FEL the same is being sold at cost of procurement plus minimum margin for handling as per applicable Regulations.
			Purchase & Sale of Goods, Products & Services	5,000		
			Providing of services as collection & authorised agent for Fixed Deposit Program	10		
			Purchase and Sale of Capital Goods	10		
Future Consumer Limited ("FCL")	Related party	Mr. Kishore Biyani (Promoter and Vice Chairman of FCL)	Purchase of Goods	3,000	As per the terms of the respective contracts or arrangements entered into or to be entered into from time to time in the ordinary course of business and on an arms' length basis.	The transaction have been reviewed and approved by the Audit Committee / Board and an arms' length price has been established.
			Sale of Goods	20		
			Services (on either sides)	15		
			Purchase/sale of Asset	10		
			Deposits/Other Fees/ Charges	15		

Pursuant to Regulation 23 of SEBI Listing Regulations, all entities falling under the definition of "Related Party" shall abstain from voting in respect of the proposed resolution given in the Notice, irrespective of whether the entity is a party to the particular transaction or not.

Mr. Kishore Biyani and his relatives, shall be deemed to be concerned or interested in the resolution to the extent of their shareholdings in the Company. None of the other Directors, Key Managerial Personnel(s) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the passing of the proposed Resolution.

The Board of Directors recommends the resolution at Item No. 7 as Ordinary Resolution for the approval by the Members.

By order of the Board of Directors  
For Future Retail Limited

Place : Mumbai  
Date : May 25, 2019

Virendra Samani  
Company Secretary

**Registered Office:**  
Future Retail Limited  
(CIN: L51909MH2007PLC268269)  
Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (East),  
Mumbai - 400 060

**Annexure - I**

**Information as required pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), in respect of Directors seeking appointment/re-appointment/payment of remuneration at the Annual General Meeting:**

<b>Name of Director</b>	<b>Mr. Kishore Biyani</b>	<b>Mr. Rakesh Biyani</b>
DIN	00005740	00005806
Date of Birth	August 09, 1960	April 05, 1972
Age	58 Years	47 Years
Date of first Appointment on the Board	April 30, 2016	April 30, 2016
Qualifications	Commerce Graduate and PG Diploma in Management.	Commerce Graduate and Advanced Management Program from Harvard Business School.
Experience and Expertise in Specific Functional Area	<p>Mr. Kishore Biyani is founder and Group CEO of Future Group. Widely acknowledged as the pioneer of modern retail industry in India, Mr. Kishore Biyani is a mentor and role model for many Indian entrepreneurs and a thought leader in Indian business.</p> <p>Mr. Kishore Biyani has over 38 years of experience in the field of manufacturing, marketing of readymade garments and retail.</p> <p>Over the past two decades he has created and leads some of India's most popular retail chains like Big Bazaar, Central, Brand Factory, Foodhall, fbb, eZone among others. Over the time, various retail chains like Nilgiris, Aadhaar, easyday, Heritage, Hypercity, WHSmith, Foodworld and others have also become part of Future Group. He is believer in the Group's corporate credo, 'Rewrite Rules, Retain Values'. Mr. Biyani considers Indianness as the core value driving the group.</p>	<p>Mr. Rakesh Biyani is associated with Future Group for over two decades and managed the expansion of the Group's flagship formats like fbb, Big Bazaar and Central along with supply chain management. He is also actively involved in the areas of fashion, category management, retail stores operations of the Group.</p> <p>Mr. Rakesh Biyani is instrumental in forming various technology driven processes of retail operation and formation of various joint ventures at group level for ensuring a better product mix and increasing foothold on overall consumption space of Indian retail sector.</p>
Terms and conditions of re-appointment / revision / remuneration	As per the resolution at Item No. 3 & 4 of the Notice.	As per the resolution at Item No. 5 & 6 of the Notice.
Remuneration last drawn	During the year 2018-19, Mr. Kishore Biyani was paid a remuneration of ₹ 5.89 crore (including a Commission of ₹ 1.50 crore, which was pertaining to the year 2017-18) from the Company and ₹ 3.85 crore (including Commission of ₹ 1.25 crore which was pertaining to the year 2017-18) from Future Lifestyle Fashions Limited.	During the year 2018-19, Mr. Rakesh Biyani was paid a remuneration of ₹ 5.37 crore (including a Commission of ₹ 1.00 crore, which was pertaining to the year 2017-18) from the Company.
Number of Board Meetings attended during the year 2018-19	6 (Six) out of 6 (Six).	3 (Three) out of 6 (Six).
Directorship held in other Listed companies (As on March 31, 2019)	<ul style="list-style-type: none"> <li>❖ Future Lifestyle Fashions Limited;</li> <li>❖ Future Consumer Limited;</li> <li>❖ Future Enterprises Limited; and</li> <li>❖ INOX Leisure Limited.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Future Supply Chain Solutions Limited;</li> <li>❖ Future Lifestyle Fashions Limited; and</li> <li>❖ Dollar Industries Limited.</li> </ul>

Name of Director	Mr. Kishore Biyani	Mr. Rakesh Biyani
Directorship in other Companies (excluding foreign companies & Section 8 companies) (As on March 31, 2019)	<ul style="list-style-type: none"> <li>❖ Future Generali India Life Insurance Company Limited;</li> <li>❖ Future Generali India Insurance Company Limited; and</li> <li>❖ Future Corporate Resources Private Limited (f/k/a Suhani Trading and Investment Consultants Private Limited).</li> </ul>	<ul style="list-style-type: none"> <li>❖ Turtle Limited;</li> <li>❖ Futurebazaar India Limited;</li> <li>❖ Indian Football Coaching Private Limited;</li> <li>❖ Shree Balaji UMBER Properties Private Limited;</li> <li>❖ Shree Balaji Parvat View Properties Private Limited;</li> <li>❖ Celio Future Fashion Private Limited; and</li> <li>❖ Ryka Commercial Ventures Private Limited.</li> </ul>
Chairmanship/ Membership of Committees of the Board of Directors of other Companies (As on March 31, 2019)	<ol style="list-style-type: none"> <li><b>1. Future Lifestyle Fashions Limited</b> <ul style="list-style-type: none"> <li>❖ Stakeholders' Relationship Committee - Member;</li> <li>❖ Corporate Social Responsibility Committee - Chairman; and</li> <li>❖ Committee of Directors - Member.</li> </ul> </li> <li><b>2. Future Consumer Limited</b> <ul style="list-style-type: none"> <li>❖ Stakeholders' Relationship and Share Transfer Committee - Chairman;</li> <li>❖ Nomination &amp; Remuneration/ Compensation Committee - Member;</li> <li>❖ Corporate Social Responsibility Committee - Member; and</li> <li>❖ Committee of Directors - Chairman.</li> </ul> </li> <li><b>3. Future Enterprises Limited</b> <ul style="list-style-type: none"> <li>❖ Corporate Social Responsibility Committee - Member; and</li> <li>❖ Risk Management Committee - Member; and</li> <li>❖ Committee of Directors - Member.</li> </ul> </li> <li><b>4. INOX Leisure Limited</b> <ul style="list-style-type: none"> <li>❖ Audit Committee - Member</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li><b>1. Future Lifestyle Fashions Limited</b> <ul style="list-style-type: none"> <li>❖ Nomination and Remuneration Committee - Member;</li> <li>❖ Share Transfer Committee - Member;</li> <li>❖ Stakeholders' Relationship Committee - Member;</li> <li>❖ Risk Management Committee - Member; and</li> <li>❖ Committee of Directors - Member.</li> </ul> </li> <li><b>2. Future Supply Chain Solutions Limited</b> <ul style="list-style-type: none"> <li>❖ Corporate Social Responsibility Committee - Member; and</li> <li>❖ Nomination and Remuneration Committee - Member.</li> </ul> </li> <li><b>3. Futurebazaar India Limited</b> <ul style="list-style-type: none"> <li>❖ Audit Committee - Member</li> </ul> </li> </ol>
Shareholding as on March 31, 2019	2,121 Equity Shares	2,121 Equity Shares
Relationship with other Directors/Key Managerial Personnel(s)	Not related to any Director/Key Managerial Personnel(s).	Not related to any Director/Key Managerial Personnel(s).

**Note:** For further details related to remuneration drawn and proposed, directorship/committee membership, please refer to Directors' Report, Corporate Governance Report forming part of the Annual Report and the resolutions proposed in the Notice.

## Annexure - II

**Information/Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder:**

### I. General Information

1. Nature of Industry : The Company is engaged in Retail business and operates on pan India basis through its various stores and formats.
2. Date or Expected Date of Commercial Production : NA (Since the Company was already incorporated on February 7, 2007 and has already commenced its business activities).
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : NA
4. Standalone financial performance of the Company based on given indicators:

(₹ in crore)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Paid-up Share Capital	100.52	100.40	94.36
Total Turnover	20,185.37	18,489.64	17,098.89
Profit/(Loss) before Exceptional Item and Tax	732.81	615.18	368.28
Less: Exceptional Item	-	603.87	-
Profit/(Loss) after Exceptional Item but before tax	732.81	11.31	368.28
Net Profit/(Loss) after tax	732.81	11.31	368.28
EPS - Basic and Diluted (in ₹)	14.58	0.23	7.81

5. Foreign Investments or collaborations, if any:

During the year under review, the Company has entered into shareholders agreement with Khimji Ramdas LLC, wherein a joint venture company was established in Sultanate of Oman under the name Future Retail LLC ("JV Company") effective May 1, 2018 to operate "fbb" brand in Oman and then across other member state of GCC. The Company has subscribed 2,50,000 equity shares of Omani Rial 1 each equivalent to ₹ 4.57 crore towards share capital of JV Company and accordingly holds 50% of share capital of JV Company.

The equity shares of the Company are listed on BSE and NSE and Foreign Portfolio Investors deals in equity shares through secondary market. Total foreign holding as on March 31, 2019 is 13.59% of the share capital of the Company.

### II. Information about the Appointee:

Particulars	Mr. Kishore Biyani	Mr. Rakesh Biyani
Background details	<p>Mr. Kishore Biyani is founder and Group CEO of Future Group. Widely acknowledged as the pioneer of modern retail industry in India, Mr. Kishore Biyani is a mentor and role model for many Indian entrepreneurs and a thought leader in Indian business.</p> <p>Over the past two decades he has created and leads some of India's most popular retail chains like Big Bazaar, Central, Brand Factory, Foodhall, fbb, eZone among others. Over the time, various retail chains like Nilgiris, Aadhaar, easyday, Heritage, Hypercity, WHSmith, Foodworld and others have also become part of Future Group. He is believer in the Group's corporate credo, 'Rewrite Rules, Retain Values'. Mr. Biyani considers Indianness as the core value driving the group.</p>	<p>Mr. Rakesh Biyani is associated with Future Group for over two decades and managed the expansion of the Group's flagship formats like fbb, Big Bazaar and Central along with supply chain management. He is also actively involved in the areas of fashion, category management, retail stores operations of the Group.</p> <p>Mr. Rakesh Biyani is instrumental in forming various technology driven processes of retail operation and formation of various joint ventures at group level for ensuring a better product mix and increasing foothold on overall consumption space of Indian retail sector.</p>

Particulars	Mr. Kishore Biyani	Mr. Rakesh Biyani
Recognition and Awards	<p>Under the leadership of Mr. Kishore Biyani various companies &amp; brands under Future Group have always in the list of awards of many government bodies/private sector organisation.</p> <p>Mr. Kishore Biyani has also won numerous awards from government bodies and the private sector in past.</p>	<p>Under the leadership of Mr. Rakesh Biyani various companies &amp; brands under the Future Group have always in the list of awards of many government bodies/private sector organisation.</p> <ul style="list-style-type: none"> <li>❖ Mr. Rakesh Biyani has won the Outstanding Retail Personality of the year in 2012;</li> <li>❖ He was also awarded (i) an appreciation award by Datamatics Global Services Limited for outstanding contribution to leadership development initiative of Datamatics Global Services Limited; and (ii) an appreciation award by the Clothing Manufacturers Association of India (“CMAI”) at the CMAI Fashion Retail Summit on May 8, 2013.</li> </ul>
Job Profile and his suitability	<p>Mr. Kishore Biyani has been entrusted with powers of management subject to the supervision of the Board of Directors.</p> <p>He shall be carrying out his duties as may be entrusted by the Board of Directors and exercise all such powers as are required for managing the affairs of the Company from time to time.</p> <p>Future Group led by Mr. Kishore Biyani, has successfully demonstrated the ability to identify, incubate and grow various consumption-led businesses in India and the Company expects to derive benefits from strategic relationship with it.</p>	<p>Mr. Rakesh Biyani has been entrusted with various powers pertaining to areas of category management, retail stores operations &amp; information technology of the Group subject to the supervision of the Board of Directors. He shall carry out such duties as may be required and exercise such powers for managing the affairs of the Company from time to time.</p> <p>Mr. Rakesh Biyani was instrumental in establishing and implementing various technology driven processes of retail operation and formation of various joint ventures at Group level for ensuring a better product mix and increasing foothold on overall consumption space of Indian retail sector.</p>
Past Remuneration	<p>During the year 2018-19, Mr. Kishore Biyani was paid a remuneration of ₹ 5.89 crore (including a Commission of ₹ 1.50 crore, which was pertaining to the year 2017-18) from the Company and ₹ 3.85 crore (including Commission of ₹ 1.25 crore which was pertaining to the year 2017-18) from Future Lifestyle Fashions Limited.</p>	<p>During the year 2018-19, Mr. Rakesh Biyani was paid a remuneration of ₹ 5.37 crore (including a Commission of ₹ 1.00 crore, which was pertaining to the year 2017-18) from the Company.</p>
Remuneration Proposed	<p>As mentioned in the resolution(s) and relevant statement.</p>	<p>As mentioned in the resolution(s) and relevant statement.</p>
Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	<p>The size of the retail industry in India has increased manifold during the past several years reaching to multi billions in terms of sales and revenues. The Company’s business has been designed to capture the trend of consumers getting more attuned to retail and brand preferences.</p> <p>With increased size and turnover, it is also imperative for any retail company to have highly experienced professionals having specialized knowledge and skills to understand and project the market trend, consumer behaviour, consumption pattern and many relevant indicators for better product mix.</p> <p>Considering the experience and knowledge of Mr. Kishore Biyani who is pioneer in Retail Industry and his contribution towards the business of the Company and Future Group, the Board of Directors consider the proposed remuneration to be in line with the industry benchmarks, size of the Company and the segment into which the Company carries on its business.</p>	<p>The size of the retail industry in India has increased manifold during the past several years reaching to multi billions in terms of sales and revenues. The Company’s business has been designed to capture the trend of consumers getting more attuned to retail and brand preferences.</p> <p>Considering the experience and knowledge of Mr. Rakesh Biyani who has contributed for the Retail Industry for more than two decades and looking at his contribution towards the business of the Company and Future Group, the Board of Directors consider the proposed remuneration to be in line with the industry benchmarks, size of the Company and the segment into which the Company carries on its business.</p>

<b>Particulars</b>	<b>Mr. Kishore Biyani</b>	<b>Mr. Rakesh Biyani</b>
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel(s), if any	Mr. Kishore Biyani is part of Promoters/Promoter Group, which holds in aggregate 47.02% (as on March 31, 2019) of the total equity share capital of the Company. Besides the present and proposed remuneration he does not have any other pecuniary relationship with the Company or the managerial personnel(s).	Mr. Rakesh Biyani is part of Promoters/Promoter Group, which holds in aggregate 47.02% (as on March 31, 2019) of the total equity share capital of the Company. Besides the present and proposed remuneration he does not have any other pecuniary relationship with the Company or the managerial personnel(s).

**III. Other Information:**

- 1. Reasons of Loss or inadequate profits:** Not Applicable.
- 2. Steps taken or proposed to be taken for improvement:** Not Applicable.
- 3. Expected increase in productivity and profits in measurable terms:** Not Applicable - as the Company has adequate profits.

**IV. Disclosures:**

The details of remuneration paid to all Directors along with other relevant details are provided in the Corporate Governance Report which forms part of the Annual Report. As required the details of remuneration proposed to be paid to Managing Director and Jt. Managing Director is provided in respective resolutions and statements above. In compliance with Section 190 of the Act, explanatory statement and terms of appointment/remuneration of Managing Director and Jt. Managing Director are available for inspection of the Members in physical or in electronic form at the Registered Office of the Company upto the date of this AGM.

By order of the Board of Directors  
**For Future Retail Limited**

Place : Mumbai  
Date : May 25, 2019

**Virendra Samani**  
**Company Secretary**

**Registered Office:**

Future Retail Limited  
(CIN: L51909MH2007PLC268269)  
Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (East),  
Mumbai - 400 060

### Route map of the venue to the AGM





# NOTES

# FUTURE RETAIL

## Future Retail Limited

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

Tel. No.: +91 22 6644 2200; Fax No.: +91 22 6644 2201; CIN: L51909MH2007PLC268269

Website: [www.futureretail.co.in](http://www.futureretail.co.in); E-mail ID: [investorrelations@futureretail.in](mailto:investorrelations@futureretail.in)

### FORM NO. MGT- 11

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered Address:

E-mail ID:

Folio No/Client ID:

DP. ID:

I/We, being the Member(s) of ..... Shares of the above named Company, hereby appoint:

- 1) Name:..... Address:.....  
E-mail ID:..... Signature..... Or failing him/her;
- 2) Name:..... Address:.....  
E-mail ID:..... Signature..... Or failing him/her;
- 3) Name:..... Address:.....  
E-mail ID:..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twelfth Annual General Meeting ("AGM") of the Company to be held at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021 on Tuesday, July 30, 2019, at 11:30 AM and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl. No.	Resolutions	Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Board of Directors and the Statutory Auditors thereon; and b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Statutory Auditors thereon		
2.	To appoint a Director in place of Mr. Kishore Biyani (DIN: 00005740), who retires by rotation and being eligible, offers himself for re-appointment		
<b>Special Business</b>			
3.	Approval for payment of remuneration to Mr. Kishore Biyani as Managing Director		
4.	Approval for re-appointment of Mr. Kishore Biyani as Managing Director of the Company and payment of remuneration thereof		
5.	Approval for payment of remuneration to Mr. Rakesh Biyani as Jt. Managing Director		
6.	Approval for re-appointment of Mr. Rakesh Biyani as Jt. Managing Director of the Company and payment of remuneration thereof; and		
7.	Approval for entering into Material Related Party Transaction(s)		

Signed this ..... day of ..... 2019.

Affix  
revenue  
stamp

.....  
Signature of Proxy Holder(s)

.....  
Signature of Member(s)

#### Notes:

\* It is optional to indicate your preference in the appropriate column. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 (Forty Eight) hours before the commencement of AGM. Appointing of Proxy does not prevent a Member from attending the AGM in person if he/she/it wishes. In case of joint holders, the signature of one holder will be sufficient, but names of all the joint holders should be stated.

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**FUTURE RETAIL LIMITED**

**Regd. Office:** Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060  
**Tel No.:** +91 22 6644 2200, **Fax No.:** +91 22 6644 2201. **Website:** www.futureretail.co.in  
**CIN:** L51909MH2007PLC268269; **E-mail:** [investorrelations@futureretail.in](mailto:investorrelations@futureretail.in)

**ATTENDANCE SLIP**

**Sr. No.:**

Regd. Folio / DPID No. & Client ID No.	
Name and Address of the Shareholder(s)	
Joint Holder(s)	
Name of the Proxy/ Authorised Representative	
No. of Equity Shares held	

I / We hereby record my / our presence at the Twelfth (12th) Annual General Meeting of the Company held on Tuesday, July 30, 2019 at 11:30 AM at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021.

\_\_\_\_\_  
SIGNATURE OF THE MEMBER /  
JOINT MEMBER(S) / PROXY /  
AUTHORISED SIGNATORY

Note: Shareholder / Proxy holder wish to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance of the meeting hall duly signed.

.....Cut Here.....

NOTE: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

**ELECTRONIC VOTING PARTICULARS**

EVEN (E-Voting Event Number)	User ID	Password
110911		

Note: Please read the instructions printed under the Note No. 17 to the Notice dated May 25, 2019 of Twelfth (12th) Annual General Meeting. The e-voting period starts from 9:00 AM on Friday, July 26, 2019 and ends at 5:00 PM on Monday, July 29, 2019. The e-voting module shall be disabled by NSDL for voting thereafter.

# FUTURE RETAIL



## IN EVERY NEIGHBOURHOOD

Annual Report 2018-19

# INFO

Customer Name	Shre Sharma
Customer ID	10007881
Email	Shre@shreemal.com
Phone	8088989981
Profession	Housewife
Customer Since	20142018
Shipping Address	House 2009, 4th Flair, 4th Fl Cross
Payment Method	Credit Card...

## RECOMMENDATIONS

COUPON

## DELIVERY

ETA: 2 hours

CHAT

## INVOICE

Item Name	20%
Price	10%
Tax	15%
Net	15%



## PROXIMITY RETAIL

# Closer to Every Customer

An average customer shops 15-20 times every month across multiple shops - kiranas, modern hypermarkets, fashion shops and online. While Big Bazaar caters to her regular monthly shopping, our small neighborhood chains, easyday and Heritage Fresh caters to her frequent, weekly and daily top-ups. Digital platforms further increase her convenience to shop more frequently. Convenience store chains, 7-Eleven and WH Smith will offer food services and shopping while on transit. Through an optimised store network and a data-driven approach we hope to capture to every shopping frequency of urban households. And in every neighborhood.

**Aim to be within 2 km of every urban household.**

Category	Brand	Store Type	Store Count
Grocery	Big Bazaar	Hypermarket	1,200
	easyday	Neighborhood Store	1,500
	Heritage Fresh	Neighborhood Store	1,500
Fashion	Big Bazaar	Hypermarket	1,200
	easyday	Neighborhood Store	1,500
	Heritage Fresh	Neighborhood Store	1,500
Home Appliances	Big Bazaar	Hypermarket	1,200
	easyday	Neighborhood Store	1,500
	Heritage Fresh	Neighborhood Store	1,500
Pharmacy	Big Bazaar	Hypermarket	1,200
	easyday	Neighborhood Store	1,500
	Heritage Fresh	Neighborhood Store	1,500
Convenience	Big Bazaar	Hypermarket	1,200
	easyday	Neighborhood Store	1,500
	Heritage Fresh	Neighborhood Store	1,500
Food Services	Big Bazaar	Hypermarket	1,200
	easyday	Neighborhood Store	1,500
	Heritage Fresh	Neighborhood Store	1,500
Online	Big Bazaar	Hypermarket	1,200
	easyday	Neighborhood Store	1,500
	Heritage Fresh	Neighborhood Store	1,500

# Corporate Information

## BOARD OF DIRECTORS

### **Kishore Biyani**

Chairman & Managing Director

DIN: 00005740

### **Rakesh Biyani**

Jt. Managing Director

DIN: 00005805

### **Gagan Singh**

Non-Executive and  
Independent Director

DIN: 01097014

### **Ravindra Dhariwal**

Non-Executive and  
Independent Director

DIN: 00003922

### **Shailendra Bhandari**

Non-Executive and  
Independent Director

DIN: 00317334

### **Sridevi Badiga**

Non-Executive and  
Independent Director

DIN: 02362997

### **Rahul Garg**

Non-Executive Director

DIN: 06939695

## STATUTORY AUDITORS

NGS & CO. LLP.

## CHIEF FINANCIAL OFFICER

C. P. Toshniwal

## COMPANY SECRETARY

Virendra Samani

## SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.  
C-101, Embassy 247, LBS Marg,  
Vikhroli (West),  
Mumbai - 400 083.

T + 91 22 4918 6270

F + 91 22 4918 6060

W: [www.linkintime.co.in](http://www.linkintime.co.in)

## BANKERS

Allahabad Bank  
Andhra Bank  
Axis Bank  
Bank of Baroda  
Bank of India  
Central Bank of India  
Cooperative Rabobank U.A  
Corporation Bank  
Dena Bank  
IDBI Bank  
Indian Bank  
IndusInd Bank  
Punjab National Bank  
State Bank of India  
UCO Bank  
Union Bank of India  
Vijaya Bank  
Yes Bank

## REGISTERED OFFICE

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

T + 91 22 6644 2200

F + 91 22 6644 2201

## CORPORATE OFFICE

Embassy 247, 'C' Tower,  
LBS Marg,  
Vikhroli (West),  
Mumbai - 400 083.

T + 91 22 6119 0000

F + 91 22 6199 5019

## WEBSITE

[www.futureretail.co.in](http://www.futureretail.co.in)

## INVESTOR E-MAIL ID

[investorrelations@futureretail.in](mailto:investorrelations@futureretail.in)

## CORPORATE

## IDENTITY NUMBER

L51909MH2007PLC268269





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## How did we perform?



### Large Format Stores



The country's most trusted retailer - as judged by Nielsen. It was ranked among the most valuable brands by Interbrand, India.

**292** Stores

**144** Cities

**12.49 million sq ft** Area



An iconic fashion brand, fbb standalone stores reached out to new customers across the nation.

**94** Stores

**46** Cities

**1 million sq ft** Area



New stores in Delhi and Mumbai set new standards for experience-led food retailing in India.

**12** Stores

**5** Cities

**1,43,482 sq ft** Area

### Small Format Stores

### Convenience Stores



EasyDay in North India and Heritage Fresh in South India is leading a digital-led proximity retail revolution across key consumption centers.

**1007** Stores

**335** Cities

**2.39 million sq ft** Area



Iconic global brands lead the convenience store foray. The company integrated WH Smith franchisee operations and brought in 7-Eleven franchise for expansion in 2019.

**99** Store Count

**12** Cities

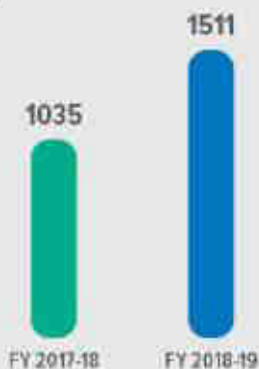
**57,372 sq ft** Area

\*The company also operates 7 eZone stores in 4 cities

FY 2018-19



Store Count



Cities



Area (Mn.Sq.Ft)



Income from Operations (Standalone)



Gross Margin



EBITDA



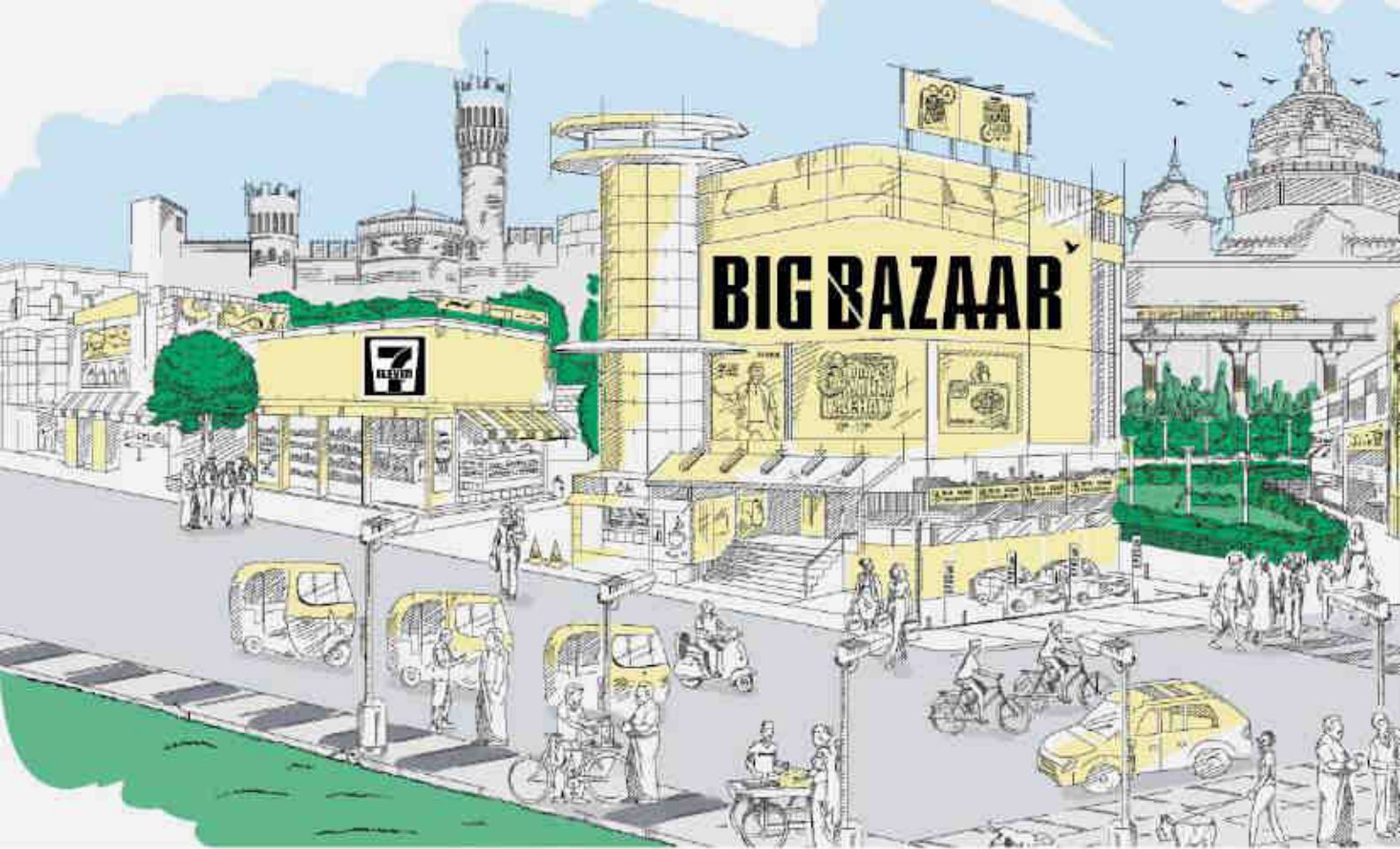
Net Profit



Return on Equity (ROE) %



\*Before one-time exceptional item of ₹ 603.67 crore, owing to Hypercity sale.



Dear Stakeholders,

We are pleased to share with you the annual report for the financial year 2018-19. For this financial year ended March 2019, your Company has posted income from operations of ₹ 20,165 crores and net profit of ₹ 733 crores, resulting in an earnings per share (EPS) of ₹ 14.58. By the end of the financial year, the Company operated 1,511 stores and attracted 351 million customer visits.

A large part of this annual report will provide you with much more detail on the financial performance of our business and the governance structures we have in place. In addition, in this annual report we show how we are combining proximity retailing with big box retailing to make your Company the first and only choice for every citizen's shopping needs.

Through better technology and data platforms, we are now focusing on every customer's individual needs and aspirations. By collating individual customers' choices, habits and preferences, we are creating better small stores in their own neighbourhoods. easyday in North India



## Chairman's Mail



**In 428 cities** from neighbourhoods to a national retail network

and Heritage Fresh in Southern India is expanding at a rapid pace in large cities and small towns. These small stores combine with the large-store formats like Big Bazaar, fbb and Foodhall to capture the consumption needs of a city across almost every income group.

We are working on optimising this network for every city and town through better understanding of consumption patterns, social trends and community preferences. With our presence in 428 cities and towns, we are now set to replicate this approach at national level.

With 292 large format stores in almost every state of the country, Big Bazaar is the country's prominent national retailer. The brand is counted among the most trusted brands in the services sector. This year, Interbrand India ranked Big Bazaar among the top 40 most valuable brands in the country. The business has matured very well and is well poised to create consistent value for our customers and every stakeholder.

While we will continue to make Big Bazaar bigger and better as a preferred destination for monthly shopping needs of customers, we are focusing a lot on building the small store network that caters to small but more frequent purchases.

The small store network is built on a robust technology platform that makes it more convenient for customers and more scalable for the organisation. During this year, we introduced the easyday Club mobile app for ordering products, scheduling home deliveries and store pick-ups, along with many other features for our member customers. This has been introduced in over 140 stores in Delhi NCR and has resulted in significant increase in spends and frequency of our member customers. During the forthcoming year, we will be extending it in a phased manner across different cities.

Among our member customers at easyday, there is a large segment of customers who are now shopping more than 50 times in a year. This is

# How can we help you today?

Hi Sooraj Prem, welcome to your easyday Club. Ask me anything about your club to create a shopping list and place an order!

+Create New List

Please send me  
Eggs 12  
Cucumber 1kg  
Milk 4ltr  
Amul butter 500gm x 2  
Ragi Flour 1kg

Previously, you had ordered Sambhar masala with Ragi Flour, would you like to add it to your list?

Yes! Thanks for reminding me!

**“While Big Bazaar captures monthly shopping cycles, small stores become extremely important in capturing the frequent, daily and weekly top ups.”**

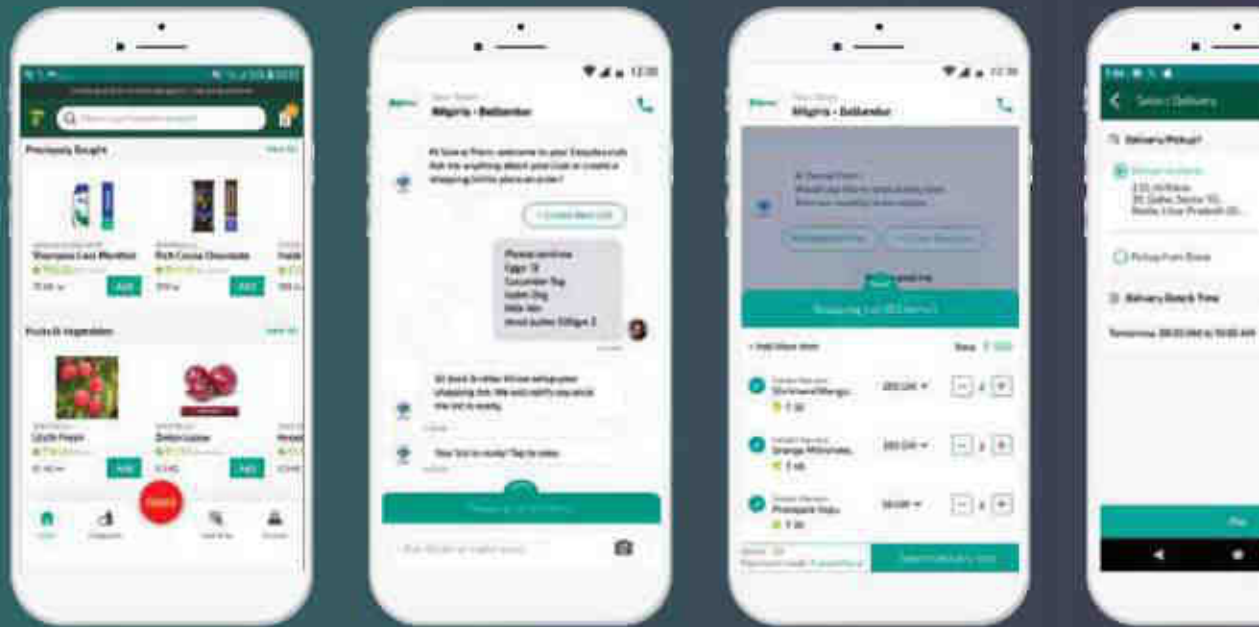
a spend and frequency the Company couldn't have captured through the large store networks. While Big Bazaar captures monthly shopping cycles, small stores become extremely important in capturing the frequent, daily and weekly top ups. The mobile app and ecommerce portal, increase this frequency further.

We realise social messaging is the most comfortable user interface on smart phones for most of our member customers. A key technology goal we are aiming for introducing a conversation commerce platform within the easyday Club

app, wherein customers can place orders, track deliveries, make payments - all through a message-based interface. We eventually hope to offer this feature in eight Indian languages.

In last year's report we had shared extensive details on our mobile wallet, FuturePay. We are happy to share that now more than 10 million of our customers have downloaded the app and using it regularly to shop and engage with our brands. During the forthcoming year, we will be rolling out a series of new features on the app, aimed at making shopping with FuturePay a more engaging and frictionless experience. FuturePay has also been fully integrated with the Company's ecommerce platform, fbonline.in and easyday Club mobile app.

Retailing business is spread across the three stages - customer acquisition, discovery and fulfillment. With a membership driven model in small stores and Big Bazaar's presence in prime locations in urban centers, our customer acquisition cost is minimal and in many cases revenue accretive. Our digital and physical platforms provide the most



engaging experience for discovery of brands, products and categories that spur consumption. And being closest to customer, our fulfilment cost or cost of delivering to customers' homes from within a two-kilometer radius of the store is the lowest amongst any modern retail or ecommerce model.

By integrating big box retailing with proximity retail, we believe we have a model that is well placed to capture consumption and also operate at the lowest possible cost. Our decades of experience and expertise gives us the strength to execute this with both speed and diligence. Technology and data sciences will continue to play the most critical role in making this happen in the most time and resource efficient manner. At the same time, the human touch and imagination to create new and exciting experiences for customers will continue to play a major role in winning the hearts and minds of our customers.

Inclusion is among the fundamental features around which our retail brands and experiences are built. In this report, we also share with you

how the Big Bazaar team put in a huge effort in learning about and empathising with customers with physical challenges. We are proud to state that now more than 140 Big Bazaar stores are a lot more accessible for customers who may be physically challenged or visual or hearing impaired. Many such people, including those with autism or Down's Syndrome are also now our colleagues working shoulder-to-shoulder at our stores and offices.

At our heart, we are a learning organisation, always eager to introspect, adapt and win in the marketplace. We are always keen to find opportunities to pursue new ideas and write new success stories. We thank all our stakeholders for being part of this journey of co-creating the new.

Rewrite Rules, Retain Values.

Kishore Biyani

# The National Retailer

Big Bazaar |

Big Bazaar near me

Big Bazaar smart search

Big Bazaar offers



India's national retailer went a step ahead with operating 292 stores in 144 cities and towns in 28 states across the country. By the end of the financial year, Big Bazaar stores across the country had attracted 244 million footfalls and once again winning the plaudit of the most trusted retail brand in the country. New stores came up in far-flung cities - from Jalpaiguri in West Bengal and Dibrugarh in the Assam to one's within the heart of the country - Ramgarh in Jharkhand or Korba in Chattisgarh. New stores were also added in cities like Pune (seventh store), Bhubaneswar (sixth store) and Nagpur (sixth store).

Innovative customer service initiatives, next generation layouts and store design, and a wider assortment of fresh food and services mark every Big Bazaar GenNxt stores in key urban centers. GenNxt store was launched in Hyderabad. New digital initiatives included a large collection of video recipes on YouTube channel, CookAlong and SmartSearch on Google that provides exclusive offers and prices for products.

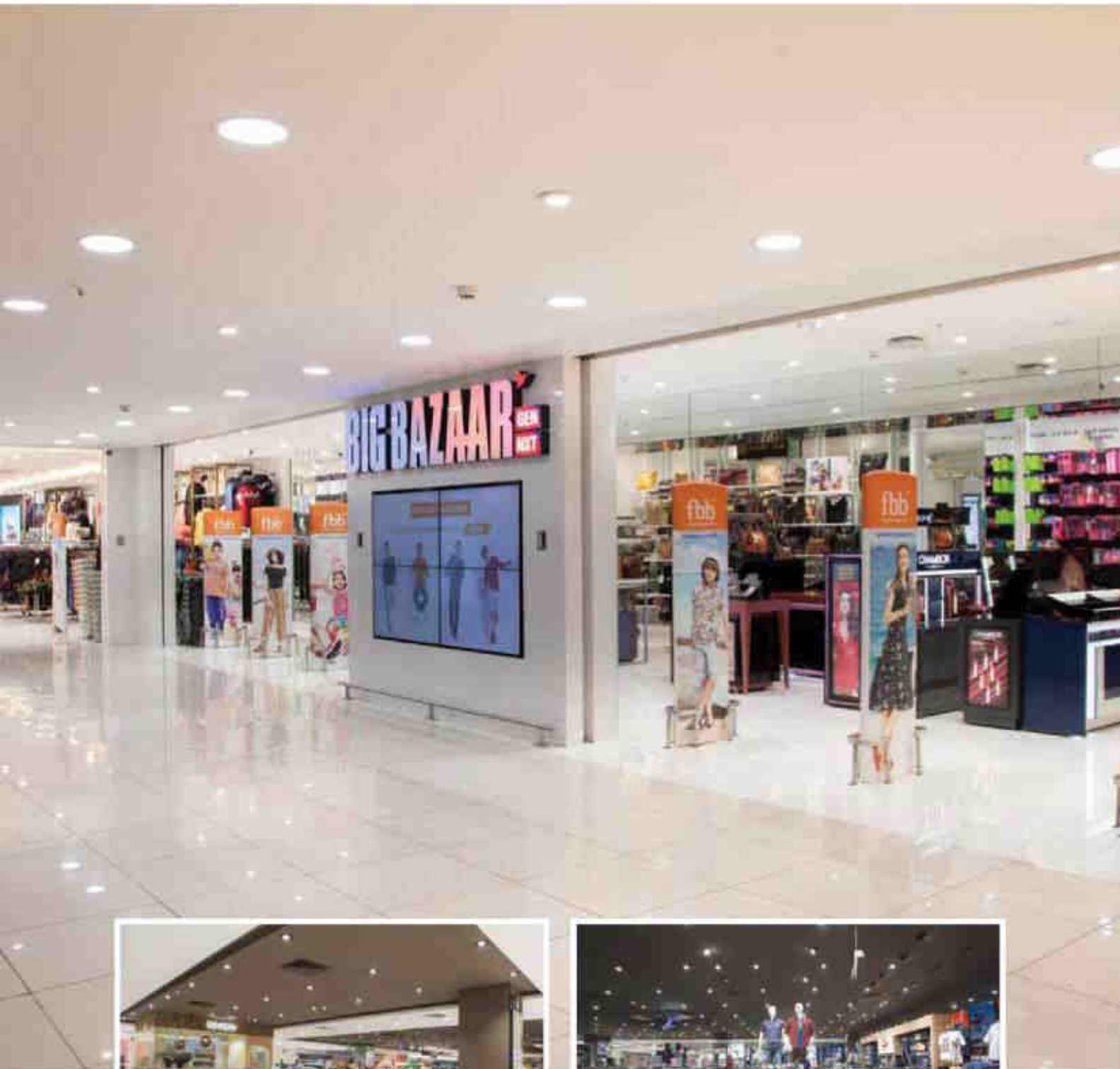
PriceMatch feature on FuturePay mobile wallet ensures customers always get the best price for every product.

If a product was available cheaper anywhere close by, customers get a automatic refund.



**BIG BAZAAR**<sup>TM</sup>  
Making India Beautiful







## A Multi-Sensory Experience

By far the largest and most iconic Foodhall store opened in December at Linking Road, Mumbai. The store's design and customer experience can be compared to the best in the world and has earned immense plaudits and patronage of very discerning customers across the city. Spread across 25,000 square feet, the store encapsulates the global trend of transforming food and grocery shopping into a fully sensorial experience that integrates new product discovery, shopping and food services into a seamless experience.

Some of the features at the store include, Cafe by Foodhall, a 60-seater chic space with an eclectic curation of dishes made and artisanal coffees.

The Cheese Cellar features over 100 varieties of cheese from 20 countries while Oliveology, is an exclusive selection of artisanal oils from reputed producers across Italy. The store also features the city's first hydroponic wall at The Fresh Garden at the Farmer's Market. The store also features a tea salon, a coffee lab, 'Sorrentina by Foodhall', the superstore's first ever restaurant and a cookery studio that attracts culinary experts to offer interactive cooking classes and certification courses.

While new stores were added in Mumbai and Delhi, all the 12 Foodhall stores now also have a range of specialty home-grown brands for niche



**81%** footfalls to conversion ratio

*Foodhall*

products - from an ARQA spice station to The House of Tea (THT) and Essentials by Foodhall offering a premium range of pantry staples including pulses, rice, cereals and specialty flours such as Almond Flour, Hazelnut Flour, and Quinoa Flour. For people who love sharing their love for food, Foodhall also offers customized services - Blue Ribbon Gifting by Foodhall and Party Chef Menu.

# India's Fashion Hub

Over the years, fbb has emerged as a popular fashion destination for young consumers and families. Every Big Bazaar store features a large fbb section that offers garments across every category. Almost every garment sold at fbb is a Future Group owned brand like Knighthood, DJ&C, Bare, Buffalo in menswear, shyla and Srishti in womenswear, Pink & Blue in kidswear, or exclusive licensee brands like Lee Cooper Original or Converse.

Popular music icon, Diljit Dosanjh joined Bollywood Katrina Kaif and Varun Dhawan as celebrity endorsees for fbb. The brand's association with fbb Miss India pageant now helps the brand connect with customers in every state and small cities and towns across India. A number of new initiatives were taken to keep the brand fresh and relevant to customers.

From introducing Shikari Shambhu T-shirts and assorted merchandise featuring comics from Tinkle and Amar Chitra Katha to organising the first fashion show at Mumbai's iconic T2 airport terminal. In Kolkata, the brand launched a Glam Tram - an iconic tram transformed into a fashion store on wheels. The tram that went touring the city for 45 days around the Durga Pujo season, featured fbb's festive collection.

fbb enjoys a strong online presence through its own ecommerce portal, [fbbonline.in](http://fbbonline.in) and various social and digital channels. [fbbonline.in](http://fbbonline.in) created new properties like Midnight Sale and Watch Now, Buy Now - a shopping enabled live online fashion show that garnered a very encouraging response from customers.



**fbb**  
INDIA'S FASHION HUB





**94** independent  
fbb stores

**46** cities

**1** crore  
customer  
footfalls



# The Neighbourhood Store

easyday |

easyday Club

easyday Club card

easyday near me



Pados Ki Dukaan



The Company's neighbourhood-store network increased from 666 stores at the end of March 2018 to 1,007 stores by the end of March 2019. Now spread across 335 cities and towns in 23 states across the country, the small stores network attracted over 94 million customer footfalls. In northern India, easyday is the primary brand while in South India, Heritage Fresh is the primary brand for the country's neighborhood store network. During the year, the Company acquired and integrated the Foodworld chain into this small store network.

The small store network is being developed as a membership platform. Every store is mandated to have around 3,500 member-customers who can avail a range of benefits including home delivery and a flat 10% discount across most products. In February 2019, the Company introduced an improved and updated version of its app-based ordering platform for customers in around 140 easyday stores in the Delhi National Capital Region. The response from customers have been overwhelming and has led to a significant increase in total relationship value and frequency of orders from member customers.

During the forthcoming year, the Company will be extending this platform to select cities and towns across the country. The app-based platform is already integrated with the FuturePay mobile wallet, allowing a frictionless payment experience for customers. Customers can schedule a time and date of home delivery or pick it up from the store at a scheduled time. During the year, the Company hopes to also launch a chat-based ordering platform on its mobile app.

The small store network will be the prime driver for growth and consumer engagement in the years ahead. Built on a strong digital platform and being close to customers, the stores operate with the lowest fulfilment cost and lowest customer acquisition cost, compared to any digital-led food and grocery business.

**1.1** million  
paid members



## PROXIMITY RETAIL

# Small Stores & The Neighbourhood

### Store Manager

A digital platform and mobile apps allow her to track every store metric, understand members' needs and connect with them. He or she is recruited from the neighbourhood.

### Members

Around 3500 customers from a neighbourhood can become members for an annual fee of Rs.999. Exclusive benefits include home delivery, assured discount and order on app.



### Home Delivery

Home delivery is offered free of cost to members, thus making it a high convenience store. Members being in 2 km radius makes it a low cost operation.





### Data

Data from the neighbourhood and members help customize the store, develop targeted communication and promotions and continuously improve the store.



### App

The mobile app takes orders, FuturePay enables payments, schedule and track deliveries and will soon allow AI-based interactions on a WhatsApp like-interface.

# Big Bazaar and The City

## Vasant Kunj, NCR



**Amarjeet Kumar**  
Store Karta

Over the 7 years as the Store Karta, I have moulded myself to take care of my team in both, professional and personal aspects. One unique practice which I initiated was the 'Refresh at 6pm' ritual. This emphasised on the need to stay ready, re-energised and well prepared in the evening just the way we are ready for customers during the opening hours of the store. This has given our customers a good impression of our culture, it has also translated into better sales.

## Malad, Mumbai



**Dinesh Bodwani**  
Store Karta

The initial weeks following the store launch, the business in the mornings was not encouraging. One of our regular customers suggested that we highlight the fresh fruits and vegetables section. With the help of our store and marketing team we went to nearby societies and shared leaflets amongst residents. This little step helped double our business in the morning hours (10am to 12noon). My biggest learning has been to listen carefully to the feedback that our customers give us.

## LIC Mall, Kolkata



**Arindom Roy**  
Store Karta

In practice, I encourage the habit of constantly introspecting and improving our processes. We have always ensured that our shop floor is kept ready with proper planning. A good example of our floor preparedness and discipline was shown in how we managed sales of Rs. 75 lakhs on a single day, selling almost 25k pieces of apparels, and yet we were absolutely ready for the customers the next morning, with all the replenishment and execution in perfect place.

## Uppal, Hyderabad



**Chandrashekhar Nanduri**  
Store Karta

We constantly look for ways to make our customers feel special. We have initiated a special practice, 'Char Beje Cha' where we invite our elderly customers daily at 4pm for tea and the team interacts with them, gets their feedback on the store and improves on the service levels further. This simple ritual aims at achieving excellence in customer service. My biggest learning is to put every situation into perspective and look at it from the customer's lens before making decisions.

Store Kartas across Big Bazaar stores are empowered to make key decisions and new initiatives that help them connect better with customers and then share their learnings across the network. These help build more customer-connected stores as well as set next practices for the chain. Here are some stories from some of our stores.

### Gokulam, Mysore



**Mamatha L**  
Store Karta

I have been trusted with leading the Big Bazaar Gokulam store in Mysore. We found out that our customer base practices Yoga extensively in the 300 odd Yoga centres around the store. With this insight we organised International Yoga Day at the store to engage with the community. The event got a huge response with over 500 customers celebrating the day with us! After all, modern retail is all about creating a good memory and experience.

### Vasai, Virar



**George Abraham**  
Store Karta

The demographics of Vasai are pretty diverse and so my team and I have made special efforts to ensure that all the festivals are celebrated with equal fervour at the store so we connect with all the communities. In a company that values the 'Indianness' that is present in all of us, festivals make a perfect time for us to take the initiative and become a special part of people's celebrations and preparations. As a Karta, I ensure that we become a part of the community we are in.

### PS Aviator, Kolkata



**Indranil Das**  
Store Karta

It was a busy Sunday evening at my store and a customer came up to me at the cash counter and said 'PLEASE DON'T TURN THIS STORE INTO ANY OTHER RETAIL STORE'. For a second I was taken aback. I asked him if he had faced any issues while shopping. He replied calmly, "There was no problem, I enjoyed my shopping here. I meant to say set this store as a benchmark for other stores and retailers. Take it to the next level." Those words stuck with me and inspire me excel.

### Bengaluru



**Chendrashekhar Nanduri**  
Store Karta

Every year on 14 February, I wish my Housekeeping, Security and Multi-tasking staff with flowers, Cadbury chocolates and an appreciation letter for their contribution to the store. I truly feel that valuing our customers goes a long way in gaining the customer's trust. However, making our staff feel valued is just as important. Future Group has taught me to explore and achieve impossible milestones with an optimistic approach and with a positive attitude.

## CITY OVERVIEW

# Big Box + Proximity Retail The City Strategy

### Delhi NCR

<b>37</b> Large format stores	<b>165</b> Small format stores
<b>1.74</b> Million sq ft. Area	<b>41</b> Million Customer Footfalls
<b>8.6</b> Lakhs member base	

### Mumbai MMR

<b>39</b> Large format stores	<b>36</b> Small format stores
<b>1.43</b> Million sq ft. Area	<b>29.6</b> Million Customer Footfalls
<b>4.6</b> Lakhs member base	

### Bengaluru

<b>31</b> Large format stores	<b>85</b> Small format stores
<b>1.42</b> Million sq ft. Area	<b>23.2</b> Million Customer Footfalls
<b>4.9</b> Lakhs member base	

### Hyderabad

<b>17</b> Large format stores	<b>101</b> Small format stores
<b>1.16</b> Million sq ft. Area	<b>26.9</b> Million Customer Footfalls
<b>4.3</b> Lakhs member base	

# NATIONAL FOR 428 CITIES

**405**

Large format stores

**1007**

Small format stores

**16.1**

Million sq ft. Area

**351**

Million Customer Footfalls

**~12**

Million member base

## Jaipur

**5**

Large format stores

**12**

Small format stores

**0.18**

Million sq ft. Area

**3.3**

Million Customer Footfalls

**1.6**

Lakhs member base

## Ludhiana

**1**

Large format stores

**15**

Small format stores

**~70**

Thousand sq ft. Area

**2.1**

Million Customer Footfalls

**38.7**

Thousand member base

## Lucknow

**12**

Large format stores

**12**

Small format stores

**0.26**

Million sq ft. Area

**6.9**

Million Customer Footfalls

**1.9**

Lakhs member base

## Kolkata

**24**

Large format stores

**26**

Small format stores

**0.81**

Million sq ft. Area

**16.6**

Million Customer Footfalls

**3.9**

Lakhs member base

- A**
- Abohar
  - Adilabad
  - Agartala
  - Agra
  - Ahmedabad
  - Ahmedgarh
  - Ahmednagar
  - Ajmer
  - Akividu
  - Aitgarh
  - Alwar
  - Amalapuram
  - Amargarh
  - Ambala
  - Amloh
  - Amod
  - Amritsar
  - Amroha
  - Anand
  - Asansol
  - Aurangabad

- B**
- Badaun
  - Baddi
  - Bahadurgarh
  - Balachaur
  - Balasinor
  - Banda
  - Banga
  - Barabanki
  - Barasat
  - Baraut
  - Bardhaman
  - Bareilly
  - Barnala
  - Bassi
  - Batala
  - Bathinda
  - Bavla
  - Bayad
  - Bayana
  - Bazpur
  - Beawar
  - Belgaum
  - Bengaluru

- Bhadaur
- Bhagalpur
- Bharatpur
- Bharuch
- Bhatinda
- Bhavnagar
- Bhawanigarh
- Bhikhi
- Bhilai
- Bhillwara
- Bhimavaram
- Bhiwadi
- Bhitwari
- Bhogpur
- Bhopal
- Bhubaneswar
- Bhuji
- Bidar
- Bihar Sharif
- Bijnor
- Bilaspur
- Bokaro
- Borsad
- Budhlada
- Bulandshahr

- C**
- Chaksu
  - Chamkaur Sahib
  - Chanasma
  - Chandausi
  - Chandigarh
  - Chandrapur
  - Charkhi Dadri
  - Chennai
  - Chintalapudi
  - Chirawa
  - Chittorgarh
  - Churu
  - Coimbatore
  - Cuttack

- D**
- Dadri
  - Daman
  - Darjeeling
  - Dasuya
  - Dausa
  - Davangere

- Dehradun
- Delhi
- Deoghar
- Derra Bassi
- Devgadh Baria
- Dhanaula
- Dhanbad
- Dhansura
- Dharamkot
- Dhari
- Dharwal
- Dharwad
- Dholka
- Dhrangadhra
- Dhuri
- Dibrugarh
- Didwana
- Dimapur
- Draksharama
- Durgapur

- E**
- Emakulam
  - Erode

- F**
- Faridabad
  - Faridkot
  - Farukhbad
  - Fatehabad
  - Fazilka
  - Firozpur

- G**
- Ganaur
  - Gandhidham
  - Gangtok
  - Garhshankar
  - Gaya
  - Ghaziabad
  - Gidderbaha
  - Goa
  - Godhra
  - Gohana
  - Gollndwal Sahib
  - Gorakhpur

- Goraya
- Gozaria
- Gulbarga
- Guntur
- Gurdaspur
- Guru Har Sahai
- Gurugram
- Guwahati
- Gwalior

- H**
- Hajipur
  - Haldia
  - Haldwani
  - Halol
  - Hansi
  - Hanumangarh
  - Hapur
  - Haridwar
  - Hassan
  - Hathras
  - Himatnagar
  - Hissar
  - Hooghly
  - Hoshiarpur
  - Hosur
  - Howrah
  - Hubli
  - Hyderabad

- I**
- Indore
- J**
- Jabalpur
  - Jagadhari
  - Jaggayyapet
  - Jagraon
  - Jalpur
  - Jalalabad
  - Jalandhar
  - Jalpaiguri
  - Jambusar
  - Jammu
  - Jamshedpur
  - Jangareddygudem
  - Jhajjar
  - Jhalod

- Jhansuguda
- Jind
- Jobner
- Jodhpur
- Jorhat
- Junagadh

- K**
- Kadapa
  - Kadi
  - Kagaznagar
  - Kalthal
  - Kalol
  - Kamareddy
  - Kandukur
  - Kangra
  - Kanpur
  - Kapadvanj
  - Kapurthala
  - Karimnagar
  - Karjan
  - Karjat
  - Karnal
  - Kasaragod
  - Kashipur
  - Kathal
  - Kathua
  - Katni
  - Kavali
  - Keesara
  - Kendujhar
  - Khairthal
  - Khamanon
  - Khammam
  - Khanna
  - Kharagpur
  - Kharar
  - Kheralu
  - Kichha
  - Kishangarh
  - Kochi
  - Kolhapur
  - Kolkata
  - Korba



- Kot Ise Khan
- Kot Kapura
- Kota
- Kotdwar
- Kotputli
- Kottayam
- Kovvur
- Kozhikode
- Krishnanagar
- Kuchaman
- Kukanwada
- Kundli
- Kurali
- Kurnool
- Kurukshetra
- Kuriyana

- L**
  - Lakhimpur
  - Lalgaol Malakpet
  - Lalsot
  - Latur
  - Lehragaga
  - Limbd
  - Longowal
  - Lucknow
  - Ludhiana
  - Lunawada

- M**
  - Madurai
  - Mahilpur
  - Makhu
  - Makrana
  - Malerkotla
  - Malout
  - Malpura
  - Manchar
  - Mancherial
  - Mandawa
  - Mandi
  - Mandi Dabwali
  - Mandi Gobindgarh
  - Mandya
  - Mangaluru
  - Manipal
  - Manor
  - Mansa

- Margao
- Markapur
- Mathura
- Mau
- Maur Mandi
- Meerut
- Modinagar
- Moga
- Mohali
- Moradabad
- Morinda
- Mughal Sarai
- Mukerian
- Mumbai
- Muzaffar Nagar
- Muzaffarpur
- Mysuru

- N**
  - Nabha
  - Nadiad
  - Nagaur
  - Nagpur
  - Nalhati
  - Nakodar
  - Nalgonda
  - Namakkal
  - Nandyal
  - Naraingarh
  - Narasaraopet
  - Narsapur
  - Narwana
  - Nashik
  - Navi Mumbai
  - Nawalgarh
  - Nawanshahr
  - Nazibabad
  - Neemrana
  - Nellore
  - Newai
  - Nihal Sing Wala
  - Nimbahera
  - Nirmal
  - Nizamabad
  - Noida
  - Nurmahal

- O**
  - Ongole
  - Orail
- P**
  - Palakkad
  - Pall
  - Palwal
  - Panchkula
  - Panipat
  - Parvel
  - Paonta Sahib
  - Pathankot
  - Patiala
  - Patna
  - Patran
  - Payal
  - Peddapalli
  - Peddapuram
  - Peerzadiguda
  - Pehowa
  - Phagwara
  - Phillaur
  - Phulera
  - Pinjore
  - Porbandar
  - Porvornm
  - Prantij
  - Pratapgarh
  - Prayagraj
  - Puducherry
  - Pune
  - Puri
  - Purulia

- Q**
  - Quadian
- R**
  - Raebarell
  - Raigarh
  - Raikot
  - Raipur
  - Rajahmundry
  - Rajgarh
  - Rajkot
  - Rajpura
  - Rajsamand

- Rajula
- Rangarh
- Rampur
- Rampura Phul
- Ranchi
- Ranga Reddy
- Ratangarh
- Ravulapalem
- Renwal
- Rewari
- Rishikesh
- Rohtak
- Roorkee
- Ropar
- Rourkela
- Rudrapur

- S**
  - Saharanpur
  - Sahnewal
  - Salem
  - Sambalpur
  - Samrala
  - Sanaur
  - Sangrur
  - Savarkundla
  - Shadnagar
  - Shahbad Markanda
  - Shahera
  - Shahkot
  - Shimoga
  - Sikar
  - Slichar
  - Siliguri
  - Sirhind-Fatehgarh
  - Sirsa
  - Sitapur
  - Solan
  - Solapur
  - Sonipat
  - Sri Ganganagar
  - Sri Muktsar Sahib
  - Sultanpur
  - Sunam
  - Surat
  - Surendranagar

- T**
  - Talod
  - Talwandi Bhai
  - Talwandi Sabo
  - Talwara
  - Tanda
  - Tapa
  - Tarapur
  - Tern Taran Sahib
  - Thane
  - Thrissur
  - Trunelveli
  - Tirupati
  - Tiruppur
  - Tohana
  - Tonk
  - Trivandrum
  - Tumkur
  - Tundla

- U**
  - Udaipur
  - Udaipurwati
  - Udhampur
  - Udipi
  - Ujjain
  - Umreth
  - Una
  - Unjha
  - Unnao
  - Upleta
  - Uttarpara

- V**
  - Vadnagar
  - Vadodara
  - Vapi
  - Varanasi
  - Vasal-Virar
  - Vellore
  - Vijayanagaram
  - Vijayawada
  - Virpur
  - Visakhapatnam

- Y**
  - Yamuna Nagar
- Z**
  - Zira
  - Zirakpur



From  
neighbourhoods  
to a national retail  
network

We believe that the joy of shopping should be accessible to everyone - senior citizens, expectant mothers, temporarily disabled and people with physical challenges. To navigate, explore, talk, discover and shop like any other shoppers. At Big Bazaar, we wish to foster inclusiveness and enable everyone shop irrespective of race, religion, income, age or physical abilities.

# 195

Big Bazaar has full-time employees with physical challenges

# 10

Professionals with autism plan to join an internship program in 2019-20

- February 2018 : Listening session for shoppers with reduced locomotive ability.

- December 2017 : Listening session for hearing and speech impaired shoppers.

- More than 10,000 employees went through sensitisation training in three modules and more than 662 trainers were trained for this.

2018

**TODAY,  
I SHOPPED  
FOR THE  
FIRST TIME.  
AND I CAN'T  
WAIT  
TO SHOP  
AGAIN.**

2017



2018

- We joined hands with experts in the area like National Association of the Blind, Sol's Arc, Forums for Autism, v-shash and Youth4Jobs.

- We identified the pillars for inclusion. Change in infrastructure like accessible trial rooms and washrooms, ramps, wider aisles, wheelchairs on request, lower height customer service desks and more. Change in services like priority counters, home delivery, shopping assistance and shopping guides. And most importantly change in our mindsets involving Avesha training and sensitisation of store colleagues through three distinct stages.



**140**

Big Bazaar stores are now accessible for people with physical challenges

**12**

Big Bazaar, Varanasi has high number of hearing-impaired employees

**01**

A woman employee of Big Bazaar, Visant Kung, with Down's Syndrome is an ambassador of Indian government for 2019 elections

• August 2018 : Listening session for shoppers with blindness.

• December 2018 : Big Bazaar Matunga, Mumbai became the first store to organise a Quiet Hour between 9:30 AM - 11:20 AM. Dimmed lights, lesser trolley movements, minimal announcements and dedicated assistance from trained staff welcomed people with autism at the store.

• March 2019 : 140 Big Bazaar stores now offer wheelchairs, wheelchair-friendly ramps and trial rooms, shopping assistance, free home delivery and priority check out counters for shoppers who need them.

2018

2018

2018

Autism  
**QUIET  
HOUR**



• December 2018 : Fourteen stores across the country celebrated Looking Ahead. More than 400 visually impaired customers participated in special workshops on fashion tips, beauty and grooming and hands-on training on cooking using safe equipment. Some stores organised a fashion show and a tasting session after these sessions.

• April 2019 : 16 stores learn from Big Bazaar Matunga to organise Quiet Hour for customers with autism in 16 cities. And this, is just the beginning.

**#SabKeLiye**

# JOURNEY TOWARDS INTEGRATED REPORTING

## INTEGRATED REPORTING

Starting this year, we are taking our first step towards integrated reporting. We start with the stakeholder engagement, materiality, strategy, business model, risk assessment and mitigation plan followed by governance.



## Relevant Stakeholders

Modes of engagement

**EMPLOYEES**

01

**Any person directly employed by Future Retail, to work at stores, offices or logistics centres.**

- **Engagement:** SPARK, a meet for store Managers to discuss and cross pollinate ideas and themes to execute the strategy of the Company for the current year.
- ✳ **e-magazine:** Futurebytes, provides updates to employees about activities across the Future Group on operational, social and business information, and deliver monthly drops of inspiring content.
- ✳ **Monday Musings:** The CEO communicate our strategy, outlook and progress regularly through weekly updates, as well as videos and podcasts.
- **Pratibimb:** We use our Company-wide online Enterprise App, to share news, key information, significant events, Company announcements and support for day-to-day working.

**CUSTOMERS**

02

**Any person who purchases any product from any format of Future Retail.**

- ▲ **Consumer Insights:** We undertake extensive qualitative and quantitative research to ensure we continue to inspire and excite them.
- ⇒ **Customer Service:** We provide customer assistance across many mediums, including customer service desk at the stores, phone, email, social media and online chat.
- ⇒ **Customer Analytics:** The Company has engaged Palantir to use consumption data from our own customer and help build a comprehensive understanding of our customer needs and demands, ensuring that our decisions are data-informed and customer-centric.
- ▲ **SMS, Email and Advertisement:** To give offers, promotion, event information.

**FREQUENCY OF ENGAGEMENT:** ● REGULARLY ■ ANNUAL ✳ WEEKLY ▲ PERIODIC ⇒ ONGOING PROCESS  
 ✳ ANNUALLY TO ALL SHAREHOLDERS AND QUARTERLY THROUGH STOCK EXCHANGES

## PARTNERS & SUPPLIERS

03



Companies that are part of Future Retail's supply ecosystem as well as their respective employees.

- ➔ **Sustainability Collaborations:** The Company has tied up with not for profit organisations for imparting necessary skills to improve quality of life for individuals and their families, through vocational training and employment opportunities.
- ▲ **Manufacturers/Wholesalers:** We maintain close working relationships through monthly and weekly updates to understand product performance, merchandising development, evaluate stock levels, review order books and address any questions or concerns.
- ▲ **Vendors and Service Providers:** We hold periodic meetings and reviews with our partners, to discuss business and operational developments in the Company and to address any questions and concerns.

## COMMUNITY

04



All people or entities that are part of the ecosystem in which Future Retail carries out its activity.

- ➔ **Financial Support:** We contribute 2% of average net profits of the Company to charitable causes to comply with CSR Regulations.
- ➔ **Sone Ki Chidiya (SKC) Foundation:** We support the SKC Foundation in creating long-term solution to create community ecosystem and addressing key social issues.
- ➔ **Social Value Creation:** Reducing inequalities, promoting education, better health care facilities.

## SHARE-HOLDERS

05



Any person or entity that owns FRL shares.

- ▲ **Shareholders Ongoing Engagement:** Senior management and Investor Relations team hold meetings with investors.
- ▲ **Board Engagement:** The Board receives quarterly updates on the functioning and the health of the Company.
- **Annual General Meeting (AGM):** Our last AGM was well attended with all resolutions passed.
- ✂ **Reporting to Shareholders:** We endeavour to provide a holistic review of the performance of the business and our strategy through all of our communications.
- ▲ **Sector Conferences:** Another forum for communication with investors are the sector conferences organised by financial institutions, taking place in key events throughout Asia, US & Europe with attendance from large institutional investors.

# Materiality determination process

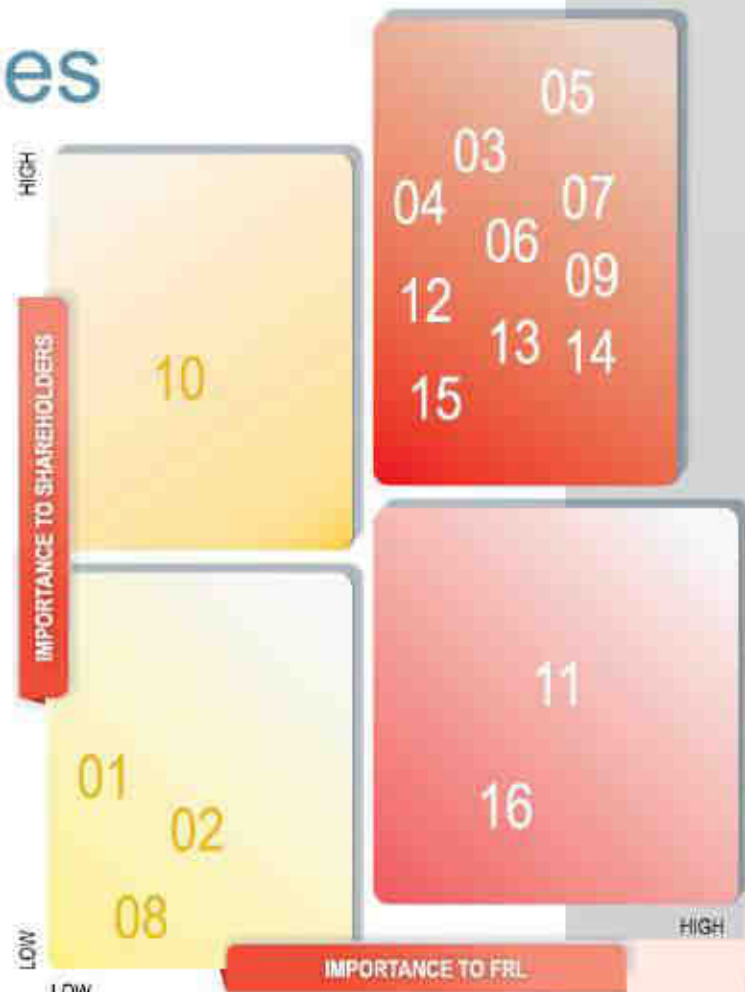


The material issues are reviewed annually by the Board and management where all relevant internal, industry and macroeconomic factors are evaluated. The needs, expectations and concerns of the stakeholder groups that are most likely to influence the Group's ability to create sustainable value, notably customers, employees, partners & suppliers, community and shareholders are central to determining the material issues. The steps followed in determining the material issues are as follows:

- Understanding and clarifying the impact on stakeholder opinion and decision-making
- Understanding and clarifying the impact on society
- Prioritisation, validation and identification of material issues
- Approval by the Board, management and Committees

## Material issues

01. Diversity and Inclusion
02. Labour practices
03. Attracting and retaining talent
04. Human capital development
05. Responsible purchasing practices
06. Commitment to customers
07. Cyber security and data protection
08. Sustainable products
09. Product quality, health and safety
10. Energy and climate change
11. Investment in the community
12. Relationship with stakeholders
13. Corporate Governance
14. Risk management and control systems
15. Regulatory compliance and responsible practices
16. Socioeconomic impact on society



## Strategic focus areas (SFAs) and plan of implementation under each SFA

- **Revenue Growth** – Achieve double digit growth year on year
- **Customer Reach** – Increase number of stores  
Increase customer footfalls  
Increase overall service space
- **Profitability** – Achieve higher Operating profit

₹ **20,164.90 CR.** > Retail Sales

₹ **1,057.38 CR.** > EBIDTA

**9.13%** > Growth %

**5.24%** > EBIDTA%

**6.8%** > SSG%

₹ **732.81 CR.** > PBT

**351 mn.** > Footfalls

**3.63%** > PBT%

**50** > Large Stores Addition

**25.28%** > EBIDTA Growth %

**440** > Small Stores Addition

**19.12%** > PBT Growth %

**1.6 mn. sq.ft** > Area Addition

₹ **14.58** > EPS



## Medium to Long term strategy

The strategy is to build organizational capabilities in order to garner a high consumption wallet share of our members and customers over a sustainably long period of time. Capabilities would need to be built through rigorous execution, strategic new business initiatives such as proximity retail, data-led predictive sciences, and artificial intelligence to manage various functions. Successful implementation of the strategy could result in higher growth and stronger earnings profile as well as better customer experience.

## Medium to Long term strategy



> Large Customer database



> Strong own brand product portfolio



> Pan India Network of stores



> Differentiated Fashion product portfolio



> Pan India supply chain network



> Group ecosystem to address maximum needs of the customer



# BUSINESS MODEL

## HUMAN CAPITAL

Total number of employees: 45,949  
Gender diversity: Male - 77%  
Female - 23%  
Average age: 18-30 : 73.91% , 31-40 : 21.79%  
41-50 : 3.88% , 51-58 : 0.42%  
Differently abled employees: 189  
Total man hours of training conducted: > 30 lakh hrs  
Number of participants: 25,000+  
Total employee benefits: ₹ 1,074.41 crore

## SOCIAL AND RELATIONSHIP CAPITAL

Total CSR expenditure:  
An amount of ₹ 5.74 crore has already been spent in the course of the financial year 2018-19. The SKC Foundation has further identified projects for the unspent amount of ₹ 1.02 crore of the year under review, to be implemented in the course of current FY 2019-20. Amount to be spend for the current year, would be determined after adoption of accounts by shareholders.

## INTELLECTUAL CAPITAL

Total trademarks applied for and granted: 870 (734 registered and 136 pending).  
Professional experience of Board & Senior Management (average): 25 Years.

## FINANCIAL CAPITAL

Capital Obtained through Financing  
Debt : ₹ 1,329.23 crore  
Equity : ₹ 0.82 crore  
Capex : ₹ 887.99 crore  
Total Income : ₹ 20,185.37 crore  
EBITDA : 5.24%  
PAT : 3.63%  
Operating profit margin : 4.74%  
Net profit margin : 4.13%  
EPS : ₹ 14.58  
Net worth : ₹ 3,976.15 crore

## RETAIL CAPITAL

Total number of stores : 1,511 (including of WHSmith).  
Total retail area : 16.14 mn. Sq.ft.  
(including WHSmith)  
Number of customer visits : 351 mn.  
Same Store Growth : 6.8%  
Average ticket size : ₹ 608

## BRAND CAPITAL

The Company's leading format brand "Big Bazaar" appears in most valuable service brand list. Also other format brands have been recognised at various forums as contributing to retail industry. Further the support of various product brands sold through our various format stores enhances overall brand capital of the Company.



## Risk management and mitigation is integral to our sustainability priorities.

We proactively strive to identify existing and potential risks and take pre-emptive steps to mitigate them. Our robust risk management framework represents the basis of this approach. Our risk-management process is closely linked to our organisational culture.



## Our key risks, considerations and mitigation measures

### EXTERNAL RISKS

Environment	
Raw materials, Processing, Packaging, Distribution and its impact on environment.	Introducing alternate categories, piloting programmes for various alternates, sustainability reviews, restructuring distribution, creating awareness, reviewing packaging, compliances, Health & Safety, etc.
Depleting/extinct categories, alternate categories, alternate energy, alternate processes, alternate materials, distribution channels, alternate packaging, compliance with NGT or other NGOs etc.	Chief Sustainability Officer has been appointed. Strategy with respect to sustainability drafted Policies with respect to Environment, Ethics, Human Rights, Influencing Public and Regulatory, Product Stewardship (Sustainability, Product labelling, Recycling, New Product Development), Health and Safety, Stakeholder Engagement, Wellbeing of Employees & Corporate Social Responsibility are now in place. These are displayed on Websites for reference. Implementation is underway.

**CRUCIAL FACTORS**

**MITIGATION MEASURES**



## Regulatory

Ease of operating business, Cost of compliances and its management.

CRUCIAL FACTORS

Goods and Services Tax (GST), demonetisation initiatives, & amendments to Consumer Protection Act, implemented by the Government of India have had a positive impact on the organised retail sector. Repealing/scrapping of redundant acts, & ongoing update of various regulations (specially Policies with respect to E-Commerce) is promising towards ease of doing business. Emerging Compliances in the area of Data Privacy/Protection, Cyber world, Digital Transformations, Consumer Protection, will further enable Consumer Protection and help us in winning their confidence.

Improving overall culture for compliances by implementation and upgrade of Multiple applications like Anushasan (License Tracking), Abhiyog (Litigation Management), Lekha Prabandhak (IPR management) and introducing further applications for areas such as Insider Trading Management.

Continuous update of Governance Processes/Documents

Re-skilling of workforce, adoption of technology (AR,VR, Cloud, Artificial Intelligence, Mobility, Analytics, Blockchain) & Improved MIS/Reporting.

MITIGATION MEASURES

## Economy

Revenue from operations

CRUCIAL FACTORS

At present, various macroeconomic, Geo- political factors such as stable government, GDP growth rate, inflation are impacting the Company favourably.

Continue to upgrade and open Big Bazaar Gen-next & Foodhall. Deploying dedicated teams to capture trends / moods / aspirations of customers at international/national levels.

Designing suitable promotions (Free Shopping etc. Public Holiday Sale). Driving relevant Customer Loyalty programmes (Future Pay / BB Profit Club / Easyday Savings Club). Media space utilisation needs to improve.

Markdown being tracked through Promotion Workflow Management (PWM).

Initiatives are being taken to improve efficiency / effectiveness of Markdowns i.e. to make it more smarter with the help of technology. Markdowns related to slow moving inventory and other inventory dilutions (shrinkage, damages, defectives, dump etc.) to be reduced by optimising overall inventory levels and improving inventory audits.

MITIGATION MEASURES

Level of  
criticality



High



Medium



Low



Key considerations

## INTERNAL RISKS

### Strategy

Business Model, Online e-commerce, Online- Offline, Offline-Online, Format size, Value/Lifestyle etc.

Deep discounting across channels online and offline continues to disrupt the market

Sustaining a multi-format, multi-channel, approach to help the Company remain in business.

E Commerce channel has been established, Big Bazaar and fbb are live. Emerging risks such as Online Reputation Management, Digital Campaigning Effectiveness, etc. are already being managed in structured way which need to be further strengthened.

CRUCIAL FACTORS

MITIGATION MEASURES

### Governance

Shareholder Value Creation, Vendor Management, People Office Management.

Shareholder Satisfaction, Vendor Performance/Satisfaction/Relationship management, Product quality, Employee Satisfaction.

Received only 10 grievances from shareholders of which 9 have been resolved and balance one complaint since resolved during the current year.

Chatbot model (Genie) an Artificial Intelligence system is in the pipeline for implementation.

A Vendor organisation is being created responsible for on-boarding, scaling-up and mentoring Vendors within the Eco system, and relentlessly driving execution of these strategies. This will lay strong foundation of partnerships with vendors. This will improve areas of store-memberships, financial services to vendors, supply chain and warehousing among numerous other services.

Future 360, a SAS based model, Cloud Based People Office System bringing about digital transformation in the area of HR, Geo-tagging, Geo-fencing, on-the-fly travel requisitions, and other additional facilities are part of this package for the employees.

CRUCIAL FACTORS

MITIGATION MEASURES

## Technology



Customer Service/Experiences, Supply chain, Cyber, Innovation.

CRUCIAL FACTORS

Availability & Demand Forecasting are key performance indicators. Tathaatu (Anything, Anytime, Anywhere). Enhancing customer experience/service for ever changing customer is a challenge. Cyber attacks/protection, Data Governance/Protection. Technology Innovation and implementation is important.

Brand management (with partner brands), is being continuously improved, obtaining and acting upon customer feedback.

Continuous improvements are being made in the area of Supply Chain and related Technology (latest being state of the ART sorting facility established at Nagpur Distribution Centre).

Chief Information Security Officer has been appointed.

Policy with respect to Information and IT Security including Data Governance/Privacy and Disaster Recovery are in place. Programmes with respect to these are being implemented. This is critical as the organisation is being built upon the vast consumer data generated. A data-led digital platform is being built that world can emulate. Future is being created with data sciences, artificial intelligence, and next generation technology (Internet of Things, Augmented Reality, Virtual Reality, etc.).

Strategy in relation to insurance is being regularly revisited in terms of further areas for which insurance is required specially in the Cyber/Data segment.

Net Promoter Score is tracked continuously to improve overall experience. Engage 247 have been implemented to enable better Customer Experience.

The Digital labs continues to work in the area of R&D where required. MS-Customer Relationship Management software has been implemented.

MITIGATION MEASURES

## Liquidity



Working Capital

Reasonable interest rates.

1.33x current ratio

MITIGATION MEASURES

Level of  
criticality



High



Medium



Low



Key considerations

# Governance



**Mr. Kishore Biyani**

4

5

**Chairman & Managing Director**

He is Founder and Group CEO of Future Group and has over 35 years of experience and is known as the pioneer of modern retail industry in India. Led the Future Group's emergence as India's leading player catering to the entire basket of Indian consumers.



**Mr. Rakesh Biyani**

1

5

**Jt. Managing Director**

He is associated with Future Group for over 20 years. Led the management and expansion of the Group's flagship formats like 'fbb', 'Big Bazaar' and 'Central' along with supply chain management.



**Mr. Ravindra Dhariwal**

1

2

**Independent Director**

He is an MBA from IIM-Calcutta and also holds B.E. from IIT Kanpur. Mr. Ravindra Dhariwal Senior Advisor of TPG Growth. Prior to joining TPG, Mr. Dhariwal served as an Executive Director for Bennett Coleman & Co. Limited and was also associated with Pepsico and Unilever. He has over 40 years of experience building consumer businesses all over the world.



**Ms. Gagan Singh**

1

3

4

**Independent Director**

She is Chartered Accountant and Cost Accountant. Ms. Gagan Singh considered as general management expert was associated with Jones Lang and LaSalle for India and Sri Lanka operation. She was associated with Benetton India and Scalte Group. She has over 30 years of experience across the apparel, exports and hospitality sectors.



**Ms. Sridevi Badiga**

1

**Independent Director**

She received MBA degree from the Kellogg School of Management in Chicago and BBA in Accounting from Hofstra University in New York. She is an avid sports enthusiast and has a certificate in patisserie making from Le Cordon Bleu, Paris. Ms. Badiga runs a cross-border advisory practice working closely with a network of family offices and institutional investors in the Middle East. She has worked on various strategic cross-border deals.

**COMMITTEE**

1. Audit
2. Nomination and Remuneration
3. Stakeholders' Relationship
4. Corporate Social Responsibility
5. Risk Management



Chairperson



Membership



**Mr. Shailendra Bhandari**

2 3

**Independent Director**

He holds MBA in Management from IIM, Ahmedabad and Bachelor of Arts (Honours) in Economics from St. Stephen's College in Delhi University. Seasoned finance professional with more than 35 years of experience and an impressive track record of accomplishments. Mr. Bhandari was Managing Director & CEO of ING Vysya Bank and was also associated with various banks in past. His areas of expertise include Banking, Private Equity and Mutual Funds.



**Mr. Rahul Garg**

2 3 4

**Non-Executive Director**

He holds a bachelor's degree in mechanical engineering from University of Delhi and a post graduate diploma in management from Management Development Institute, Gurugram. Mr. Rahul Garg is the Partner and Co-Head, India Private Equity strategy of Premji Invest and leads investments in banking, financial services, insurance and the consumer and retail sectors. He has more than 18 years of experience in the financial services sector.

**Board relevance (how does each member contribute to the Company)**

Board of the Company comprise of experts from various fields and ensures that there is a balance representation of each field and each of the Board member contribute in all discussions and decisions taken at Board level.

**Board diversity (gender-wise)**

2 Executive Board members, 1 Non-executive Board member and 4 Independent and Non-executive Board members.

Board comprise of 7 Board members including 2 Independent Women Directors.

**Key decisions and corporate actions taken**

- Issuance of warrants to the Promoter Shareholder for a total value of ₹ 2,000 crore, already approved by the Shareholders.
- Acquisition of the Airport retail business "WHSmith" operated through Travel News Services India Pvt. Ltd. along-with its two subsidiary companies.
- Acquisition of the retail food chain "Foodworld" comprising of 37 stores in South India.
- Entered into Master Franchise Agreement through its subsidiary, SHME Food Brands, with world leader in convenience stores 7-Eleven.
- Entered into shareholders agreement for opening of a joint venture company at Oman for promoting "fbb" brand and running "fbb" stores in Oman and other states of GCC.



## MANAGEMENT DISCUSSION AND ANALYSIS

This year was a year of focused execution and stable expansion of our large format stores and strategic expansion of the small format stores.

### Large Format Stores

We added 21 new large stores during the year and were able to achieve 10.9% same store sales growth in this format. Our focus on efficient store expansion has led to the furtherance of a distribution network that is unparalleled in the country.

In continuation of the previous fiscal year, Big Bazaar remained firmly on the path of operating leverage with improving margins quarter after quarter. We have successfully completed the integration of Hypercity with delivery of committed turnaround in time. Strong value enhancements from synergistic mutual strengths, rationalisation of back-end costs and economies of scale will continue to further improve the performance of integrated Hypercity stores.

### Small Format Stores

On Small format stores this year, we maintained dual strategic focus -(a) making older stores efficient with higher contribution from members' with extensive data & tech development across delivery functions & processes, and (b) expanding aggressively in defined markets. We have opened more than 400 small stores this year, ending the year with more than 1,100 stores (including WHSmith). We added 6 lakh members this year, hence doubling the member base from last year. An easyday club member visits the store 3-4x a month fulfilling about 50-60% of his/her annual grocery consumption from this format.

We believe that the combination of large format and small format stores will enable us to serve better our loyal customers & members and in turn, continue to establish stronger foothold for FRL across all major markets of India. We already have a strong market foothold in several such centers.

Through membership penetration, the Company continues to increase its share in the consumers' wallet, which to our belief, is sustainable advantage, profitable and value accretive in the longer run. Other key initiatives include, increasing the velocity of sales and productivity of stores while continuously deepening the market presence. Through data and technology-led improvements, our objective has been to enhance assortment relevance, improve quality standards, shopping experience and reinvent ourselves for higher customer conversion ratio, better ticket sizes and better same store sales growth.

For our customers, we continue to drive their experiences to better & higher levels. Services like faster checkouts, sit-down lounges, digital shelf talkers and experience zones with multi sensorial food products

giving a world class shopping experience are just some of them. Our stores are designed to be smarter and experiential through use of technology, innovation in services, layouts and filled with digital interfaces. These stores redefine the retailing experience and set new benchmarks for retailing in India.

Customer loyalty remains one of our key pillars of growth and we continue to focus on understanding our customers based on the data collected and analyzed of our frequent shoppers. We continue to develop digital payment wallet 'Future Pay' with the price match feature building firm customer trust, EMI facility for spends above certain limit across stores of the Company (through EMI network card co-branded with Bajaj Finance), #DecideYourPrice initiative through social networking websites, etc. Our membership programs have seen strongest ever growth and high renewal rates from the customers.

### Industry Outlook

As per industry reports, India's retail market size is pegged at ~USD822bn, of which the organized segment (excluding e-commerce) accounts for about 11% of the overall retail market as of FY19. This share is expected to increase to ~16% over the next 5-6 years, with the organized retail market growing at a CAGR of ~20%. Interestingly, over the last five years, the organized retail market grew at ~19%, increasing its penetration from 7% to around 11%.

The target market of the Company, which mainly comprises of low to high level income individuals, continues to expand more significantly. Based on external research, we believe FRL with its wide assortment of products across Food, Fashion and Home through large format stores and its targeted grocery assortment in the small format stores is on the path to capture a higher proportion of the growing modern retail share.

### Overview: Operational, Customer and Marketing

Through the two store formats, large format and small format stores, Company retains its focus on the core categories of Food, Fashion and Home. A common thread across these categories is the advantage of scale to support our quest & delivery of improved quality, better value, higher availability and differentiated products in our stores. Pan-India reach continues to yield strategic edge to the business at large and all incremental space additions make the back-end operations more cost effective.

On marketing, in continuation to previous year's partnerships, the Company was one of the key sponsors to two of India's most coveted events – IPL and the fbb Miss India pageant. Promotional activities like Wednesday Bazaar, Public Holiday Sale, Independence Sale, Sabse Saste 5 Din continued to add value to

customers and business alike. Innovations such as Kitchen Stock Exchange, Live shopping alongside facebook, exchange offers, specific category sales & many more delivered high participation from the customers. Further, the Future Pay wallet, price match challenge, electronics at cost price, #DecideYourPrice campaign kept the customers hooked onto our formats.

fbf continues to connect with the young customers, by promoting various events. Miss India contest, IPL season 12, music and performance events continue to portray fbf as the fashion destination for youth. fbf has a strong presence on social media, such as Facebook and Twitter. The Company considers fbf as an important strategic piece to register its presence in fashion, enhance sales productivity and improve margin profile and profitability.

fbf has become known for 'fashion at affordable price'. Further, celebrity endorsements and its media presence in big events like Miss India and IPL, continued to keep fbf fresh and renewed in minds of fashion conscious youth and other customers.

### Awards and Recognitions

The Company and its formats received awards in categories like:

#### Big Bazaar

- ❖ Big Bazaar was ranked among the most valuable brand by Interbrand;
- ❖ Big Bazaar won IMAGES Most Admired Brand Retail Partnership of the Year 2018;
- ❖ Big Bazaar won IMAGES Most Admired Retailer of the Year under Digital Marketing Campaign category;
- ❖ Big Bazaar's Smart Search Campaign won MMG Awards, Troxy, London for Best Campaign in Fashion, Beauty & Retail Category for 2018 and the best Mobile Search Campaign globally by SMARTIES, New York;
- ❖ Big Bazaar's 24hr Facebook Live Campaign won:
  - Gold in Exchange4Media - Maddies of the Year 2018;
  - EMVIE Silver under the category Best Media Innovation, Digital, Social Media;
  - Best Online Advertising Campaign by Exchange4Media, Indian Digital Media Awards 2018.
- ❖ Big Bazaar's Midnight Sale Campaign won Silver in Exchange4Media - Maddies of the Year 2018;
- ❖ Big Bazaar's Decide Your price won Gold in DMA Asia Echo 2018 under the Create Effect category;
- ❖ Big Bazaar Profit Club won Customer Loyalty Awards for the Best Card Based Loyalty Program and Best Loyalty Program in Retail Sector.

#### fbf (Fashion @ Big Bazaar)

- ❖ fbf's Airport Makeover won ET Now - Stars of the Industry Award under the best Experiential and Brand Experience of the year;
- ❖ fbf's "National Jeans Day" Campaign won:
  - ET Now - Stars of the Industry Award for the best use of social media and marketing;
  - Best Branded Regional Campaign by Foxglove - Afaqs!;
  - Gold for the Best Use of Social Media to launch a product or service by SAMMIEs - Social Samosa;
  - Gold for the Best Lead Gen Campaign at 9th IDA - IAMAI;
  - Best Launch of a Product by LIDMA - Lighthouse Insights;
  - Digital Awards for the best lead generation campaign through mobile.
- ❖ fbf won the best Print Campaign of the year at the Activation Venue Forum - Umbrella Aegis;
- ❖ fbf "500 Festive Looks" Campaign won:
  - Best Use of Instagram by Foxglove - Afaqs!;
  - Silver for the Best Content Marketing - Retail by DIGIXX - AdGully.
- ❖ fbf's "World Shorts Day" Campaign won:
  - Silver by DIGIXX - AdGully in Social Media;
  - the Best Digital Integrated Campaign by Global Marketing Congress - CMO Asia;
  - Silver for the Best Use of Social Media to generate leads or drive revenues by SAMMIEs - Social Samosa.
- ❖ fbf won the Best Media Marketing Campaign, for "Dil Se Desi" Campaign by Global Marketing Congress - CMO Asia.

#### easyday

- ❖ easyday Club awarded Most Admired Food & Grocery Retailer of the Year under National Supermarket Category by IMAGES.

#### Foodhall

- ❖ Foodhall at MKT, Chanakyapuri won VM&RD Awards 2019, North in Food Groceries and General Merchandise;
- ❖ Foodhall at MKT, Chanakyapuri won VM&RD Awards 2019, North in Best Shop Fitting;
- ❖ Foodhall at Two Horizon Centre, Gurugram won VM&RD Awards 2019, North in Food Groceries and General Merchandise.

## Human Resource initiatives

Human Resource is one of the key interfaces the Company has with its customers and hence it is very critical to ensure continuous learning and development of its people resources. FRL employs 45,949 employees located at Head Office, Zonal Offices, Retail Stores, Design houses and Data-Centers across the Country. The Company imparts continuous training to its employees in various fields and at the same time also ensures individual development by imparting training for improvement of skills, knowledge and leadership abilities. The Company has attracted best talents from the industry as well as successful in retaining its core team, which has rich experience of last 20 years leading the Company's core retail business. This year we intend to work on two key pillars to transform our People Office, first by transforming our people processes with the help of technology and second by bringing together the synergies of people organisations across the Group. Further, the Company has implemented ESOP scheme to give better retention benefits to its valued human assets.

## Business Outlook

Future Retail has an unparalleled network of stores under core two formats, spread across pan India and is poised to get the maximum benefit of the surge in the consumption drive. We believe that the network is strategically well placed to capture the growth in organized sector over unorganized as well as give incumbency advantages.

We would continue to strive towards optimization of capital employed in our business with a high focus on interest cost reduction, dependencies within the group or large external partners.

A potential reduction in debt, improvement in net worth, would help the Company to achieve better credit ratings, which could eventually help the Company to obtain funding at much more reasonable terms. The Credit Analysis & Research Limited (CARE), has assigned its rating for Short Term borrowings to [CARE A1+ [CARE A One Plus]] and Long Term borrowings [CARE AA- [CARE Double A Minus] as of March 31, 2019. For further details on credit rating, you can refer corporate governance report forming part of this Annual Report.

FRL has been at the forefront of modern retail industry evolution and shall continue to lead from front. To this extent, our formats are significantly better on customer experience, technological advancements, and experienced and skilled workforce. We believe this could yield better growth than industry for us in the years to come.

## Risks and Threats

External environment factors like interest rates, inflation, liquidity, rationalisation of tax structure, job

creation and consumption sentiments continue to be the biggest threats as well as opportunities for the Company. Any slowdown in the economic activity in the Country, significant job losses or high rates of inflation can severely impact the consumption and therefore growth of the Company.

In the recent times, Indian economy has witnessed acute liquidity challenges and softness in the consumption in select discretionary categories (mainly Auto). Any furtherance of the sentiments into categories of our presence – Food, Fashion or Home, could potentially have an adverse impact on the growth and in turn on profitability. The continued liquidity issues could lead to a negative impact at the end of our vendors or supplier base as well, which might have an adverse impact on our working capital management.

Other external factors, such as increase in borrowing costs, policy changes or adversities could lead to negative surprises impacting growth, profitability and / or cash flows. While FRL does have robust internal controls and systems to manage such adversities, the outcome could still be challenging.

## Internal controls and their adequacy

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

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

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

The financial results for the twelve months ended March 31, 2019 are not comparable with corresponding period of previous year, due to effect given to demerger of Home Retail Business undertaking to Praxis Home Retail Limited and demerged Retail Business Undertaking of Hypercity Retail (India) Limited with the Company in the previous year.

**Sales:** The Company's Sales and Operating Income has increased from ₹18,477.97 crore in previous financial year to ₹20,164.90 crore with Y-o-Y growth of 9.13% for the financial year ended March 31, 2019.



**Profit Before tax (excluding one-time non-cash exceptional expense):** Profit Before Tax of the Company for financial year ended March 31, 2019 stood at ₹732.81 crore as compared to ₹615.18 crore during the previous financial year.

**Interest:** Interest & Financial charges out flow has increased from ₹175.38 crore incurred in previous financial year to ₹223.98 crore for financial year ended March 31, 2019 due to increase in debt from ₹ 1,286.41 crore to ₹2,657.04 crore as at March 31, 2019.

**Net Profit:** Net Profit of the Company for financial year ended March 31, 2019 stood at ₹732.81 crore as compared to ₹11.31 crore (after providing for one-time non-cash expense of ₹ 603.87 crore due to loss on sale of investments) in the previous financial year.

**Dividend:** In order to conserve resources for future expansion plan, the Board of Directors of the Company has not recommended any dividend for the financial year ended March 31, 2019.

**Capital employed:** The capital employed of the Company was ₹6,508.99 crore as at March 31, 2019.

**Surplus management:** The Company generated a cash profit of ₹833.40 crore for financial year ended March 31, 2019 as compared to ₹668.61 crore in the previous financial year, registering the growth of 24.65%. The

amount is ploughed back into the business to fund the growth.

**Equity share capital:** The equity share capital of the Company has increased from ₹100.40 crore to ₹100.52 crore due to ₹0.12 crore worth of shares issued to employees exercising their stock options during the financial year under review.

**Net Debt-Equity:** Net Debt-Equity ratio of the Company has increased to 0.62 as at March 31, 2019 as compared to 0.36 in the previous financial year. This ratio has increased due to increase in debt from ₹ 1,286.41 crore to ₹ 2,657.04 crore as at March 31, 2019.

**Net Worth (excluding Capital Reserve):** The Net worth of the Company has increased from ₹ 3,220.47 crore to ₹3,976.15 crore due to Profit for the current year and shares issued during the financial year.

**Cash Earnings Per Share (CEPS):** The Company's CEPS (before exceptional items) has increased to ₹16.59 in current financial year in comparison to ₹13.32 in the previous financial year.

**Earnings Per share (EPS):** The Company's EPS (before exceptional items) has increased from ₹12.45 in previous financial year to ₹14.58 per share for the financial year ended March 31, 2019.

## DIRECTORS' REPORT

To,  
The Members,

Your Directors are pleased to present the Twelfth Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2019.

### FINANCIAL HIGHLIGHTS

The financial performance of the Company is as follows:

(₹ in crore)

Particulars	Standalone		Consolidated
	Financial Year 2018-19	Financial Year 2017-18	Financial Year 2018-19#
Revenue from Operations	20,164.90	18,477.97	20,332.58
Other Income	20.47	11.67	23.14
<b>Total Revenue</b>	<b>20,185.37</b>	<b>18,489.64</b>	<b>20,355.72</b>
Profit/(Loss) before Depreciation and Amortization Expense & Tax expense	833.40	668.61	831.22
Less: Depreciation and Amortization expense	100.59	53.43	104.02
Profit/(Loss) before Exceptional Item	732.81	615.18	727.20
Less: Exceptional Item	-	603.87	-
Profit/(Loss) before Tax	732.81	11.31	727.20
Less: Tax expense	-	-	0.01
Profit/(Loss) after Tax	732.81	11.31	727.19
Other Comprehensive Income for the year	5.81	1.96	5.85
Total Comprehensive Income for the year	738.62	13.27	733.04
Earnings Per Equity Share of Face Value of ₹ 2/- each			
- Basic and Diluted (in ₹)	14.58	0.23	14.47

(#)The Company has prepared the consolidated financial results as required under the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and the applicable prescribed Accounting Standards under the Act, since this is the first year, when the Company has subsidiary and joint venture companies. There were no subsidiary or joint venture companies in previous year and hence no comparable numbers of previous year are available.

### REVIEW OF PERFORMANCE

During the year under review, your Company recorded an increase of 9.13% in the Standalone Revenue from Operations at ₹ 20,164.90 crore as compared to ₹ 18,477.97 crore in the previous financial year. Consolidated Revenue from Operations was reported at ₹ 20,332.58 crore during the year under review. Your Company also reported an increase of 19.12% in the Profit of ₹ 732.81 crore as compared to ₹ 615.18 crore for the previous financial year, before exceptional item.

The year 2018-19 was a very fulfilling year. We now have a pan India presence with 1,511 stores in 428 cities as of March 31, 2019 and total retail space of approximately 16.14 million sq. ft. for various formats of our Company. As on March 31, 2019, we have 292 Big Bazaar/Hypercity stores, 94 fbb stores, 12 Foodhall stores, 1,106 small format stores (including WHSmith stores) and 7 eZone stores. Our retail format business is supported by various other businesses operated by Future Group companies and through investee companies of Future Group

operating in various ventures including branded fashion, food & FMCG, insurance, warehousing & logistics, media and textiles.

As regard the well-developed formats like Big Bazaar, fbb, Foodhall, easyday etc. which has received good recognition and also acceptance by our stakeholders, we have been able to develop presence across India with good loyal customer base of approximately 50 million members across all formats as of March 31, 2019.

Fiscal 2019 also firmed up the stage for a strong omni-channel business and Online to Offline conversions. The Company has set the foot on a focused small-store membership program, higher paid-loyalty membership enrolments in large format stores and in parallel, several functional enrichment to serve such loyal customers better. To this extent, we have increased the retail technology play across our stores, enriched the Future Pay wallet and introduced many member service aspects.

## **SCHEME OF ARRANGEMENT AND ACQUISITION**

### **a. Scheme of Arrangement between Hypercity Retail (India) Limited and the Company and their respective Shareholders ("Hypercity Scheme")**

The Company had entered into Scheme of Arrangement with Hypercity Retail (India) Limited ("HRIL") and their respective Shareholders under Sections 230-232 and other applicable provisions of the Act in order to consolidate the retail business under singly entity, whereby the retail business undertaking of HRIL got demerged and vested with the Company. The Hypercity Scheme has been given effect on April 25, 2018 ("Effective Date"). The Appointed Date under Hypercity Scheme for Demerger was December 1, 2017.

### **b. Acquisition of Travel News Services (India) Private Limited ("TNSI")**

During the year under review, the Company has executed necessary agreement(s) and on May 11, 2018 acquired the entire equity share capital of TNSI from its existing shareholders for cash consideration. Consequent to this, TNSI has become a wholly owned subsidiary of the Company.

In addition to this TNSI Retail Private Limited, a wholly owned subsidiary of TNSI and Welcome Retail Private Limited, a joint venture of TNSI in which TNSI holds 51% of the share capital have also become step down subsidiaries of the Company effective from the same date i.e. May 11, 2018.

### **c. Acquisition of "Foodworld" business**

During the year under review, the Company has entered into necessary agreement(s) with Foodworld Supermarkets Private Limited and acquired the retail business undertaking under the brand name "Foodworld" for cash consideration.

### **d. Acquisition of SHME Food Brands Private Limited ("SHME")**

During the year under review, the Company has acquired the entire equity share capital of SHME (now known as SHME Food Brands Limited) for cash consideration from its existing shareholders on February 28, 2019 and accordingly, SHME has become a wholly owned subsidiary of the Company.

## **SHARE CAPITAL**

During the year under review, the Company has issued and allotted in aggregate 6,23,285 Equity Shares of ₹ 2/- each to eligible employees of the Company, upon exercise of the vested options granted to the concerned employees under Future Retail Limited Employee Stock Option Plan - 2016 (FRL ESOP - 2016). None of the employees is in receipt of Equity Shares exceeding 1% of Equity Share capital of the Company against the vested options exercised by them under FRL ESOP - 2016. The breakup of allotment is as follows:

<b>Sl. No.</b>	<b>No. of Equity Shares allotted</b>	<b>Date of allotment</b>
1.	5,28,763	May 21, 2018
2.	64,522	August 09, 2018
3.	30,000	November 23, 2018

During the year under review, the Company has not issued any sweat equity shares or bonus shares or equity shares with differential rights.

Post March 31, 2019 and on receipt of initial warrant subscription amount of ₹ 500 crore equivalent to 25% of the warrant issue price as prescribed by the SEBI (ICDR) Regulations for allotment of the equity warrants, on April 23, 2019 the Company considered and allotted 3,96,03,960 equity warrants to M/s. Future Coupons Limited, a Promoter Group entity, on preferential basis. The conversion option can be exercised by Warrantholder(s) at any time during the period of 18 (Eighteen) months from the date of allotment of equity warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable.

## **BUSINESS OUTLOOK**

We believe that your Company with its unparalleled network of stores spread across India is poised to get the maximum benefit of the surge in the consumption drive. We also believe that the network is strategically well placed to capture the growth in organised sector over unorganised as well as yield incumbency advantages.

Our Retail 3.0 organisation of small format stores has come together and we have now focussed strategy on a combined expansion of member platform and member-retail stores. The small stores are overlaid with digital & technology functionalities in many ways which makes the pace of the business management more efficient and allows the Company to expand at a very fast pace. We now have more than 11 lakh active, paid members on our small stores network. Currently, we are rolling out the easyday app for members to order digitally or through inter active commerce from their mobile phones and track delivery at home. The app has unique features like voice search and scheduling in-store or at-home delivery.

Future Group had launched a Future Consumer and Digital (C&D) Lab in Bengaluru that focuses on the consumer and digital space to bring in next-generation innovations using Artificial Intelligence, Big Data Analytics, Blockchains, Internet of Things, Robotics and allied technologies. The C&D Lab brings together multiple teams and companies that are working in these areas, housed in a common, collaborative space and will have ready access to test, experiment, and prototype their technologies across Future Group's brand and retail platforms that serve over a million customers every day.

The Lab is pursuing technology developments that will influence consumer experiences in areas such as payments, unique consumer identification and development of one-on-one consumer conversations, analytics and predictive modeling as well as in back-end functions such as supplier engagements, supply chain automation and infrastructure deployment.

As you are also aware, Future Group is the chosen partner for the launch of 7-Eleven brands of convenience stores in India. With over 67,000 stores across 17 countries, 7-Eleven is an iconic, global retail brand. In India, we will be scripting a unique story for 7-Eleven, combining food services, convenience and superb customer service in every urban neighbourhood. The growth and expansion of 7-Eleven will be a critical part of growing our food and FMCG brands and bringing new services, formats and conveniences for our customers. A dedicated team is being set up to bring together the best practices of 7-Eleven Inc. and our understanding of India, to create the best proposition and offerings for our customers.

As a consumer-driven business it is important for us to build upon new trends, new categories and new ideas that are going to shape consumption in the years ahead. Future Group's own brands represents one of our strongest pillars for the growth and value creation of our business. Our own brands allows us to earn higher end-to-end margins for the organisation. More importantly, it helps us own and deepen the relationship with customers, addresses gaps not fulfilled by our suppliers and also to meet the customers expectations.

As reported during last year performance, the Big Bazaar, the flagship format contributing good return as witnessed from Same Stores Sales Growth at 10.9% in the year 2018-19 and the management is optimistic to see improvement in performance going forward while their expansion plan of opening new stores and renovating existing Big Bazaar stores in place.

The Company is continuing its expansion plan for fbb format and will add more exclusive brand outlets in coming years. Your Company has already taken fbb brand to international markets through its joint venture with Oman based conglomerate Khimji Ramdas LLC and have already opened 2 (Two) stores in Oman in the current financial year. Over the past few years, fbb has undergone a significant transformation and we will continue our journey of improving products assortments, in-store experience and strengthening our supply chain.

## **DIVIDEND & RESERVES**

Keeping in mind the future prospects and further expansion plans of the Company, the Board of Directors of the Company have decided not to recommend any Dividend during the financial year 2018-19. No amount is proposed to be transfer to General Reserve.

## **INVESTMENTS**

During the year under review, the Company has made the following investments:

### **❖ Travel News Services (India) Private Limited ("TNSI")**

The Board of Directors of the Company had approved the acquisition of entire equity share capital of TNSI and also executed necessary agreement(s) and related documents for the said transaction. On May 11, 2018, the Company has paid ₹ 65.42 crore in cash (after adjustments) to the existing shareholders of TNSI towards the said acquisition.

Further, on March 29, 2019, the Company had made an additional investment by subscribing 34,00,000 7% Cumulative Redeemable Preference Shares of ₹ 100/- each, aggregating to ₹ 34 crore in cash.

### **❖ Future Retail LLC**

The Company had entered into shareholders agreement with Khimji Ramdas LLC and incorporated a joint venture company viz; Future Retail LLC ("JV Company") to operate "fbb" brand in Oman and then across other member state of GCC. The Company has in aggregate invested fund to the tune of ₹ 4.57 crore towards total 2,50,000 shares of Omani Rial 1 each in the share capital and accordingly it holds 50% of JV Company.

### **❖ SHME Food Brands Private Limited ("SHME")**

Pursuant to the approval of the Board of Directors, the Company had acquired the entire equity share capital of SHME (now known as SHME Food Brands Limited) for cash consideration of ₹ 0.01 crore from its existing shareholders on February 28, 2019.

## **DIVESTMENTS**

During the year under review, the Company has not made any divestment.

## **PUBLIC DEPOSITS**

The Company has obtained the approval of Members for acceptance of fixed deposits from public and/or Members of the Company. However, the Company has not accepted any fixed deposits during the year under review and accordingly, no amount on account of principal or interest on deposits from public and/or Members were outstanding as at March 31, 2019.

## **DEBENTURES**

During the year under review, the Members of the Company have granted the approval for issuance of Non-Convertible Debentures. However, the Company has not issued any Debentures during the year ended March 31, 2019.

## **CORPORATE GOVERNANCE**

The Company's Corporate Governance Report for the year under review, forms part of this Annual Report.

A certificate from the Statutory Auditors of the Company regarding the compliance with the conditions of the Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), is annexed to Corporate Governance Report and forms a part of this Report.

## BUSINESS RESPONSIBILITY REPORT

Pursuant to SEBI Listing Regulations, a Business Responsibility Report is included and forms part of this Annual Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors

M/s. NGS & Co. LLP, Chartered Accountants (Firm Registration No. 119850W) have been appointed for a period of 5 (Five) years from the conclusion of the Ninth Annual General Meeting till the conclusion of the Fourteenth Annual General Meeting of the Members of the Company.

Pursuant to the notification issued by the Ministry of Corporate Affairs on May 7, 2018, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted. Hence, no resolution was proposed for the ratification of appointment of Statutory Auditors at the ensuing AGM.

The Company has received a written confirmation from the Statutory Auditors confirming that their continued appointment shall be in accordance with the applicable provisions of the Act.

### Auditors' Report

The Auditors' Report on the financial statements for the financial year ended March 31, 2019 is issued with unmodified opinion and does not contain any qualifications, reservations or adverse remarks.

### Secretarial Auditor

As required under provisions of Section 204 of the Act and Rules made thereunder, Ms. Bindu Darshan Shah (Membership No. A-20066 / CP No. 7378), Proprietor: K Bindu & Associates, Practicing Company Secretaries was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2018-19.

The Secretarial Audit Report for the financial year 2018-19 is appended as **Annexure - I**, which forms part of this Report. The said Secretarial Audit Report doesn't contain any qualifications, reservations or adverse remarks.

## POLICIES & DISCLOSURE REQUIREMENTS

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

- Details of programs for familiarization of Independent Directors with the Company are available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>

- Policy for determining material subsidiaries of the Company is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>
- Policy for determining Materiality of Events of the Company is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>
- Policy for archival of documents of the Company is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>
- The code of conduct for the Board of Directors and senior management personnel of the Company is available on the website of the Company at the link <https://www.futureretail.in/investors/corporate-governance-standards.html>
- Policy on dealing with related party transactions is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>
- The Remuneration Policy is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>
- The Dividend distribution policy is given as **Annexure - II** to this Report. The same is also available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL(S)

During the year under review, Mr. Rajan Bharti Mittal ceased to be a Director of the Company with effect from August 9, 2018 due to pre-occupation, which was noted by the Board.

Based on the recommendation of Nomination and Remuneration Committee ("NRC"), the Board has appointed Mr. Rahul Garg as an Additional Director (Non-Executive) of the Company with effect from August 9, 2018. Further, the Members at Eleventh AGM held on August 29, 2018 have approved the appointment of Mr. Garg as a Non-Executive Director of the Company.

Further, as recommended by NRC, the Board has considered and approved the re-appointment of Mr. Kishore Biyani as Managing Director and Mr. Rakesh Biyani as Jt. Managing Director both for a period of 3 (Three) years with effect from May 2, 2019, subject to the approval of Members of the Company.

In terms of Section 152 of the Act, Mr. Kishore Biyani who is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

The Company has received necessary disclosure and confirmation from concerned Director(s) in connection with their re-appointment. Additional information as required under Regulation 36 of SEBI Listing Regulations and Secretarial Standards, is given in the Notice convening the ensuing AGM.

The Company has received necessary declarations from Independent Directors under Section 149(7) of the Act stating that they meet the criteria of independence laid down in Section 149(6) of the Act and SEBI Listing Regulations.

#### **COMMITTEES OF THE BOARD**

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

#### **NUMBER OF MEETINGS OF THE BOARD**

During the year under review, Six (6) meetings of the Board of Directors of the Company were held. The details of date of above meeting including the attendance of the Directors, are given in the Corporate Governance Report which forms part of this Annual Report.

#### **VIGIL MECHANISM/WHISTLE BLOWER**

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

#### **SUBSIDIARY, JOINT VENTURE, HOLDING COMPANY AND ASSOCIATE COMPANIES**

During the year under review, your Company has the following subsidiaries and joint venture:

##### **Travel News Services (India) Private Limited ("TNSI")**

TNSI is a wholly owned subsidiary and is mainly into retail trade of confectionery, food, beverages, accessories etc. and it operates at various airports, corporate parks and also at universities in Delhi and NCR under the brand name "WHSmith" and also provides rental/leasing services. During the year under review, it has reported income from operations amounting to ₹ 158.36 crore and its net profit stood at ₹ 0.60 crore.

##### **TNSI Retail Private Limited ("TNSI Retail")**

TNSI Retail is subsidiary of TNSI and is mainly into retail trading and operates at Metro stations in Delhi and NCR under the brand name "WHSmith" and also deals in wholesale trading. During the year under review, it has

reported income from operations amounting to ₹ 64.83 crore and incurred a net loss of ₹ 2.23 crore.

##### **Welcome Retail Private Limited ("WRPL")**

WRPL is a joint venture of TNSI & Felmingo Group and is into business of setting-up, developing, operating, renting and sub-leasing services for various spaces mainly at airports and metro stations. During the year under review, it has reported income from operations amounting to ₹ 24.16 crore and its net profit stood at ₹ 0.29 crore.

##### **SHME Food Brands Private Limited ("SHME")**

SHME (now known as SHME Food Brands Limited) is a wholly owned subsidiary of the Company and is into business of operating, developing, maintaining and running of convenience stores and commercial establishments of similar nature. SHME and the Company have executed a master franchise agreement with 7-Eleven, Inc to develop and operate 7-Eleven stores within India. During the year under review, it has reported income from operations amounting to ₹ 0.03 crore and a net profit of ₹ 0.02 crore.

##### **Future Retail LLC ("FRLLC")**

FRLLC is a joint venture incorporated in Oman to undertake business to operate "fbb" brand fashion outlets in Oman and across other member states of GCC. For the period ended December 31, 2018, the joint venture has not commenced any operation and has incurred expenses towards setting up of business and has reported loss of ₹ 0.49 crore.

#### **INDIAN ACCOUNTING STANDARD (IND AS)**

The Company has adopted Indian Accounting Standards ("IND AS") from April 01, 2016 with a transition date of April 01, 2015. Accordingly, the financial statement for the year 2018-19 have been prepared in accordance with IND AS, prescribed under Section 133 of the Act, read with the relevant rules issued thereunder and the other recognised accounting practices and policies to the extent applicable.

#### **CONSOLIDATED FINANCIAL STATEMENT**

During the year under review, the Board has reviewed the affairs of subsidiaries and joint venture. The Consolidated Financial Statement of the Company is prepared in accordance with the Act and applicable IND AS along with the relevant documents and Auditors' Report thereon form part of this Annual Report.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statement of the subsidiaries and joint venture in the prescribed Form AOC-1 is attached to the financial statement, which forms part of this Annual Report.

In accordance with the provisions of Section 136(1) of the Act, the Annual Report of the Company containing therein the audited standalone and consolidated financial statement and the audited financial statements of each

of the subsidiary companies have been placed on the website of the Company. The audited financial statements in respect of subsidiaries shall also be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of ensuing AGM. The aforesaid documents are also available to Members interested in obtaining the same upon a request made to the Company.

### **PERFORMANCE EVALUATION OF BOARD**

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Directors individually.

Based on guidance note, the performance of the Board was evaluated after seeking inputs on all the relevant factors from all the Directors on the basis of criteria such as the Board and Committee composition, structure, effectiveness of board processes, information and functioning etc.

The performance of the Committees were evaluated by the Board after taking input from the respective Committee members on all the relevant factors material for evaluation purpose.

A separate exercise was carried out at meeting of Independent Directors to evaluate the performance of individual Directors including the Chairman of the Board, who were *inter-alia* evaluated on parameters such as level of engagement, contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board except the Director being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

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

The details of commission paid to Executive and Non-Executive Director, is given in Corporate Governance Report forming part of this Annual Report.

### **RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL**

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

The Board has delegated responsibility to the Risk Management Committee to monitor and review risk management, assessment and minimisation procedures and to develop, implement and monitor the risk management plan and identify, review and mitigate all elements of risks which the Company may be exposed to. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Audit Committee and the Board also periodically reviews the risk management assessment and minimisation procedures.

The Company has in place adequate internal financial controls with reference to financial statements. Key risks and threats to the Company and internal controls and their adequacy are analysed in the Management Discussion and Analysis, which forms part of this Annual Report.

### **EMPLOYEES STOCK OPTIONS PLAN**

The Members of the Company have passed necessary resolutions through Postal Ballot and approved the FRL ESOP - 2016 and also approved to offer, issue and allot at any time or to acquire by way of secondary acquisition, to or for the benefit of eligible employees under FRL ESOP - 2016, not exceeding 90,00,000 Equity Shares of ₹ 2/- each, in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the NRC or People Office.

Pursuant to the applicable provisions of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"), the Company has set up a 'Future Retail Limited Employees' Welfare Trust' ("Trust") for implementation of the said Scheme.

The applicable disclosures as stipulated under SBEB Regulations as on March 31, 2019 with regard to the FRL ESOP - 2016 are provided in **Annexure - III** to this Report.

Further, the Company has constituted Employees Gratuity Trust in name of "Future Retail Limited - Employees Gratuity Trust" and constituted a Fund through Trust in the name of "Future Retail Employees Superannuation Trust" for benefits of eligible employees of the Company.

### **CREDIT RATING**

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

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

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

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

Information regarding the no. of complaints received/resolved/remained unresolved is given in Corporate Governance Report forming part of this Annual Report.

### **CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

In terms of the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility Committee ("CSR Committee"). The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report, which forms part of this Annual Report.

The disclosures as per Rule 9 of above mentioned Rules is made in prescribed form which is annexed to this Report as **Annexure - IV**.

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of loans granted, guarantee provided and investment made by the Company which are covered under the provisions of Section 186 of the Act, is provided in Notes forming part of financial statement.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, the transactions entered into by the Company with related parties as defined under the Act and SEBI Listing Regulations, were in the ordinary course of business and on an arm's length basis.

Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature with related parties. A statement of all such related party transactions was presented before the Audit Committee on periodic and need basis for its review and approval.

Particulars of contracts or arrangements with related parties as required under Section 134(3)(h) of the Act, in the prescribed Form AOC-2 is given in **Annexure - V** which forms part of this Report.

Disclosure of transactions with related parties (including entity belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company) as required under SEBI Listing Regulations and the applicable Accounting Standards have been given in the Notes forming part of the financial statement.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(5) of the Act, the Board, to the best of its ability confirms that:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended March 31, 2019;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts for the financial year ended March 31, 2019 on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDIT COMMITTEE**

The Audit Committee of the Company comprises of Ms. Gagan Singh, Independent Director as Chairperson of the Committee, Mr. Ravindra Dhariwal, Independent Director, Ms. Sridevi Badiga, Independent Director and Mr. Rakesh Biyani, Jt. Managing Director as other Members of the Committee. There are no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

### **PARTICULARS OF EMPLOYEES**

The information pertaining to the remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as **Annexure - VI** which forms part of this Report.



In terms of the provisions Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules are provided in this Annual Report.

In terms of the proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days and Members interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. Such details are also available on Company's website at [www.futureretail.co.in](http://www.futureretail.co.in).

#### **PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

#### **EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Act, an extract of annual return in the prescribed Form MGT-9 is given as **Annexure - VIII** which forms part of this Report.

In accordance with Section 92(3) of the Act, a copy of the Annual Return for the financial year ended March 31, 2019 is available on the website of the Company at <https://www.futureretail.in/investors/annual-reports.html>.

#### **DETAILS UNDER REGULATION 39(4) OF SEBI LISTING REGULATIONS - UNCLAIMED SUSPENSE ACCOUNT**

Pursuant to Regulation 39(4) read with Schedule V of SEBI Listing Regulations, the details pertaining to outstanding shares lying in Unclaimed Suspense Account are given in Corporate Governance Report forming part of this Annual Report. All the unclaimed shares are credited to a Demat Unclaimed Suspense Account and all the corporate benefits in terms of securities, accruing on these unclaimed shares shall be credited to such account. The voting rights on these shares shall remain frozen till the rightful owner(s) claim such shares.

#### **SECRETARIAL STANDARDS**

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

#### **AWARDS AND RECOGNITIONS**

The Company and its formats received awards in categories like:

##### **Big Bazaar**

- ❖ Big Bazaar was ranked among the most valuable brand by Interbrand;
- ❖ Big Bazaar won IMAGES Most Admired Brand Retail Partnership of the Year 2018;
- ❖ Big Bazaar won IMAGES Most Admired Retailer of the Year under Digital Marketing Campaign category;
- ❖ Big Bazaar's Smart Search Campaign won MMG Awards, Troxy, London for Best Campaign in Fashion, Beauty & Retail Category for 2018 and the best Mobile Search Campaign globally by SMARTIES, New York;
- ❖ Big Bazaar's 24hr Facebook Live Campaign won:
  - Gold in Exchange4Media - Maddies of the Year 2018;
  - EMVIE Silver under the category Best Media Innovation, Digital, Social Media;
  - Best Online Advertising Campaign by Exchange4Media, Indian Digital Media Awards 2018.
- ❖ Big Bazaar's Midnight Sale Campaign won Silver in Exchange4Media - Maddies of the Year 2018;
- ❖ Big Bazaar's Decide Your price won Gold in DMA Asia Echo 2018 under the Create Effect category;
- ❖ Big Bazaar Profit Club won Customer Loyalty Awards for the Best Card Based Loyalty Program and Best Loyalty Program in Retail Sector.

##### **fbf (Fashion @ Big Bazaar)**

- ❖ fbf's Airport Makeover won ET Now - Stars of the Industry Award under the best Experiential and Brand Experience of the year;
- ❖ fbf's "National Jeans Day" Campaign won:
  - ET Now - Stars of the Industry Award for the best use of social media and marketing;
  - Best Branded Regional Campaign by Foxglove - Afaqs!;
  - Gold for the Best Use of Social Media to launch a product or service by SAMMIEs - Social Samosa;
  - Gold for the Best Lead Gen Campaign at 9th IDA - IAMAI;
  - Best Launch of a Product by LIDMA - Lighthouse Insights;
  - Digital Awards for the best lead generation campaign through mobile.
- ❖ fbf won the best Print Campaign of the year at the Activation Venue Forum - Umbrella Aegis;
- ❖ fbf "500 Festive Looks" Campaign won:

- Best Use of Instagram by Foxglove - Afaqs!;
  - Silver for the Best Content Marketing - Retail by DIGIXX - AdGully.
- ❖ fbb's "World Shorts Day" Campaign won:
- Silver under Social Media - Retail category by DIGIXX - AdGully;
  - the Best Digital Integrated Campaign by Global Marketing Congress - CMO Asia;
  - Silver for the Best Use of Social Media to generate leads or drive revenues by SAMMIEs - Social Samosa.
- ❖ fbb won the Best Media Marketing Campaign, for "Dil Se Desi" Campaign by Global Marketing Congress - CMO Asia.

#### **easyday**

- ❖ easyday Club awarded Most Admired Food & Grocery Retailer of the Year under National Supermarket Category by IMAGES.

#### **Foodhall**

- ❖ Foodhall at MKT, Chanakyapuri won VM&RD Awards 2019, North in Food Groceries and General Merchandise;
- ❖ Foodhall at MKT, Chanakyapuri won VM&RD Awards 2019, North in Best Shop Fitting;
- ❖ Foodhall at Two Horizon Centre, Gurugram won VM&RD Awards 2019, North in Food Groceries and General Merchandise.

#### **GENERAL DISCLOSURES**

Your Directors state that:

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

- There were no material changes have taken place that could have an impact on the financial position of the Company from the date of closure of financial year under review till the date of signing of Accounts;
- There were no events relating to non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;
- There were no events relating to receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director / Jt. Managing Director of the Company;
- Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

#### **ACKNOWLEDGEMENT**

Your Board of Directors would like to thank and place on record their appreciation for the continued support and co-operation provided to your Company by its Members, Future Group entities and in particular, their employees, regulatory authorities, suppliers, customers and its banks and financial institutions. Your Directors would also like to place on record its sincere appreciation for the efforts put in by employees of the Company whose efforts, hard work and dedication has enabled the Company to achieve the targets and recognitions during the year.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : May 25, 2019

**Kishore Biyani**  
Chairman & Managing Director

## ANNEXURE - I

### FORM NO. MR - 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,  
The Members,  
Future Retail Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Retail Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 and/or the Companies Act, 1956 to the extent applicable ("the Act") and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed and amended thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines (as amended from time to time) prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations");
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the Audit Period); and
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - (Not applicable to the Company during the Audit Period).

We have also examined compliance with the applicable clauses of the Secretarial Standards with regard to Meeting of Board of Directors ("SS-1") and General Meetings ("SS-2") issued and as amended from time to time by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent/Non-Executive Directors. The changes in the composition of the Board of Directors/Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act, SEBI Listing Regulations and other applicable provisions thereto;
- Based on the representation given by the Management of the Company and as verified by us, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates;
- Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 (Seven) days in advance for meetings other than those held at shorter notice with proper consent and a system exists for seeking and obtaining additional information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- Majority decisions of the Board were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and no dissenting views were carried out;
- We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further Report that during the audit period of the Company:

(a) There were instances of:

1. Allotment of equity shares pursuant to Employee Stock Option Scheme;
2. Preferential Issue of Warrants; and
3. Formation of joint venture company in Sultanate of Oman.

(b) There were no instances of:

1. Demerger/Restructuring/Scheme of Arrangement;
2. Redemption/Buy-Back of Securities;
3. Foreign Technical Collaborations.

This Report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this Report.

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### **Annexure - A to Secretarial Audit Report**

To,  
The Members,  
Future Retail Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations and norms is the responsibility of Management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For K Bindu & Associates**  
Company Secretaries

**Bindu Darshan Shah**  
Proprietor

Place : Mumbai  
Date : May 25, 2019

Membership No. A-20066/CP No. 7378

## **ANNEXURE - II**

### **Dividend Distribution Policy**

#### **Company's philosophy:**

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

Future Retail looks upon good Corporate Governance Practices as a key driver of sustainable corporate growth and long term stakeholder value creation. Good Corporate Governance Practices enable a Company to attract high quality financial and human capital. In turn, these resources are leveraged to maximize long-term stakeholder value, while preserving the interests of multiple stakeholders', including the society at large. Our Dividend philosophy is in line with the above principles. Our Dividend payout ratio would be ranging from 25% to 60% of the earned profits for the year, after adjusting any carried forward losses. Dividend payout ratio would be reviewed every three year and would be based upon profitability and retained earnings and would be further subject to business requirements and general economic conditions. The Company will attempt to maintain a consistent dividend record to reward Shareholders.

#### **Declaration of Dividend:**

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

#### **Per share basis:**

The dividend will be declared on per share basis only.

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

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

#### **Financial parameters considered while declaring dividend:**

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

#### **Internal and external factors considered while declaring dividend:**

The Board leads the strategic management of the Company on behalf of the Shareholders, exercise supervision through direction and control and appoints various Committees to handle specific areas of responsibilities. In this endeavor, the Board reviews various types of information provided to it which has a bearing on declaring dividend. Key internal and external factors are listed below (not exhaustive):

##### **Internal:**

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

##### **External:**

- Macro-economic environment;
- Legislations impacting business;
- Changes in accounting policies and applicable standards;
- Any other matter/risks apprehended by the Board.
- Competition;
- Statutory restrictions;
- Client related risks;

#### **Usage of retained earnings:**

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

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

Currently, the Company has only one class of shares. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares. To the extent permitted, the Company would aim for highest level of transparency and equitable treatment of all investors.

## ANNEXURE - III

### Future Retail Limited Employees Stock Option Plan - 2016 ("FRL ESOP - 2016") of the Company as at March 31, 2019.

To encourage ownership of Company's equity by its employees on an ongoing basis and also in order to reward the employees for their contribution to the successful operation of the Company and to provide an incentive to continue contributing to the success of the Company, it was proposed to create, grant and offer options to the Eligible Employees of the Company under Future Retail Limited Employees Stock Option Plan - 2016 (FRL ESOP - 2016) as recommended by the People Office.

Sl. No.	Particulars	FRL ESOP - 2016
A.	Disclosures in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 40 in Notes to Financial Statements
B.	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 - Earnings Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 39 in Notes to Financial Statements

#### C. Description of ESOS that existed at any time during the year including the general terms and conditions

I.	Date of Shareholders' approval	The Shareholders of the Company had passed necessary resolutions through Postal Ballot dated November 7, 2016 and approved the FRL ESOP - 2016 which <i>inter-alia</i> provides to offer, issue and allot at any time or to acquire by way of secondary acquisition (through Trust Route), to or for the benefit of eligible employees of the Company and/or to the eligible directors/employees of the subsidiary company(ies) of the Company, if any.			
II.	Total number of options approved under FRL ESOP - 2016	90,00,000 (Ninety Lakh only) Equity Shares of face value of ₹ 2/- each			
III.	Vesting requirements	<b>Option - I*</b>	<b>Option - II^</b>	<b>Option - III#</b>	
				<b>Grant - I</b>	<b>Grant - II</b>
		Options in respect of employees transferred from FEL pursuant to the Scheme of Arrangement were vested effective December 15, 2016.	Options granted under FRL ESOP - 2016 plan would vest not less than 1 year and not more than 3 years from the Grant of such options. Options granted pursuant to the scheme was vested during the year.	Options granted under FRL ESOP - 2016 plan would vest not less than 1 year and not more than 3 years from the Grant of such options.	Options granted under FRL ESOP - 2016 plan would vest not less than 1 year and not more than 3 years from the Grant of such options.
IV.	Exercise price or pricing formula (in ₹ per option)	Exercise price for Options granted under the Scheme was ₹ 10/-	Exercise price for Options granted under the Scheme was ₹ 10/-	Exercise price for Options granted during the year under the Scheme was ₹ 392/-	Exercise price for Options granted during the year under the Scheme was ₹ 300/-
V.	Maximum term of options granted	3 years from the respective date of option granted			
VI.	Source of shares (primary, secondary or combination)	Primary			
VII.	Variation in terms of options	None			
VIII.	Method used to account for ESOS	Black Scholes Method			

D. The stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2018-19 would be ₹ 16.44 crore.

E. Option movement during the year ended on March 31, 2019

Sl. No.	Particulars	Details			
		Option - I*	Option - II^	Option - III#	
				Grant - I	Grant - II
I.	Details Number of options outstanding at the beginning of the year	13,407	6,56,710	NA	NA
II.	Number of options granted during the year	756	51,542	12,70,000	1,25,000
III.	Number of options forfeited/cancelled/lapsed during the year	3,970	13,480	75,000	-
IV.	Number of options vested during the year	756	3,66,417	NA	NA
V.	Number of options exercised during the year	10,193	6,13,092	NA	NA
VI.	Number of shares arising as a result of exercise of options	10,193	6,13,092	NA	NA
VII.	Exercise Price (in ₹ per option)	10/-	10/-	392/-	300/-
VIII.	Money realised by exercise of options, if scheme is implemented directly by the Company (in ₹)	1,01,930/-	61,30,920/-	NA	NA
IX.	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA
X.	Total number of options outstanding (in force) at the end of the year	Nil	81,680	11,95,000	1,25,000
XI.	Number of options exercisable at the end of the year	Nil	81,680	NA	NA

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

		Option - I*	Option - II^		Option - III#	
		Grant on December 15, 2016	Grant on December 6, 2016	Grant on December 15, 2016	Grant on July 05, 2018	Grant on February 4, 2019
I.	Exercise price equals market price (in ₹)	-	-	-	-	-
II.	Exercise price is greater than market price (in ₹)	-	-	-	-	-
III.	Exercise price is less than market price (in ₹)	127.30	125.10	127.30	559.38	440.43

Weighted average Exercise Price of options granted during the year whose:

		Option - I*	Option - II^		Option - III#	
		Grant on December 15, 2016	Grant on December 6, 2016	Grant on December 15, 2016	Grant on July 05, 2018	Grant on February 4, 2019
I.	Exercise price equals market price (₹)	-	-	-	-	-
II.	Exercise price is greater than market price (₹)	-	-	-	-	-
III.	Exercise price is less than market price (₹)	10	10	10	392	300

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

		Option - I*	Option - II^		Option - III#	
		Grant on December 15, 2016	Grant on December 6, 2016	Grant on December 15, 2016	Grant on July 05, 2018	Grant on February 4, 2019
I.	Exercise price equals market price (₹)	-	-	-	-	-
II.	Exercise price is greater than market price (₹)	-	-	-	-	-
III.	Exercise price is less than market price (₹)	119.03	116.82	119.02	282.39	219.24

**G. Employee-wise details of options granted during the year ended March 31, 2019**

<b>I. Senior Managerial Personnel(s)</b>					
	Name of the Employee(s)	Option - I*	Option - II^	Option - III#	
				Grant - I	Grant - II
	Mr. C. P. Toshniwal (KMP)	Nil	4,444	50,000	Nil
	Mr. Dhananjay Sengupta	Nil	Nil	75,000	Nil
	Mr. Pawan Sarda	Nil	Nil	25,000	Nil
	Mr. Rajan Malhotra	Nil	Nil	Nil	75,000
	Mr. Rajesh Seth	Nil	2,334	50,000	Nil
	Mr. Sadashiv Nayak	Nil	4,444	1,00,000	Nil
	Mr. Swetank Jain	Nil	Nil	50,000	Nil
	Mr. Vinay Bhatia	Nil	Nil	75,000	Nil
	Mr. Virendra Samani (KMP)	Nil	476	25,000	Nil
<b>II. Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year</b>					
	Name of the Employee(s)	Option - I*	Option - II^	Option - III#	
				Grant - I	Grant - II
	Mr. Anand Banvarilal Adukia	Nil	1,110	75,000	Nil
	Mr. Dhananjay Sengupta	Nil	Nil	75,000	Nil
	Mr. Mahesh Shah <sup>§</sup>	Nil	Nil	75,000	Nil
	Mr. Manish Agarwal	Nil	Nil	75,000	Nil
	Mr. Rajan Malhotra	Nil	Nil	Nil	75,000
	Mr. Sadashiv Nayak	Nil	4,444	1,00,000	Nil
	Mr. Venkateshwar Kumar	Nil	Nil	75,000	Nil
	Mr. Vinay Bhatia	Nil	Nil	75,000	Nil
	Mr. Vineet Jain	Nil	2,222	75,000	Nil
<b>III. Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants</b>					
None					

(§) Options granted were cancelled on November 23, 2018 due to cessation from employment.

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

The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows:

Particulars	Option - I*	Option - II^		Option - III#	
				Grant - I	Grant - II
	Grant on December 15, 2016	Grant on December 6, 2016	Grant on December 15, 2016	Grant on July 5, 2018	Grant on February 4, 2019
Risk Free Interest Rate	6.34%	6.30%	6.30%	7.81%	7.20%
Expected Life (in years)	1.5	2.78	2.75	3.65	3.65
Expected Volatility	43.00%	43.00%	43.00%	33.91%	38.07%
Dividend	0	0	0	0	0
Price of underlying shares in the market at the time of Option grant (in ₹)	127.30	125.10	127.30	559.38	440.43
Stock Price	Average price on BSE Limited on the date of grant has been considered.				



Particulars	Option - I*	Option - II^		Option - III#	
				Grant - I	Grant - II
	Grant on December 15, 2016	Grant on December 6, 2016	Grant on December 15, 2016	Grant on July 5, 2018	Grant on February 4, 2019
Volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period taken into account match the expected life of the option.				
Risk-free rate of return	The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.				
Exercise Price	Exercise Price of each specific grant has been considered				
Time to Maturity	Time to Maturity/Expected Life of options is the period for which the Company expects the options to be live.				
Expected Dividend Yield	Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.				

- (\*) Option - I referred the employees who were transferred from Future Enterprises Limited ("FEL") to the Company pursuant to the composite scheme of arrangement.
- (^ ) Option - II referred the employees to whom Options were granted in the Company initially on December 6, 2016 & December 15, 2016 and includes additional Options granted on April 30, 2018 pursuant to other composite scheme of arrangement.
- (#) Option - III referred the employees to whom Options were granted in the Company on July 5, 2018 (Grant - I) and on February 4, 2019 (Grant - II).

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

The details in connection with transactions made by the Trust meant for the purpose of administering the FRL ESOP - 2016 are as under:

##### i. General Information of the Trust:

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

- ii. Brief details of the transaction in shares by the Trust : None
- iii. In case of secondary acquisition of shares by the Trust : None

For and on behalf of the Board of Directors

Place : Mumbai  
Date : May 25, 2019

**Kishore Biyani**  
Chairman & Managing Director

## ANNEXURE - IV

### Corporate Social Responsibility (Pursuant to Rule No. 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014)

#### A brief outline of the Company's Corporate Social Responsibility Policy ("CSR Policy"):

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>The CSR Policy of the Company <i>inter-alia</i> includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ("the Act") read with applicable Rules thereto.</p> <p>The Company's CSR Policy is available on the website of the Company at a link: <a href="https://www.futureretail.in/investors/Policies.html">https://www.futureretail.in/investors/Policies.html</a></p> <p>The Company has deployed its CSR Funds through - implementing agency, "Sone Ki Chidiya" Foundation ("SKC Foundation"), to carry out CSR activities.</p>
2.	The Composition of the CSR Committee	<p>The CSR Committee as on March 31, 2019 comprises of :</p> <ul style="list-style-type: none"> <li>● Mr. Kishore Biyani - Chairman</li> <li>● Ms. Gagan Singh - Member</li> <li>● Mr. Rahul Garg - Member</li> </ul>
3.	Average net profit of the Company for last three financial years:	₹ 338.25 crore
4.	Prescribed CSR Expenditure (two percent of the amount as mentioned in Item no. 3 above):	₹ 6.76 crore
5.	Details of CSR spent during the financial year 2018-19:	
(a)	Total amount to be spent for the financial year 2018-19:	The full amount was transferred to SKC Foundation, which is mandated to deploy this amount for CSR initiatives as directed:
(b)	Amount unspent, if any:	<ul style="list-style-type: none"> <li>● An amount of ₹ 5.74 crore has already been spent in the course of the year;</li> <li>● The SKC Foundation has identified projects for the unspent amount of ₹ 1.02 crore which will be implemented in the course of financial year 2019-20<sup>#</sup></li> </ul>
(c)	Manner in which amount spent during the financial year 2018-19 is detailed below:	Refer table given below.

(₹ in crore)

#### Manner in which the CSR amount spent during the financial year 2018-19

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the Reporting period	Amount spent direct or through implementing agency
1.	Supporting immediate families of patients seeking palliative care by setting up of rehabilitation facilities undertaken by Parmarth Seva Samiti	Promoting Healthcare including preventive healthcare (Activity No. (i) of Schedule VII of the Act)	<p>District/City: Mumbai</p> <p>State: Maharashtra</p>	0.46	0.46	0.46	Through implementing agency - SKC Foundation

**Manner in which the CSR amount spent during the financial year 2018-19**

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the Reporting period	Amount spent direct or through implementing agency
2.	Contribution towards construction of girls hostel proposed to be set up by Maheshwari Vidya Pracharak Mandal for promoting education among girls	Promoting Education (Activity No. (ii) of Schedule VII of the Act)	District/City: Mumbai  State: Maharashtra	0.25	0.25	0.25	Through implementing agency - SKC Foundation
3.	Providing educational support among tribal children by contributing to Friends of Tribal Society, a non-profit education organisation	Promoting Education (Activity No. (iii) of Schedule VII of the Act)	District/City: Palghar  State: Maharashtra	0.10	0.10	0.10	Through implementing agency - SKC Foundation
4.	Giving access for basic goods to marginalized communities <sup>1</sup>	Reducing Inequalities (Activity No. (iii) of Schedule VII of the Act)	Districts <sup>2</sup>  Cities <sup>3</sup>  States <sup>4</sup>  Union Territories Chandigarh, Puducherry	4.87	4.87	4.87	Through implementing agency - SKC Foundation

- Partners Not for Profits:** Seva Sahayog Foundation, ActionAid, Navjyoti India Foundation, Sahyog Care for You, Indian Council for Child Welfare, Nari Niketan, DHAROHAR Vikas Sanstha, Responsenet Development Services, All India Institute of Local Self-Government, Society for Upliftment and Development of Human Beings by Action, Technology Resource Communication and Service Centre, Magic Bus India Foundation, Community Educational Centre Society, Adruta Children Home, Siliguri Bhawana Society, Hope Kolkata Foundation, Samvedana Trust, The Akshaya Patra Foundation, Goonj, Youth4Jobs Foundation, Sarthak Educational Trust, Blind People's Association, Mann - Center for Individuals with Special Needs, Voice of Needy Foundation, Shishu Sarothi, FMR - India Asha Niketan, TEARS Agra, Sai Swayam Society, Handicapped Welfare Organisation, SAKSHAM;
- Districts:** Angul, Barnala, Bolangir, Chittoor, Dhenkanal, Gaya, Giridih, Idduki, Keonjhar, Korba, Mayurbhanj, Pathanamthitta, Sundergarh, Seraikela Kharsawan and Wayanad;
- Cities:** Agra, Ahmedabad, Ahmednagar, Alappuzha, Ambala, Asansol, Bengaluru, Bhiwandi, Bhopal, Bhubaneswar, Chennai, Coimbatore, Cuttack, Delhi, Dhanbad, Dimapur, Durgapur, Ernakulum, Faridabad, Ghaziabad, Gurugram, Guwahati, Haldwani, Hyderabad, Jaipur, Jalandhar, Kannur, Kolkata, Kottayam, Lucknow, Ludhiana, Malappuram, Mangaluru, Mumbai, Nagpur, Noida, Palakkad, Pune, Puri, Rajahmundry, Ranchi, Sambalpur, Siliguri, Thrissur, Trichy, Vijayawada, Vishakapatnam and Warangal;
- States:** Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Nagaland, NCT of Delhi, Orissa, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal.

**Manner in which the CSR amount spent during the financial year 2018-19**

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1)Direct expenditure on projects or programs 2)Overheads	Cumulative Expenditure upto the Reporting period	Amount spent direct or through implementing agency
5.	Providing access to nutritious food through Responenet Development Services	Eradicating Hunger ( <i>Activity No. (i) of Schedule VII of the Act</i> )	Districts/Cities: Mumbai, Bengaluru, Delhi, Gurugram, Noida  States: Maharashtra, Karnataka, NCT of Delhi, Haryana, Uttar Pradesh	0.05	0.05	0.05	Through implementing agency - SKC Foundation

**Notes:**

- Overheads - Nil;
  - SKC Foundation has been set up *inter-alia* with objectives of undertaking the projects and activities for the benefits of various sections of the society within India, supporting economically challenged people to meet their social needs and CSR activities as defined under Schedule VII of the Act. In order to attain the above objectives, SKC Foundation aligns its activities and works towards promoting, encouraging, supporting and assisting education and medical activities while reducing inequalities in society;
  - The above mentioned projects / activities were carried out along with the support of non-governmental and non-profitable organisations aligned to the vision and mission of the SKC Foundation.
- 6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report :**
- (#) The Company was required to spend ₹ 6.76 crore as mentioned above and this entire amount was transferred to SKC Foundation with mandate to deploy such amount for CSR activities identified by the Company. Out of the above contribution, an amount of ₹ 5.74 crore has already been deployed by SKC Foundation during the year under review. SKC Foundation have already identified the relevant projects for balance unspent amount, which will be utilised in current financial year.

**Responsibility Statement**

The responsibility statement of the CSR Committee of the Board of Directors of the Company is stated below:

“The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the Company.”

Place : Mumbai  
Date : May 25, 2019

**Kishore Biyani**  
Chairman & Managing Director  
Chairman of CSR Committee

**Gagan Singh**  
Member, CSR Committee

## ANNEXURE - V

### FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

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

The details of material contracts or arrangements or transaction at arm's length basis for the year ended March 31, 2019 are as follows:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in crore)#	Date(s) of approval, if any*	Amount paid as advances, if any
Future Enterprises Limited ("FEL") (Related Party)	Payment of Lease Rental for Infrastructure Assets	NA	675	July 29, 2017	Refer notes below
	Purchase of various products including apparels, merchandise and other products etc.	NA	3,200	February 6, 2018	
	Providing of Corporate Guarantee in favour of trustees / lenders / bankers of FEL	NA	6,375	May 25, 2016	

#### Notes:

(#) Enhanced limit as sanctioned / approved by the Shareholders of the Company.

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

Advances in respect of related transactions being adjusted against billings/invoices.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : May 25, 2019

**Kishore Biyani**  
Chairman & Managing Director

## ANNEXURE - VI

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

- I. The ratio of remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2018-19 and the percentage (%) increase in remuneration of each Director and Key Managerial Personnel(s) ("KMP's") for the same period are as under:

Name of Directors/KMP's and Designation	Remuneration of Director/KMP for financial year 2018-19 (₹ in crore) (1)	% increase in Remuneration in the financial year 2018-19 (2)	Ratio of Remuneration of each Director/KMP to MRE for financial year 2018-19 (3=(1)/MRE)
<b>Managing Director/Jt. Managing Director:</b>			
Mr. Kishore Biyani*	4.39	29.02	297.89
Mr. Rakesh Biyani*	4.37	29.19	296.50
<b>Non-Executive/Independent Director:</b>			
Ms. Gagan Singh#	0.50	42.86	33.96
Mr. Ravindra Dhariwal#	0.50	42.86	33.96
Mr. Shailendra Bhandari#	0.50	42.86	33.96
Ms. Sridevi Badiga#	0.50	42.86	33.96
Mr. Rahul Garg^ \$	-	-	-
Mr. Rajan Bharti Mittal^	-	-	-
<b>Other KMP's:</b>			
Mr. C. P. Toshniwal - Chief Financial Officer	3.29	8	223.69
Mr. Virendra Samani - Company Secretary##	0.49	18	32.88

**Notes:**

- (\*) Percentage increase in remuneration is shown excluding commission.  
 (#) The remuneration details of Non-Executive/Independent Director includes commission proposed for the year 2018-19. The commission of ₹ 0.35 crore for the financial year 2017-18 was paid during the year under review. There was no change in the sitting fees for attending meetings of the Board and/or Committee thereof to the Non-Executive/Independent Director of the Company. While calculating the above, the sitting fees paid for attending Board/Committee meetings have not been considered. The figure shown above are subject to TDS.  
 (^) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 9, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day.  
 (\$) During the year under review, the Company had not paid any amount towards sitting fees / commission to Mr. Rahul Garg, Non-Executive Director of the Company as it was voluntarily waived to receive the sitting fees and commission.  
 (##) Remuneration is shown excluding perquisites on exercise of stock options.

- II. The MRE of the Company during the year was ₹ 1,47,228 and for the previous year it was ₹ 1,40,774.  
 III. The increase in MRE in the financial Year 2018-19, as compare to financial year 2017-18 was 4.58%.  
 IV. There were 45,949 permanent employees on the rolls of the Company as on March 31, 2019.  
 V. Average percentage increase/decrease made in salaries of employees other than the managerial personnel in the financial year 2018-19 was 8% to 10% whereas there was around 29.19% increase in the managerial remuneration for the same financial year. The remuneration of Managing Director/Jt. Managing Director is decided based on the individual performance, inflation, prevailing industrial trends and benchmarks.  
 The commission of Non-Executive/Independent Director is decided based on various factors such as Director's participation in the Board and the Committee Meetings, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule - IV of the Act and SEBI Listing Regulations.  
 VI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : May 25, 2019

**Kishore Biyani**  
Chairman & Managing Director

## ANNEXURE - VII

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

Information on conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 as amended are provided here-under:

<b>(A) Conservation of Energy:</b>			
(i) the steps taken or impact on conservation of energy;	The operations of the Company are not energy intensive; however adequate measures have been taken to reduce energy consumption, wherever possible through installation of temperature controlled air conditioners, consumption of renewable energy, use of natural lights in offices/stores premises. The Company continued its practice of replacing old lighting fixtures with LED lights at its existing offices/stores.		
(ii) the steps taken by the company for utilising alternate sources of energy;	All efforts are made to use more natural lights in offices/store premises to optimize the consumption of energy.		
(iii) the capital investment on energy conservation equipments;	Nil		
<b>(B) Technology absorption:</b>			
(i) the efforts made towards technology absorption;	The Company continues to adopt and use the latest technologies to improve the services and products with the help of Future Group's C&D (Consumer and Digital) Lab, which focus and deals in the consumer and digital space to bring in next generation innovations using Artificial Intelligence, Big Data Analytics, Blockchains, Internet of Things, Robotics and allied technologies.		
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;			
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): a) the details of technology imported; b) the year of import; c) whether the technology been fully absorbed; d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	NA		
(iv) the expenditure incurred on Research and Development.	Nil		
<b>(C) Foreign Exchange Earnings and Outgo:</b>			
			(₹ in crore)
	<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
	Total Foreign Exchange Used	167.18	326.52
	Total Foreign Exchange Earned	80.06	98.55

For and on behalf of the Board of Directors

Place : Mumbai  
Date : May 25, 2019

**Kishore Biyani**  
Chairman & Managing Director

## ANNEXURE - VIII

### FORM MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019  
(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management & Administration) Rules, 2014)

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L51909MH2007PLC268269
ii.	Registration Date	February 07, 2007
iii.	Name of the Company	Future Retail Limited
iv.	Category/Sub-Category of the Company	Public Company/Limited by shares
v.	Address of the Registered office and contact details	Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060 Tel No.: +91 22 6644 2200; Fax No.: +91 22 6644 2201 E-mail: <a href="mailto:investorrelations@futureretail.in">investorrelations@futureretail.in</a> Website: <a href="http://www.futureretail.co.in">www.futureretail.co.in</a>
vi.	Whether listed company, Yes/No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C - 101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 Tel No.: +91 22 4918 6270; Fax No.: +91 22 4918 6060 E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Multi Brand Retail Trade	47 (Retail Trade, except of motor vehicles and motorcycles)	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Travel News Services (India) Private Limited ("TNSI")	1st Floor, 34 DLF Industrial Area, Najafgarh Road, Kriti Nagar, New Delhi - 110 015	U22212DL2009PTC191681	Subsidiary	100.00	2(87)
2.	TNSI Retail Private Limited	1st Floor, 34 DLF Industrial Area, Najafgarh Road, Kriti Nagar, New Delhi - 110 015	U93000DL2010PTC203645	Subsidiary	100.00	2(87)



Sl. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3.	Welcome Retail Private Limited*	1st Floor, 34 DLF Industrial Area, Najafgarh Road, Kriti Nagar, New Delhi - 110 015	U52602DL2016PTC305343	Subsidiary	51.00	2(87)
4.	SHME Food Brands Private Limited <sup>§</sup>	Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U74120MH2015PTC267752	Subsidiary	100.00	2(87)
5.	Future Retail LLC	PO Box 19, Postal Code 100, Muscat, Sultanate of Oman	1318920 <sup>#</sup>	Joint Venture	50.00	2(6)

(\*) Subsidiary of TNSI

(§) Name changed to SHME Food Brands Limited consequent to conversion into a public limited company w.e.f. May 6, 2019.

(#) Commercial Registration Certificate issued by Ministry of Commerce and Industry of Oman.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Shareholding<sup>#</sup>

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoters and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals/Hindu Undivided Family/ Nominee of Promoter	88,115	-	88,115	0.02	88,115	-	88,115	0.02	0.00
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00
(c)	Bodies Corporate	23,36,52,321	-	23,36,52,321	46.54	23,62,19,516	-	23,62,19,516	47.00	0.46
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	0.00
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (A)(1)</b>	<b>23,37,40,436</b>	<b>-</b>	<b>23,37,40,436</b>	<b>46.56</b>	<b>23,63,07,631</b>	<b>-</b>	<b>23,63,07,631</b>	<b>47.02</b>	<b>0.46</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	0.00
(b)	Body Corporates	-	-	-	-	-	-	-	-	0.00
(c)	Bank/Financial Institutions	-	-	-	-	-	-	-	-	0.00
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>23,37,40,436</b>	<b>-</b>	<b>23,37,40,436</b>	<b>46.56</b>	<b>23,63,07,631</b>	<b>-</b>	<b>23,63,07,631</b>	<b>47.02</b>	<b>0.46</b>

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(B)</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds/UTI	1,99,06,949	-	1,99,06,949	3.97	3,75,30,966	-	3,75,30,966	7.47	3.50
(b)	Financial Institutions/Banks	46,68,845	-	46,68,845	0.93	47,52,166	-	47,52,166	0.95	0.02
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00
(d)	Venture Capital Funds	-	-	-	-	231,57,143	-	2,31,57,143	4.61	4.61
(e)	Alternate Investment Funds	1,68,600	-	1,68,600	0.03	1,15,66,453	-	1,15,66,453	2.30	2.27
(f)	Insurance Companies	29,37,682	-	29,37,682	0.59	16,92,788	-	16,92,788	0.34	-0.25
(g)	Foreign Institutional Investors	8,65,53,587	-	8,65,53,587	17.24	6,75,21,491	-	6,75,21,491	13.43	-3.81
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	0.00
(i)	Foreign Bodies Corporate	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (B)(1)</b>	<b>1,42,35,663</b>	<b>-</b>	<b>11,42,35,663</b>	<b>22.76</b>	<b>4,62,21,007</b>	<b>-</b>	<b>14,62,21,007</b>	<b>29.09</b>	<b>6.33</b>
<b>(2)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	13,57,11,523	3,521	13,57,15,044	27.04	9,77,83,159	3,510	9,77,86,669	19.46	-7.58
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	91,82,652	10,72,778	1,02,55,430	2.05	98,59,780	10,13,320	1,08,73,100	2.16	0.11
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	51,43,612	-	51,43,612	1.02	61,60,771	-	61,60,771	1.23	0.21
(c)	NBFCs registered with RBI	-	-	-	-	88,608	-	88,608	0.02	0.02
(d)	Any Other									
	1. N R I	5,34,498	2,200	5,36,698	0.11	7,56,270	2,200	7,58,470	0.15	0.04
	2. Directors & Relatives	-	-	-	-	8,000	-	8,000	0.00	0.00
	3. Clearing Member	4,03,617	-	4,03,617	0.08	22,85,123	-	22,85,123	0.45	0.37
	4. Trust	11,341	-	11,341	0.00	2,212	-	2,212	0.00	0.00
	5. Foreign Portfolio Investor (Individual)	1,600	-	1,600	0.00	1,600	-	1,600	0.00	0.00
	6. Hindu Undivided Family	19,31,712	1	19,31,713	0.38	21,05,147	1	21,05,148	0.42	0.04
	7. Foreign Nationals	-	-	-	-	100	-	100	0.00	0.00
	<b>Sub-Total (B)(2)</b>	<b>15,29,20,555</b>	<b>10,78,500</b>	<b>15,39,99,055</b>	<b>30.68</b>	<b>11,90,50,770</b>	<b>10,19,031</b>	<b>12,00,69,801</b>	<b>23.89</b>	<b>-6.79</b>
	<b>Total Public Shareholding (B)= (B) (1)+(B)(2)</b>	<b>26,71,56,218</b>	<b>10,78,500</b>	<b>26,82,34,718</b>	<b>53.44</b>	<b>26,52,71,777</b>	<b>10,19,031</b>	<b>26,62,90,808</b>	<b>52.98</b>	<b>-0.46</b>
	<b>TOTAL (A)+(B)</b>	<b>50,08,96,654</b>	<b>10,78,500</b>	<b>50,19,75,154</b>	<b>100.00</b>	<b>50,15,79,408</b>	<b>10,19,031</b>	<b>50,25,98,439</b>	<b>100.00</b>	<b>0.00</b>

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(C)	Custodian for GDRs & ARs	-	-	-	-	-	-	-	-	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>50,08,96,654</b>	<b>10,78,500</b>	<b>50,19,75,154</b>	<b>100.00</b>	<b>50,15,79,408</b>	<b>10,19,031</b>	<b>50,25,98,439</b>	<b>100.00</b>	<b>0.00</b>

(#) Rounding off to two decimals.

### (ii) Shareholding of Promoters & Promoter Group

Sl. No.	Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Mr. Kishore Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
2.	Retail Trust <sup>^</sup>	-	-	-	-	-	-	-
3.	Future Corporate Resources Private Limited (f.k.a Suhani Trading and Investment Consultants Private Limited)*	23,36,51,321	46.54	20.17	23,62,18,516	47.00	22.64	0.46
4.	Lifestyle Trust <sup>^</sup>	-	-	-	-	-	-	-
5.	Ryka Commercial Ventures Private Limited <sup>#</sup>	-	-	-	-	-	-	-
6.	Consumer Goods Trust <sup>^</sup>	-	-	-	-	-	-	-
7.	Future Capital Investment Private Limited <sup>#</sup>	-	-	-	-	-	-	-
8.	Akar Estate & Finance Private Limited	1,000	0.00	0.00	1,000	0.00	0.00	0.00
9.	Ms. Ashni Biyani	71,147	0.02	0.00	71,147	0.02	0.00	0.00
10.	Mr. Anil Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
11.	Mr. Gopikishan Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
12.	Mr. Laxminaryan Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
13.	Mr. Rakesh Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
14.	Mr. Sunil Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
15.	Mr. Vijay Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
16.	Mr. Vivek Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
	<b>Total</b>	<b>23,37,40,436</b>	<b>46.56</b>	<b>20.17</b>	<b>23,63,07,631</b>	<b>47.02</b>	<b>22.64</b>	<b>0.46</b>

Notes:

(<sup>^</sup>) As per disclosures under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, furnished by the Promoter/Promoter Group/PACs.

(\*) Name of Suhani Trading and Investment Consultants Private Limited has been changed to Future Corporate Resources Private Limited with effect from December 11, 2018.

(#) Shown as a Promoter/PAC/Promoter Group in Information Memorandum filed by the Company.

### (iii) Change in Promoters and Promoter Group Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>At the beginning of the year</b>	23,37,40,436	46.56	23,37,40,436	46.56
1.	January 22, 2019 - Market Purchase	4,50,897	0.09	23,41,91,333	46.60
2.	January 23, 2019 - Market Purchase	66,455	0.01	23,42,57,788	46.61
3.	January 24, 2019 - Market Purchase	6,83,779	0.14	23,49,41,567	46.75
4.	January 25, 2019 - Market Purchase	71,388	0.01	23,50,12,955	46.76
5.	January 28, 2019 - Market Purchase	7,86,875	0.16	23,57,99,830	46.92

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6.	February 8, 2019 - Market Purchase	1,71,727	0.03	23,59,71,557	46.95
7.	February 11, 2019 - Market Purchase	2,14,599	0.04	23,61,86,156	46.99
8.	February 18, 2019 - Market Purchase	4,549	0.00	23,61,90,705	46.99
9.	February 25, 2019 - Market Purchase	1,16,926	0.02	23,63,07,631	47.02
	<b>At the end of the year</b>			<b>23,63,07,631</b>	<b>47.02</b>

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)\***

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>PI Opportunities Fund I</b>	0	-	0	-
	June 7, 2018 - Market Purchase	2,31,57,143	4.61	2,31,57,143	4.61
	<b>At the end of the year</b>			<b>2,31,57,143</b>	<b>4.61</b>
2.	<b>Bennett, Coleman and Company Limited</b>	2,31,14,741	4.60	2,31,14,741	4.60
	<b>At the end of the year</b>			<b>2,31,14,741</b>	<b>4.60</b>
3.	<b>Heritage Foods Limited</b>	1,78,47,420	3.64	1,78,47,420	3.64
	<b>At the end of the year</b>			<b>1,78,47,420</b>	<b>3.55</b>
4.	<b>L and T Mutual Fund Trustee Ltd - L and T India Value Fund</b>	77,25,017	1.54	77,25,017	1.54
	April 06, 2018 - Market Purchase	1,50,000	0.03	78,75,017	1.57
	April 13, 2018 - Market Purchase	1,00,000	0.02	79,75,017	1.59
	April 27, 2018 - Market Purchase	10,56,108	0.21	90,31,125	1.80
	May 4, 2018 - Market Purchase	32,800	0.01	90,63,925	1.81
	May 11, 2018 - Market Purchase	45,710	0.01	91,09,635	1.82
	May 25, 2018 - Market Purchase	70,664	0.01	91,80,299	1.83
	June 1, 2018 - Market Purchase	1,05,802	0.02	92,86,101	1.85
	August 3, 2018 - Market Purchase	1,48,790	0.03	94,34,891	1.88
	August 10, 2018 - Market Purchase	20,000	0.00	94,54,891	1.88
	August 17, 2018 - Market Purchase	1,83,107	0.04	96,37,998	1.92
	August 24, 2018 - Market Purchase	40,000	0.01	96,77,998	1.93
	August 31, 2018 - Market Purchase	20,000	0.00	96,97,998	1.93
	September 7, 2018 - Market Purchase	80,000	0.02	97,77,998	1.95
	September 14, 2018 - Market Purchase	5,57,857	0.11	1,03,35,855	2.06
	September 21, 2018 - Market Purchase	8,24,865	0.16	1,11,60,720	2.22
	September 29, 2018 - Market Purchase	1,88,823	0.04	1,13,49,543	2.26
	October 5, 2018 - Market Purchase	23,96,701	0.48	1,37,46,244	2.74
	October 12, 2018 - Market Purchase	18,60,000	0.37	1,56,06,244	3.11
	October 19, 2018 - Market Purchase	1,42,000	0.02	1,57,48,244	3.13
	October 26, 2018 - Market Purchase	81,200	0.02	1,58,29,444	3.15

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	November 2, 2018 - Market Purchase	23,000	0.00	1,58,52,444	3.15
	November 30, 2018 - Market Purchase	3,50,000	0.07	1,62,02,444	3.22
	December 7, 2018 - Market Purchase	50,000	0.01	1,62,52,444	3.23
	December 14, 2018 - Market Purchase	1,65,000	0.03	1,64,17,444	3.26
	December 21, 2018 - Market Purchase	25,000	0.01	1,64,42,444	3.27
	January 11, 2019 - Market Purchase	50,000	0.01	1,64,92,444	3.28
	January 18, 2019 - Market Purchase	29,200	0.01	1,65,21,644	3.29
	February 8, 2019 - Market Purchase	44,500	0.01	1,65,66,144	3.30
	March 1, 2019 - Market Purchase	10,00,000	0.20	1,75,66,144	3.50
	March 8, 2019 - Market Purchase	25,600	0.00	1,75,91,744	3.50
	March 15, 2019 - Market Purchase	1,00,000	0.02	1,76,91,744	3.52
	<b>At the end of the year</b>			<b>1,76,91,744</b>	<b>3.52</b>
5.	<b>Brand Equity Treaties Limited</b>	2,37,99,999	4.74	2,37,99,999	4.74
	April 20, 2018 - Market Sell	(10,00,000)	(0.20)	2,27,99,999	4.54
	April 27, 2018 - Market Sell	(30,10,096)	(0.60)	1,97,89,903	3.94
	June 8, 2018 - Market Sell	(4,00,000)	(0.08)	1,93,89,903	3.86
	June 13, 2018 - Market Sell	(5,20,145)	(0.10)	1,88,69,758	3.76
	August 3, 2018 - Market Sell	(39,00,000)	(0.78)	1,49,69,758	2.98
	August 24, 2018 - Market Sell	(3,00,000)	(0.06)	1,46,69,758	2.92
	August 31, 2018 - Market Sell	(12,08,220)	(0.24)	1,34,61,538	2.68
	<b>At the end of the year</b>			<b>1,34,61,538</b>	<b>2.68</b>
6.	<b>Bharti Enterprises (Holding) Private Limited#</b>	4,63,30,647	9.23	4,63,30,647	9.23
	June 7, 2018 - Market Sell	(3,03,00,000)	(6.03)	1,60,30,647	3.19
	November 29, 2018 - Market Sell	(56,93,587)	(1.13)	1,03,37,060	2.06
	<b>At the end of the year</b>			<b>1,03,37,060</b>	<b>2.06</b>
7.	<b>Tata India Consumer Fund</b>	48,63,670	0.97	48,63,670	0.97
	April 06, 2018 - Market Purchase	1,51,000	0.03	50,14,670	1.00
	April 20, 2018 - Market Sell	(1,000)	(0.00)	50,13,670	1.00
	April 27, 2018 - Market Purchase	20,000	0.00	50,33,670	1.00
	May 4, 2018 - Market Purchase	60,000	0.01	50,93,670	1.01
	May 11, 2018 - Market Purchase	1,02,000	0.02	51,95,670	1.04
	May 18, 2018 - Market Purchase	6,00,000	0.12	57,95,670	1.15
	May 25, 2018 - Market Purchase	1,000	0.00	57,96,670	1.15
	June 8, 2018 - Market Purchase	15,000	0.00	58,11,670	1.16
	July 6, 2018 - Market Sell	(1,90,000)	(0.04)	56,21,670	1.12
	July 13, 2018 - Market Purchase	6,50,000	0.13	62,71,670	1.25

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	July 27, 2018 - Market Purchase	1,50,000	0.03	64,21,670	1.28
	August 3, 2018 - Market Purchase	1,25,000	0.02	65,46,670	1.30
	August 24, 2018 - Market Sell	(5,300)	(0.00)	65,41,370	1.30
	August 31, 2018 - Market Purchase	2,75,000	0.05	68,16,370	1.36
	September 7, 2018 - Market Purchase	7,28,000	0.14	75,44,370	1.50
	September 14, 2018 - Market Purchase	3,15,380	0.06	78,59,750	1.56
	November 2, 2018 - Market Purchase	1,00,000	0.02	79,59,750	1.58
	November 23, 2018 - Market Sell	(20,000)	(0.00)	79,39,750	1.58
	November 30, 2018 - Market Purchase	20,000	0.00	79,59,750	1.58
	December 28, 2018 - Market Purchase	1,00,000	0.02	80,59,750	1.60
	January 4, 2019 - Market Purchase	1,15,000	0.03	81,74,750	1.63
	<b>At the end of the year</b>			<b>81,74,750</b>	<b>1.63</b>
8.	<b>IDFC Sterling Equity Fund</b>	54,96,269	1.09	54,96,269	1.09
	April 06, 2018 - Market Purchase	40,000	0.01	55,36,269	1.10
	April 13, 2018 - Market Purchase	12,006	0.00	55,48,275	1.10
	May 4, 2018 - Market Purchase	10,000	0.00	55,58,275	1.10
	May 11, 2018 - Market Purchase	10,000	0.00	55,68,275	1.10
	May 18, 2018 - Market Purchase	27,000	0.01	55,95,275	1.11
	May 25, 2018 - Market Purchase	40,000	0.01	56,35,275	1.12
	June 1, 2018 - Market Purchase	34,000	0.01	56,69,275	1.13
	June 8, 2018 - Market Purchase	25,000	0.00	56,94,275	1.13
	June 15, 2018 - Market Purchase	40,000	0.01	57,34,275	1.14
	June 22, 2018 - Market Purchase	30,000	0.01	57,64,275	1.15
	July 6, 2018 - Market Purchase	6,500	0.00	57,70,775	1.15
	July 20, 2018 - Market Purchase	35,000	0.01	58,05,775	1.16
	July 27, 2018 - Market Purchase	20,000	0.00	58,25,775	1.16
	August 3, 2018 - Market Purchase	23,500	0.00	58,49,275	1.16
	August 10, 2018 - Market Purchase	50,000	0.01	58,99,275	1.17
	August 17, 2018 - Market Purchase	20,000	0.01	59,19,275	1.18
	August 24, 2018 - Market Purchase	10,000	0.00	59,29,275	1.18
	September 7, 2018 - Market Sell	(10,000)	(0.00)	59,19,275	1.18
	September 21, 2018 - Market Purchase	2,52,500	0.05	61,71,775	1.23
	September 29, 2018 - Market Purchase	56,509	0.01	62,28,284	1.24
	October 5, 2018 - Market Purchase	1,48,957	0.03	63,77,241	1.27
	October 12, 2018 - Market Purchase	3,94,032	0.08	67,71,273	1.35
	October 19, 2018 - Market Purchase	1,87,282	0.04	69,58,555	1.39

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	October 26, 2018 - Market Purchase	23,261	0.00	69,81,816	1.39
	November 2, 2018 - Market Purchase	1,21,834	0.02	71,03,650	1.41
	November 9, 2018 - Market Purchase	86,624	0.02	71,90,274	1.43
	November 16, 2018 - Market Purchase	1,15,198	0.02	73,05,472	1.45
	November 30, 2018 - Market Purchase	14,929	0.00	73,20,401	1.45
	December 7, 2018 - Market Purchase	36,000	0.01	73,56,401	1.46
	December 14, 2018 - Market Purchase	11,000	0.00	73,67,401	1.46
	December 21, 2018 - Market Purchase	25,000	0.01	73,92,401	1.47
	December 31, 2018 - Market Purchase	50,000	0.01	74,42,401	1.48
	January 11, 2019 - Market Purchase	35,000	0.01	74,77,401	1.49
	January 25, 2019 - Market Sell	(4,000)	(0.00)	74,73,401	1.49
	February 8, 2019 - Market Purchase	25,000	0.00	74,98,401	1.49
	February 15, 2019 - Market Purchase	20,000	0.01	75,18,401	1.50
	March 1, 2019 - Market Purchase	63,717	0.01	75,82,118	1.51
	March 8, 2019 - Market Purchase	21,283	0.00	76,03,401	1.51
	March 15, 2019 - Market Purchase	50,000	0.01	76,53,401	1.52
	March 22, 2019 - Market Purchase	1,20,000	0.03	77,73,401	1.55
	<b>At the end of the year</b>			<b>77,73,401</b>	<b>1.55</b>
9.	<b>Arisaig India Fund Limited</b>	1,24,12,185	2.47	1,24,12,185	2.47
	June 8, 2018 - Market Sell	(2,78,104)	(0.06)	1,21,34,081	2.41
	June 15, 2018 - Market Sell	(1,96,212)	(0.03)	1,19,37,869	2.38
	June 30, 2018 - Market Sell	(42,072)	(0.01)	1,18,95,797	2.37
	July 6, 2018 - Market Sell	(6,03,342)	(0.12)	1,12,92,455	2.25
	July 13, 2018 - Market Sell	(3,60,135)	(0.07)	1,09,32,320	2.18
	July 20, 2018 - Market Sell	(1,40,706)	(0.03)	1,07,91,614	2.15
	August 24, 2018 - Market Sell	(3,84,673)	(0.08)	1,04,06,941	2.07
	August 31, 2018 - Market Sell	(5,42,988)	(0.11)	98,63,953	1.96
	September 7, 2018 - Market Sell	(2,97,073)	(0.06)	95,66,880	1.90
	November 16, 2018 - Market Sell	(91,383)	(0.02)	94,75,497	1.88
	November 23, 2018 - Market Sell	(1,05,072)	(0.02)	93,70,425	1.86
	November 30, 2018 - Market Sell	(13,934)	(0.00)	93,56,491	1.86
	December 21, 2018 - Market Sell	(20,97,611)	(0.42)	72,58,880	1.44
	<b>At the end of the year</b>			<b>72,58,880</b>	<b>1.44</b>
10.	<b>Pioneer Investment Fund</b>	-	-	-	-
	June 7, 2018 - Market Purchase	71,42,857	1.42	71,42,857	1.42
	<b>At the end of the year</b>			<b>71,42,857</b>	<b>1.42</b>

(\*) Shareholding is consolidated based on Permanent Account Number (PAN) of the Shareholder. Date-wise Increase / Decrease in Shareholding during the year are taken based on the weekly benpos and do not reflect the actual date of transactions. Reasons for increase / decrease unless stated, may be trade / transfer.

(#) Pursuant to order of Hon'ble National Company Law Tribunal, New Delhi Bench dated September 27, 2018, Cedar Support Services Limited has been amalgamated with Bharti Enterprises (Holding) Private Limited.

**(v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Mr. Kishore Biyani - Chairman &amp; Managing Director</b>	2,121	0.00	2,121	0.00
	At the end of the year			2,121	0.00
2.	<b>Mr. Rakesh Biyani - Jt. Managing Director</b>	2,121	0.00	2,121	0.00
	At the end of the year			2,121	0.00
3.	<b>Ms. Gagan Singh - Independent Director</b>	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
4.	<b>Mr. Ravindra Dhariwal - Independent Director</b>	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
5.	<b>Mr. Shailendra Bhandari - Independent Director</b>	Nil	Nil	Nil	Nil
	March 29, 2019 - Market Purchase <sup>^</sup>	8,000	0.00	8,000	0.00
	At the end of the year			8,000	0.00
6.	<b>Ms. Sridevi Badiga - Independent Director</b>	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
7.	<b>Mr. Rahul Garg - Non - Executive Director*</b>	NA	NA	NA	NA
	At the end of the year			Nil	Nil
8.	<b>Mr. Rajan Bharti Mittal - Non - Executive Director*</b>	Nil	Nil	Nil	Nil
	At the end of the year			NA	NA
9.	<b>Mr. C. P. Toshniwal - Chief Financial Officer</b>	11,000	0.00	11,000	0.00
(a)	At the end of the year			11,000	0.00
9.	<b>Mr. C. P. Toshniwal - Chief Financial Officer (HUF)</b>	20,000	0.00	20,000	0.00
(b)	At the end of the year			20,000	0.00
10.	<b>Mr. Virendra Samani - Company Secretary</b>	5,450	0.00	5,450	0.00
	May 21, 2018 - Allotment made pursuant to the FRL ESOP - 2016.	6,414	0.00	11,864	0.00
	At the end of the year			11,864	0.00

(<sup>^</sup>) As per the disclosure received.

(\*) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 09, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day. Further, Mr. Rajan Bharti Mittal was not holding any equity share of the Company till the date of his resignation.

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

(₹ in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,286.41	-	-	1,286.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,286.41</b>	<b>-</b>	<b>-</b>	<b>1,286.41</b>



Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
i) Addition	1,482.29	-	-	1,482.29
ii) Reduction	(111.66)	-	-	(111.66)
<b>Net Change</b>	<b>1,370.63</b>	<b>-</b>	<b>-</b>	<b>1,370.63</b>
Indebtedness at the end of the financial year				
i) Principal Amount	2,657.04	-	-	2,657.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,657.04</b>	<b>-</b>	<b>-</b>	<b>2,657.04</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in crore)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Kishore Biyani	Mr. Rakesh Biyani	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3.91	3.89	7.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 <sup>#</sup>	0.01	0.01	0.02
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission <sup>^</sup>	1.50	1.00	2.50
	Others	Nil	Nil	Nil
5.	Retiral Benefits	0.47	0.47	0.94
	<b>Total (A)</b>	<b>5.89</b>	<b>5.37</b>	<b>11.26</b>
	Ceiling as per the Act	10% profit under Section 198 of the Companies Act, 2013.		

(#) Rounded off to ₹ in crore and is part of exempted perquisites.

(^) Commission for the financial year 2017-18 was paid during the year under review.

### B. Remuneration to other directors:

(₹ in crore)

Sl. No.	Particulars of Remuneration	Name of Directors				Total
		Ms. Gagan Singh	Mr. Ravindra Dhariwal	Mr. Shailendra Bhandari	Ms. Sridevi Badiga	
1.	<b>Independent Directors</b>					
	Fees for attending Board/Committee meetings <sup>#</sup>	0.14	0.15	0.10	0.11	0.50
	Commission <sup>*</sup>	0.35	0.35	0.35	0.35	1.40
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>0.49</b>	<b>0.50</b>	<b>0.45</b>	<b>0.46</b>	<b>1.90</b>

Sl. No.	Particulars of Remuneration	Name of Directors		Total
		Mr. Rajan Bharti Mittal <sup>^</sup>	Mr. Rahul Garg <sup>^s</sup>	
2.	<b>Other Non-Executive Directors</b>			
	Fee for attending Board/Committee meetings <sup>#</sup>	0.03	Nil	0.03
	Commission*	0.35	Nil	0.35
	Others, please specify	Nil	Nil	Nil
	<b>Total (2)</b>	<b>0.38</b>	<b>Nil</b>	<b>0.38</b>
	<b>Total (B) = (1 + 2)</b>			<b>2.28</b>
	Ceiling as per the Act	1% profit under Section 198 of the Companies Act, 2013.		
	<b>Total Managerial Remuneration (A+B)</b>			<b>13.54</b>
	Overall Ceiling as per the Act	11% profit under Section 198 of the Companies Act, 2013.		

(#) Rounded off to ₹ in crore

(\*) Commission of ₹ 35.00 Lakh for the financial year 2017-18 was paid during the year under review.

(<sup>^</sup>) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 09, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day.

(<sup>\$</sup>) Voluntarily waived to receive the sitting fees and commission.

#### C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(₹ in crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel(s)		
		Chief Financial Officer	Company Secretary	Total
		Mr. C. P. Toshniwal	Mr. Virendra Samani	
1.	Gross salary	2.86	0.48	3.34
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00*	0.00**	0.00
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2.	Stock Option	<sup>^</sup>	<sup>^^</sup>	-
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00
	Others	0.00	0.00	0.00
5.	Retiral Benefits	0.43	0.01	0.44
	<b>Total</b>	<b>3.29</b>	<b>0.49</b>	<b>3.78</b>

(\*) Represents ₹ 39,600/-

(\*\*) Represents ₹ 32,800/- (excluding perquisites on exercising of ESOP)

(<sup>^</sup>) Granted 54,444 Options during the year.

(<sup>^^</sup>) Granted 25,476 Options during the year.

#### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2019.

# CORPORATE GOVERNANCE REPORT

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company as a flagship Company of Future Group believes in effective corporate governance practices which shall constitute the strong foundation on which successful organisation is built to last. We strive to create an organisation working towards sustainable and profitable growth to create long-term value for our people, business partners, customers and shareholders.

Your Company's ongoing efforts encompass financial stewardship in strategic and daily business decisions to ensure accurate financial reporting and effective controls. The Company consistently followed the principles of good corporate governance and strives to enhance the stakeholders' relationship, e-governance initiatives, while upholding the core values of integrity, transparency, fairness, responsibility and accountability.

Your Company, in line with the above, taken various initiatives to further strengthen the corporate governance practices and adopted various codes/policies, pursuant to the applicable provisions of the Companies Act, 2013 or Companies Act, 1956 as may be applicable ("**the Act**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"). Further, the Company is also in compliance with the requirements stipulated under Regulation 17 to 27 read with other applicable provisions of SEBI Listing Regulations, as amended from time to time.

## CODE OF CONDUCT

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

All the Board Members and Senior Management Personnel have affirmed compliance with this Code. As required a declaration signed by the Chairman & Managing Director to this effect is attached at the end of this Report. This Code is available on the Company's website [www.futureretail.co.in](http://www.futureretail.co.in).

## COMPOSITION OF THE BOARD

The composition of the Board of Directors ("**the Board**") is in compliance with the requirement of the Act and Regulation 17 of SEBI Listing Regulations. As on March 31, 2019, the Board comprises of 7 (Seven) Directors including 2 (Two) Independent Women Directors. The Board consists of a balanced combination of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. None of the Directors of the Company have attained the age of 75 (Seventy Five) years. All Independent Directors of the Company serving in other companies is within the limit as specified in the Act and SEBI Listing Regulations. The Company has received a declaration from Independent Directors that they meet the criteria of independence as per Regulation 16 of SEBI Listing Regulations and the same has been taken on record by the Company.

None of the Directors on the Board is a Member of more than 10 (Ten) Committees and/or Chairperson of more than 5 (Five) Committees (as specified in Regulation 26 of SEBI Listing Regulations), across all the public companies in which he/she is a Director. Further, the maximum tenure of Independent Directors is in line with provisions of Section 149 (10) and (11) of the Act and Rules made thereunder.

The information on composition of the Board, category and their Directorships/Committee Membership across all the Companies in which they are Directors as on March 31, 2019 is as under:

Name & Category of Director	Name of the Listed entities where he/she is a director & (category of directorship)	Date of Appointment as a current designation	No. of Directorships*		No. of Memberships/ Chairmanships of Committees in public companies**	
			Public	Private/ Non profit	Memberships	Chairmanships
Mr. Kishore Biyani - Chairman & Managing Director (Promoter Group)	<ul style="list-style-type: none"><li>➤ Future Lifestyle Fashions Ltd. (Executive);</li><li>➤ Future Consumer Ltd. (Non-Executive);</li><li>➤ Future Enterprises Ltd. (Non-Executive);</li><li>➤ INOX Leisure Ltd. (Independent).</li></ul>	May 2, 2016	7	2	3	1

Name & Category of Director	Name of the Listed entities where he/she is a director & (category of directorship)	Date of Appointment as a current designation	No. of Directorships*		No. of Memberships/ Chairmanships of Committees in public companies**	
			Public	Private/ Non profit	Memberships	Chairmanships
Mr. Rakesh Biyani - Jt. Managing Director (Promoter Group)	<ul style="list-style-type: none"> <li>➤ Future Supply Chain Solutions Ltd. (Non-Executive);</li> <li>➤ Future Lifestyle Fashions Ltd. (Non-Executive);</li> <li>➤ Dollar Industries Ltd<sup>^</sup>. (Independent).</li> </ul>	May 2, 2016	6	6	3	-
Ms. Gagan Singh - Independent Director	<ul style="list-style-type: none"> <li>➤ Timex Group of India Ltd. (Independent).</li> </ul>	April 30, 2016	2	-	4	2
Mr. Ravindra Dhariwal - Independent Director	<ul style="list-style-type: none"> <li>➤ Bata India Ltd. (Independent);</li> <li>➤ Sheela Foam Ltd. (Independent).</li> </ul>	April 30, 2016	5	3	5	-
Mr. Shailendra Bhandari - Independent Director	-	April 30, 2016	2	0	1	1
Ms. Sridevi Badiga - Independent Director	<ul style="list-style-type: none"> <li>➤ Praxis Home Retail Ltd. (Independent).</li> </ul>	April 20, 2017	2	-	2	-
Mr. Rahul Garg - Non-Executive Director	-	August 9, 2018	-	5	1	-

**Notes:**

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

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

(^) Resigned w.e.f. April 10, 2019.

The details of equity shares held by the Directors in the Company as on March 31, 2019 are as follows:

Name of Director	Number of Equity Shares held <sup>#</sup>
Mr. Kishore Biyani	2,121
Mr. Rakesh Biyani	2,121
Ms. Gagan Singh	Nil
Mr. Ravindra Dhariwal	Nil
Mr. Shailendra Bhandari <sup>^</sup>	8,000
Ms. Sridevi Badiga	Nil
Mr. Rahul Garg <sup>@</sup>	Nil

**Notes:**

(#) The Company has not issued any convertible instrument during the year under review.

(^) As per the disclosure received by the Company.

(@) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 9, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day. Further, Mr. Rajan Bharti Mittal was not holding any equity share of the Company till the date of his resignation.

The details of the familiarization program of the Independent Directors is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>

None of the Directors of the Company is *inter-se* related to each other.

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

#### **MATRIX SETTING OUT SKILLS/EXPERTISE/COMPETENCE AS IDENTIFIED BY THE BOARD**

The Skill Matrix sets out the key skills and experience that Directors brings to the Board. This year, the Skill Matrix was reviewed and appended below identifying the skills of entire Board under following broad categories:

- **Governance**

The governance skills broadly includes financial and audit review, compliance and risk management, developing good governance practices, assessing strategic opportunities and threats, crisis management, business and policies development etc.

- **Personal Leadership Skills**

This category mainly includes skills set of Board members to provide both strategic and innovative thought leadership, analysing issues and making decisions that support the organisation's overarching mission, creating new ideas and providing possible solutions, commitment, ethics and integrity, relationship building etc.

- **Industry specific**

This category broadly includes skills relevant to the industry or section in which the Company operates such as understanding of consumer behaviour and customer insights, consumption pattern analysis, introduction of new products, digital/technology upgrade, marketing, supplier management, store operations, communication with customers etc.

#### **BOARD MEETINGS AND LAST AGM DETAILS**

During the year under review, total 6 (Six) Meetings of Board of Directors were held on May 21, 2018, August 9, 2018, November 14, 2018, February 4, 2019, February 28, 2019 and March 25, 2019.

The gap between two Meetings did not exceed 120 (One Hundred and Twenty) days as prescribed in the Act and SEBI Listing Regulations. The Eleventh (11th) Annual General Meeting of the Members of the Company was held on Wednesday, August 29, 2018.

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

Name of Directors	No. of Board Meetings held during the tenure of respective Directors		11th AGM (August 29, 2018)
	Held	Attended	
Mr. Kishore Biyani	6	6	Yes
Mr. Rakesh Biyani	6	3	Yes
Ms. Gagan Singh	6	6	Yes
Mr. Ravindra Dhariwal	6	6	Yes
Mr. Shailendra Bhandari	6	5	Yes
Ms. Sridevi Badiga	6	5	Yes
Mr. Rahul Garg <sup>#</sup>	5	4	Yes
Mr. Rajan Bharti Mittal <sup>#</sup>	2	1	NA

(#) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 9, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day.

#### **AUDIT COMMITTEE**

The Audit Committee of the Company comprises of 4 (Four) Directors out of which 3 (Three) are Independent Directors. Ms. Gagan Singh, Chairperson of the Committee is an Independent Director. All the Members of the Committee possess accounting and financial management expertise. The Chairperson of the Committee was present at the 11th Annual General Meeting of the Company held on August 29, 2018.

The Company Secretary functions as Secretary to the Committee.

During the year under review, total 5 (Five) Meetings of the Audit Committee were held on May 21, 2018, August 9, 2018, November 14, 2018, February 4, 2019 and March 25, 2019.

The composition of the Audit Committee and the attendance of the Members at the above meetings is as under:

Name of Directors/Members	Category	Designation	No. of Meetings held during the tenure of respective Members	
			Held	Attended
Ms. Gagan Singh	Independent Director	Chairperson	5	5
Mr. Ravindra Dhariwal	Independent Director	Member	5	5
Ms. Sridevi Badiga	Independent Director	Member	5	5
Mr. Rakesh Biyani	Jt. Managing Director	Member	5	3

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

#### Terms of Reference

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

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

- overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report.
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties; [Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed];
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;

- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
- reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

#### Reviewing of the following information

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

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of 3 (Three) Non-Executive Directors, out of which 2 (Two) are Independent Directors.

During the year under review, total 5 (Five) Meetings of the Nomination and Remuneration Committee were held on May 21, 2018, July 5, 2018, August 9, 2018, February 4, 2019 and March 25, 2019.

The Composition of Nomination and Remuneration Committee and the attendance details of the Members at the above Committee meetings is as under:

Name of Directors/Members	Category	Designation	No. of Meetings held during the tenure of respective Members	
			Held	Attended
Mr. Ravindra Dhariwal	Independent Director	Chairman	5	5
Mr. Shailendra Bhandari	Independent Director	Member	5	4
Mr. Rahul Garg <sup>#</sup>	Non-Executive Director	Member	2	2
Mr. Rajan Bharti Mittal <sup>#</sup>	Non-Executive Director	Member	3	2

(#) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 9, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day. Accordingly, Mr. Rahul Garg was inducted as a Member of the Committee in place of Mr. Rajan Bharti Mittal.

#### Terms of Reference

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated *inter-alia* to comply with the requirements as specified in Part D of the Schedule II of SEBI Listing Regulations including

the amendment made through SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the provisions of Section 178 of the Act and Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014, as may be applicable.

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

- to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- to formulate the criteria for evaluation of performance of Independent Directors and the Board;
- to devise a policy on Board diversity;
- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- to establish and from time to time review the policy for ESOP/ESOS as well as issuance of SWEAT equity shares and recommend the grants to be made under ESOP/ESOS;
- to review Company's remuneration and human resources policy; and
- recommend to the Board, all remuneration, in whatever form, payable to senior management.

**Performance evaluation criteria for Independent Directors**

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

**Remuneration Policy**

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retiral benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in the overall corporate growth, profitability and financial success of the organisation. The remuneration policy is in consonance with the existing industry practice.

**Remuneration policy for Executive Directors**

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

**Criteria of making payments to Non-Executive Directors**

Non-Executive Directors are paid sitting fees for attending Meeting of the Board and Committee(s) of the Board including meeting of Independent Directors, time spent in deliberations with the senior management on operational matters other than at meetings and contribution at the Board/Committee(s) levels as decided from time to time by the Board. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. The Members of Corporate Social Responsibility Committee have voluntarily waived the acceptance of sitting fees for attending the meeting of the CSR Committee.

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



## Remuneration to Directors

### (a) Managing Director/Jt. Managing Director

The remuneration paid to the Managing Director/Jt. Managing Director for the year ended March 31, 2019 is as under:

(₹ in crore)

Name	Salary	Performance Bonus/Commission*	Company's Contribution to Funds	Perquisites and allowance	Total	Total Contract Period <sup>^</sup>	Notice period in months	Stock Options granted
Mr. Kishore Biyani	3.91	1.50	0.47	0.01 <sup>#</sup>	5.89	3 years (w.e.f. May 2, 2019)	6	Nil
Mr. Rakesh Biyani	3.89	1.00	0.47	0.01 <sup>#</sup>	5.37	3 years (w.e.f. May 2, 2019)	6	Nil

(<sup>^</sup>) As recommended by NRC, the Board has considered and approved the re-appointment of Mr. Kishore Biyani as Managing Director and Mr. Rakesh Biyani as Jt. Managing Director both for the period of 3 (Three) years with effect from May 2, 2019, subject to the approval of Members of the Company.

(\*) The said amount was paid during the year 2018-19 as commission which was pertaining for the year 2017-18.

(<sup>#</sup>) Represents ₹ 39,600/-.

Notes:

- All the above components of remuneration, except performance bonus/commission, are fixed in nature.
- There is no separate provision for payment of severance fees.

### (b) Non-Executive/Independent Directors

The remuneration in form of sitting fees/commission paid to Non-Executive/Independent Directors during the year under review is as under:

(₹ in crore)

Name of Directors <sup>^</sup>	Sitting Fees paid*	Commission	
		Paid for FY 2017-18	Payable for FY 2018-19
Ms. Gagan Singh	0.14	0.35	0.50
Mr. Ravindra Dhariwal	0.15	0.35	0.50
Mr. Shailendra Bhandari	0.10	0.35	0.50
Ms. Sridevi Badiga	0.11	0.35	0.50
Mr. Rajan Bharti Mittal <sup>#</sup>	0.03	0.35	-

(\*) Rounded off to ₹ in crore

(<sup>^</sup>) During the year under review, the Company has not paid any amount towards sitting fees/commission to Mr. Rahul Garg, Non-Executive Director of the Company as it was voluntarily waived to receive the sitting fees and commission.

(<sup>#</sup>) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 09, 2018.

Apart from reimbursement of expenses incurred in the discharge of their duties, the payment of sitting fees and commission within the limit for identified Non-Executive Directors as entitled under the Act, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors and its Senior Management, which in their judgment would affect their independence. None of the Directors of the Company is *inter-se* related to each other.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee presently comprised of Mr. Shailendra Bhandari, Independent Director as a Chairperson of the Committee. Ms. Gagan Singh, Independent Director and Mr. Rahul Garg, Non-Executive Director, are other Members of the Committee.

## Compliance Officer

Mr. Virendra Samani - Company Secretary, is the Compliance Officer of the Company.

During the year under review, total 4 (Four) Meetings of Stakeholders' Relationship Committee were held on May 21, 2018, August 9, 2018, November 14, 2018 and February 4, 2019.

The attendance of the Members at the above meetings is as under:

Name of Directors/Members	Designation	No. of meetings held during the tenure of respective Members	
		Held	Attended
Mr. Shailendra Bhandari	Chairman	4	3
Ms. Gagan Singh	Member	4	4
Mr. Rahul Garg <sup>#</sup>	Member	2	2
Mr. Rajan Bharti Mittal <sup>#</sup>	Member	2	1

(#) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 9, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day. Accordingly, Mr. Rahul Garg was inducted as a Member of the Committee in place of Mr. Rajan Bharti Mittal.

## Terms of reference

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated *inter-alia* to comply with the requirements as specified in Part D of the Schedule II of SEBI Listing Regulations, as amended and the provisions of Section 178 of the Act.

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

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by Shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

## Share Transfer Committee

The Share Transfer Committee comprises of Mr. Shailendra Bhandari, Mr. Kishore Biyani and Mr. Rakesh Biyani as Members of the Committee. The Share Transfer Committee meets as and when required to consider the transfer proposals and attend to Investors' grievances, transmission of shares, split, consolidation, issue of duplicate share certificate, rematerialisation of shares etc.

## Investors' Grievance Redressal

Details of investor complaints received and resolved during the year under review are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance <sup>#</sup>
Nil	10	9	1

(#) Resolved on April 2, 2019 as per information received from Registrar and Share Transfer Agent of the Company.

## CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY DESIGNATED PERSONS

In terms of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, the Company had adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders. Pursuant to the requirements prescribed under SEBI notification dated December 31, 2018 and provisions of Securities Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the revised Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons ("Code for Insider Trading") was adopted by the Company. The provisions of the Code for Insider Trading are designed *inter-alia* to regulate, monitor and report trades by Designated Person(s) or their immediate relatives in securities of the Company.

## CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

In terms of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, as amended from time to time, the Company had adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. Pursuant to the requirements prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, as amended, the revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure") was adopted by the Company which comes into effect from April 1, 2019. The Code of Fair Disclosure is posted on Company's website at the weblink <https://www.futureretail.in/investors/corporate-governance-standards.html>.

## INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors was held on May 21, 2018. The said meeting was attended by all the Independent Directors of the Company.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted in line with the provisions of Section 135 of the Act. Presently, the Committee comprises of Mr. Kishore Biyani Chairman & Managing Director, Ms. Gagan Singh, Independent Director and Mr. Rahul Garg, Non-Executive Director as Members of the Committee. During the year under review, 1 (One) Meeting of Corporate Social Responsibility Committee was held on August 9, 2018.

The attendance of the Members at the above meeting is as under:

Name of Directors/Members	Designation	No. of meetings held during the tenure of respective Members	
		Held	Attended
Mr. Kishore Biyani	Chairman	1	1
Ms. Gagan Singh	Member	1	1
Mr. Rajan Bharti Mittal <sup>#</sup>	Member	1	1
Mr. Rahul Garg <sup>#</sup>	Member	-	-

(#) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 9, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day. Accordingly, Mr. Rahul Garg was inducted as a Member of the Committee in place of Mr. Rajan Bharti Mittal.

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

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

The disclosures as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form which is appended to the Directors' Report forming part of this Annual Report.

## RISK MANAGEMENT COMMITTEE

During the year under review, the provision relating to the Risk Management Committee under Regulation 21 of SEBI Listing Regulations was not Applicable to our Company. However, for the purpose of better governance, the Company had already constituted aforesaid Committee. Further, provisions relating to the Risk Management Committee shall be applicable to the Company with effect from April 1, 2019.

The Risk Management Committee comprised of Mr. Kishore Biyani, Chairman & Managing Director, Mr. Rakesh Biyani Jt. Managing Director and Mr. C. P. Toshniwal, Chief Financial Officer as Members of the Committee.

The Committee functions in accordance with the terms of reference as specified by the Board from time to time, which *inter-alia* includes implementing and monitoring of risk management plan and policy of the Company. During the year under review, 1 (One) meeting of the Committee was held on March 22, 2019.

## RISK MANAGEMENT

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

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

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

## COMMITTEE OF DIRECTORS

The Committee of Directors comprises of Mr. Kishore Biyani, Chairman & Managing Director and Mr. Rakesh Biyani, Jt. Managing Director as a Members of the Committee. The main functions of Committee is to handle day-to-day operations and activities of the Company and to ensure smooth functioning and for regular operations. The Committee is further authorised to delegate some of its powers to employees/executives of the Company as authorised therein. Total 23 (Twenty Three) Meetings of the Committee were held during the year under review.

## GENERAL BODY MEETINGS

### Annual General Meeting

The details of the last three Annual General Meetings (AGM) held are as follows:

Year	Day, Date & Time of AGM	Venue	Special Resolutions Passed
2017-18	Wednesday, August 29, 2018 at 09:30 AM	Rangaswar, Fourth Floor, Y. B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai - 400 021.	<ul style="list-style-type: none"><li>❖ Approval for revision in remuneration of Mr. Kishore Biyani as Managing Director;</li><li>❖ Approval for revision in remuneration of Mr. Rakesh Biyani as Jt. Managing Director; and</li><li>❖ Approval for payment of Commission to Non- Executive/ Independent Directors.</li></ul>
2016-17	Tuesday, August 29, 2017 at 09:30 AM	Rangaswar, Fourth Floor, Y. B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai - 400 021.	<ul style="list-style-type: none"><li>❖ Approval for revision in remuneration of Mr. Kishore Biyani as Managing Director;</li><li>❖ Approval for revision in remuneration of Mr. Rakesh Biyani as Jt. Managing Director; and</li><li>❖ Increase in the investment limit in Equity Share capital by Registered Foreign Portfolio Investors ("RFPIs") and Foreign Institutional Investors ("FIIs").</li></ul>
2015-16	Monday, August 29, 2016 at 09:30 AM	Rangaswar, Fourth Floor, Y. B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai - 400 021.	<ul style="list-style-type: none"><li>❖ Approval for entering into Related Party Transaction.</li></ul>

### Extraordinary General Meeting

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

Day, Date & Time of EGM	Venue	Special Resolutions passed
Tuesday, March 5, 2019 at 10:30 AM	Rangaswar, Fourth Floor, Y. B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai - 400 021	<ul style="list-style-type: none"><li>❖ Issue of Warrants on Preferential basis; and</li><li>❖ Issue of Securities on Private Placement basis.</li></ul>

### Postal Ballot

During the year under review, the Company had completed 1 (One) process of obtaining the approval of its Members through Postal Ballot as per provisions of Section 110 of the Act and Rules made thereunder.

The approval of Members obtained through Postal Ballot was pertaining to:

Sl. No.	Particulars	Type of resolution Special/Ordinary
1.	Acceptance of Deposits from Public and/or Members of the Company	Special

The results of above matter was announced on January 28, 2019.

#### Voting Pattern and Procedure for Postal Ballot:

- The Company has appointed Ms. Bindu Darshan Shah, Prop: K Bindu & Associates, Practicing Company Secretaries, as the Scrutiniser for conducting the Postal Ballot voting process;
- Process for the Postal Ballot was carried out in a fair and transparent manner. The Postal Ballot forms had been kept under safe custody of Scrutiniser in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot forms;
- All Postal Ballot forms received/receivable up to the close of working hours on January 27, 2019 the last date and time fixed by the Company for receipt of the forms in the Postal Ballot, had been considered by Scrutiniser in her scrutiny;
- Envelopes containing Postal Ballot forms received after January 27, 2019 for the respective Postal Ballot had not been considered for her scrutiny;
- The result of the Postal Ballot was announced on January 28, 2019 as per Scrutiniser's Report the details of which are as under:

Resolution Required : (Special)			1 - Acceptance of Deposits from Public and/or Members of the Company					
Whether promoter/promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes in favour	No. of Votes Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]=([2]/[1])*100	[4]	[5]	[6]=([4]/[2])*100	[7]=([5]/[2])*100
Promoter and Promoter Group	E-Voting	23,37,40,436	23,37,40,436	100.000	23,37,40,436	0	100.0000	0.0000
	Poll		Not Applicable					
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>		<b>23,37,40,436</b>	<b>100.0000</b>	<b>23,37,40,436</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>
Public Institutions	E-Voting	15,20,73,789	11,44,10,966	75.2338	8,30,47,575	3,13,63,391	72.5871	27.4129
	Poll		Not Applicable					
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>		<b>11,44,10,966</b>	<b>75.2338</b>	<b>8,30,47,575</b>	<b>3,13,63,391</b>	<b>72.5871</b>	<b>27.4129</b>
Public Non Institutions	E-Voting	11,67,84,214	7,74,05,815	66.2811	7,74,03,817	1,998	99.9974	0.0026
	Poll		Not Applicable					
	Postal Ballot		31,633	0.0271	31,063	570	99.1981	1.8019
	<b>Total</b>		<b>7,74,37,448</b>	<b>66.3081</b>	<b>7,74,34,880</b>	<b>2,568</b>	<b>99.9977</b>	<b>0.0033</b>
<b>Grand Total</b>		<b>50,25,98,439</b>	<b>42,55,88,850</b>	<b>84.6777</b>	<b>39,42,22,891</b>	<b>3,13,65,959</b>	<b>92.6300</b>	<b>7.3700</b>

## MEANS OF COMMUNICATION

The Company regularly submits quarterly/half yearly/annual financial results to the Stock Exchanges, as soon as these are taken on record/approved by the Board. The financial results are published in leading English and Marathi dailies, viz. "The Free Press Journal" (English Newspaper) and "Nav Shakti" (Marathi Newspaper). The Company's Annual Report, Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website [www.futureretail.co.in](http://www.futureretail.co.in) and also posted by BSE and NSE on their respective website. The Company's presentations to institutional investors and analysts are also posted on the Company's website.

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

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

## GENERAL SHAREHOLDERS INFORMATION

### Date, Time and Venue of the Twelfth AGM

Tuesday, on July 30, 2019 at 11:30 AM at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021.

### Financial Year

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

### Financial Reporting for

Quarter	Release Date (tentative & subject to change)
1st Quarter ending June 30, 2019	First/Second week of August, 2019
2nd Quarter/Half- year ending September 30, 2019	First/Second week of November, 2019
3rd Quarter ending December 31, 2019	First/Second week of February, 2020
4th Quarter/Year ending March 31, 2020	Third/Fourth week of May, 2020

*Note:* The above dates are indicative.

### Dividend

The Board has not recommended any dividend for the financial year ended March 31, 2019.

### Listing on Stock Exchanges

#### Equity Shares

The Equity Shares of the Company are listed on the following Stock Exchanges:

- ❖ BSE Limited ("BSE")  
P. J. Towers, Dalal Street, Mumbai - 400 001
- ❖ National Stock Exchange of India Limited ("NSE")  
Exchange Plaza, C - 1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

#### Debt Securities

The Company has not allotted any debentures during the year under review.

#### Listing Fees

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

## Stock Code

Shares/Debentures	ISIN No.	Stock Code	
		BSE	NSE
Equity Shares	INE752P01024	540064	FRETAIL
Optionally Convertible Warrants <sup>#</sup>	INE752P13011	-	-

(#) The Company has obtained the ISIN for warrants on April 24, 2019.

## Corporate Identification Number (CIN)

The Company's CIN as allotted by the Ministry of Corporate Affairs: L51909MH2007PLC268269.

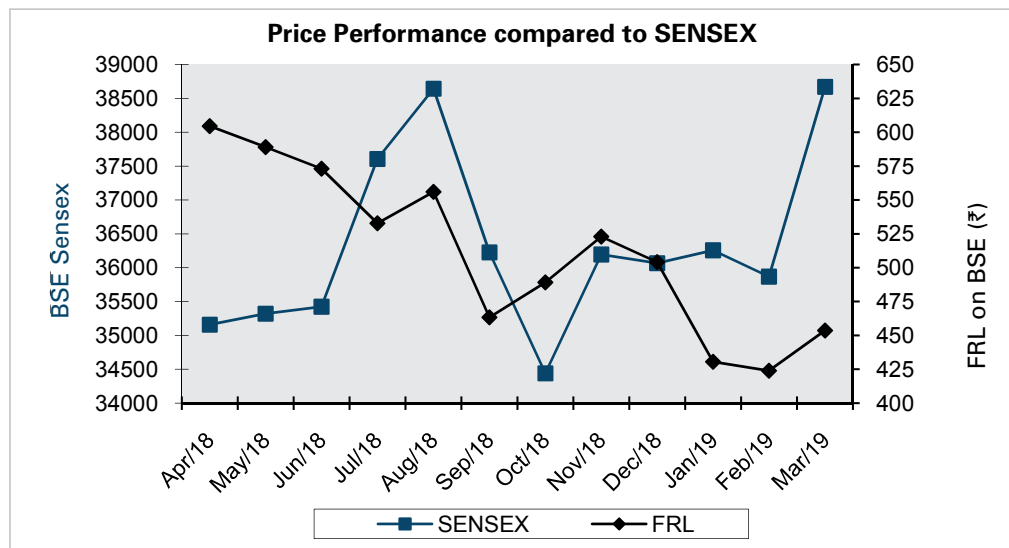
## Stock Performance

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

Months	BSE (in ₹)		NSE (in ₹)	
	High	Low	High	Low
Apr-18	638.95	522.35	637.80	522.60
May-18	619.50	492.50	620.00	491.25
Jun-18	592.05	531.00	593.35	528.00
Jul-18	576.55	509.25	579.00	511.70
Aug-18	564.05	453.05	565.00	451.65
Sep-18	593.45	460.00	594.00	459.05
Oct-18	519.55	423.40	520.00	423.00
Nov-18	540.00	482.00	540.90	482.70
Dec-18	574.00	484.50	575.00	483.55
Jan-19	507.65	417.10	507.00	417.10
Feb-19	456.40	401.95	455.90	401.10
Mar-19	467.40	425.00	467.95	424.40

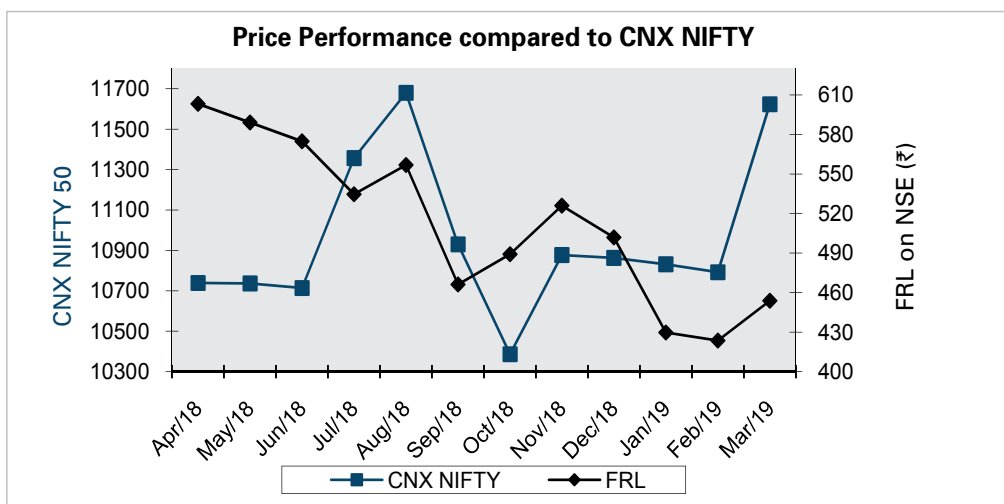
[Source: This information is compiled from the data available from the websites of BSE and NSE respectively]

## Performance of share price of the Company in comparison to the BSE Sensex



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

## Performance of share price of the Company in comparison to the NSE CNX NIFTY



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

### Share Transfer System

Trading in equity shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of 15 (Fifteen) days or such other extended period as permitted by regulatory authorities from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee and Registrar and Share Transfer Agents to approve the transfers of equity shares of the Company.

### De-materialisation of shares

99.80% of the equity shares of the Company have been dematerialised as on March 31, 2019. The Company has entered into agreements with both National Securities Depository Limited and Central Depository Services (India) Limited whereby shareholders have an option to dematerialise their shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialised form. Status of Dematerialisation of equity shares as on March 31, 2019 is as under:

Particulars	No. of Equity Shares	% of total Paid-up Capital*
National Securities Depository Limited	44,06,29,741	87.67
Central Depository Services (India) Limited	6,09,49,667	12.13
<b>Total Dematerialised</b>	<b>50,15,79,408</b>	<b>99.80</b>
Physical	10,19,031	0.20
<b>Total</b>	<b>50,25,98,439</b>	<b>100.00</b>

(\*) There is a difference of 1,04,371 equity shares between Issued and paid-up Capital of the Company. The reason being said equity shares of ₹ 2/- each of the Company are being kept in abeyance against 95,878 equity shares of ₹ 2/- each and 8,493 Class B (Series I) equity shares of ₹ 2/- each kept in abeyance in Future Enterprises Limited.

### Distribution of Shareholding of Equity Shares as on March 31, 2019

No. of Shares	No. of Shareholders	%	No. of Equity Shares	%
1-500	50,414	90.03	35,35,945	0.70
501-1000	3,484	6.22	23,24,151	0.46
1001-2000	878	1.57	12,78,302	0.25
2001-3000	306	0.55	7,70,009	0.15
3001-4000	144	0.26	5,06,010	0.10
4001-5000	96	0.17	4,53,743	0.09
5001-10000	187	0.33	13,97,430	0.28
10001 and above	489	0.87	49,23,32,849	97.97
<b>Total</b>	<b>55,998</b>	<b>100.00</b>	<b>50,25,98,439</b>	<b>100.00</b>



## Shareholding Pattern as on March 31, 2019

Category	No. of Equity Shares	% of holding
Promoters & Promoter Group	23,63,07,631	47.02
Bodies Corporate	9,77,86,669	19.46
Foreign Portfolio Investor	6,75,21,491	13.43
Mutual Funds	3,75,30,966	7.47
Venture Capital Fund	2,31,57,143	4.60
Public (Individual)	1,70,33,871	3.39
Alternate Investment Fund	1,15,66,453	2.30
Banks/Financial Institutions	47,52,166	0.95
Clearing Members	22,85,123	0.45
Hindu Undivided Family	21,05,148	0.42
Insurance Companies	16,92,788	0.34
Non-Resident Indians	7,58,470	0.15
NBFCs registered with RBI	88,608	0.02
Directors & their Relatives	8,000	0.00
Trust	2,212	0.00
Foreign Portfolio Investor (Individual)	1,600	0.00
Foreign Nationals	100	0.00
<b>Total</b>	<b>50,25,98,439</b>	<b>100.00</b>

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

As on March 31, 2019 the Company has not issued any GDR/ADR/Warrants or any convertible instruments. Further, details related to the options granted to the employees pursuant to FRL ESOP - 2016 is provided in the Directors' Report forming part of this Annual Report.

Further, on receipt of initial warrant subscription amount of ₹ 500 crore equivalent to 25% of the warrant issue price as prescribed by the SEBI (ICDR) Regulations for allotment of the equity warrants, the Company on April 23, 2019 has *inter-alia* considered and allotted 3,96,03,960 equity warrants to M/s. Future Coupons Limited, a Promoter Group entity on preferential basis. The conversion option can be exercised by Warrantholder(s) at any time during the period of 18 (Eighteen) months from the date of allotment of equity warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable.

### Unclaimed Shares

In accordance with the requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2018	184	1,00,710
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	184	1,00,710

The voting rights on these shares shall remain frozen till the rightful owner(s) claim such shares.

### Plant Locations

In view of the nature of the Company's business i.e. Multi Brand Retail, the Company operates from various stores on pan India basis.

## Registered Office

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

## Address for Investor Correspondence

- **For securities held in physical form  
Registrar and Share Transfer Agents**  
Link Intime India Private Limited  
C - 101, Embassy 247,  
L.B.S Marg, Vikhroli (West),  
Mumbai - 400 083  
Tel No.: +91 22 4918 6270  
Fax No.: +91 22 4918 6060  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in); Website: [www.linkintime.co.in](http://www.linkintime.co.in)
- **For securities held in demat form**  
Investors' concerned Depository Participant(s) and/or Link Intime India Private Limited
- **For any query on the Annual Report**  
Mr. Virendra Samani, Company Secretary  
Future Retail Limited  
Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (East), Mumbai - 400 060  
Tel No.: +91 22 6644 2200  
Fax No.: +91 22 6644 2201  
E-mail: [investorrelations@futereretail.in](mailto:investorrelations@futereretail.in); Website: [www.futereretail.co.in](http://www.futereretail.co.in)

## Commodity Price Risk or Foreign Exchange Risk and Hedging activities

The Company does not deal in future and options related to commodities and therefore the disclosure pursuant to SEBI circular dated November 15, 2018 is not required to be given. The Company is exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies. The Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk as per guidelines laid down by Risk Management Policy of the Company.

## Credit Ratings

The details of credit ratings obtained by the Company are as follows:

Type/Facility	Rating assigned*	Name of the Rating Agency
Commercial Paper	CARE A1+	CARE Ratings Limited
Short Term Bank Facilities	CARE A1+	
Long Term Bank Facilities	CARE AA- (Outlook Stable)	
Proposed Fixed Deposit Programme <sup>#</sup>	CARE AA- (Outlook Stable)	
Proposed Non-Convertible Debentures <sup>#</sup>	CARE AA- (Outlook Stable)	
Commercial Paper	ACUITE A1+	Acuité Ratings & Research Limited
Proposed Commercial Paper <sup>#</sup>	BWR A1+	Brickwork Ratings India Private Limited
Proposed Non-Convertible Debentures <sup>#</sup>	BWR AA (Outlook Stable)	

### Notes:

(\*) There was no revision in the existing ratings assigned.

(#) Proposed instruments and was not utilised till March 31, 2019.

## DISCLOSURES

### Related Party Transactions

Related party transactions were reviewed/approved by the Audit Committee and were entered into in the ordinary course of business and on an arm's length basis. Except as disclosed during the year under review, there were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. The details of related party transactions are given in Notes forming part of the financial statements for the year ended March 31, 2019. Policy on dealing with related party transactions is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>

### Disclosure of Accounting Treatment

During the year under review, the Company followed the applicable Accounting Standards as specified under Section 133 of the Act, in the preparation of its financial statements.

### Management

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

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

### CEO/CFO Certification

As required under Regulation 17(8) SEBI Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2019.

### Subsidiary Companies

The details of subsidiary companies of the Company has been disclosed in the Directors' Report forming part of this Annual Report. The Company does not have any material subsidiary company as on March 31, 2019. However, the Company has a policy for determining material subsidiaries of the Company, which is available on the website of the Company at the link <https://www.futureretail.in/investors/Policies.html>

### Details of non-compliance

The Company has complied with the requirements of regulatory authorities. During the last 3 (Three) years under review, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

### Certificate from Practicing Company Secretary

A certificate has been received from K Bindu & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director in companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The said Certificate is appended to this Report.

### Recommendations of Committees of the Board

During the year under review, there were no instances, where the Board did not accepted any recommendations of any Committees of the Board which were mandatorily required.

### Establishment of Whistle Blower Policy/Vigil Mechanism

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

## Fees to Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity are as follows:

(₹ in crore)

Sl. No.	Particulars	Amount
1.	Statutory Audit Fees	0.95
2.	Certification & Consultation Fees	0.05
	<b>Total</b>	<b>1.00</b>

## Disclosure in relation to Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, the Company had received 5 (Five) complaints and the same have been resolved.

## Compliance with Mandatory requirements

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

## Discretionary requirements (Part E of Schedule II of SEBI Listing Regulations)

**The Board:** The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.

**Shareholders' Rights:** Quarterly and half yearly financial results of the Company are furnished to Stock Exchange(s) and also published in the newspapers and uploaded on website of the Company. Significant events are also posted on the Company's website under the Investors section. Hence, no half yearly results and significant events were sent to each of household of Shareholders.

**Modified opinion(s) in audit report:** During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continues to adopt best practices and has ensured a track record of financial statements with unmodified audit opinion on financial statements.

**Separate posts of Chairperson and CEO:** The positions of Chairman & Managing Director are not separately held.

**Reporting of Internal Auditor:** Internal Auditors are regularly invited to the meetings of Audit Committee to make presentation to the Committee on their observations and suggestions during the course of their Internal Audit.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
Future Retail Limited

We have examined the compliance of conditions of Corporate Governance by Future Retail Limited ("the Company") for the financial year ended on March 31, 2019 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 119850W

Place : Mumbai  
Date : May 25, 2019

**Ashok A. Trivedi**  
Partner  
Membership No. 042472

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## DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To,  
The Members of  
Future Retail Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, during the year ended March 31, 2019.

For Future Retail Limited

Place : Mumbai  
Date : May 25, 2019

**Kishore Biyani**  
Chairman & Managing Director

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
Future Retail Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Future Retail Limited having CIN L51909MH2007PLC268269 and having Registered Office at Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Mr. Kishore Biyani	00005740	April 30, 2016
2.	Mr. Rakesh Biyani	00005806	April 30, 2016
3.	Ms. Gagan Singh	01097014	April 30, 2016
4.	Mr. Ravindra Dhariwal	00003922	April 30, 2016
5.	Mr. Shailendra Bhandari	00317334	April 30, 2016
6.	Ms. Sridevi Badiga	02362997	April 20, 2017
7.	Mr. Rahul Garg	06939695	August 9, 2018

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

For **K Bindu & Associates**  
Company Secretaries

**Bindu Darshan Shah**  
Proprietor

Place : Mumbai  
Date : May 25, 2019

Membership No. A-20066 / CP No. 7378

# BUSINESS RESPONSIBILITY REPORT

## Overview

Future Retail Limited (“FRL”/“Company”), is India’s pioneer in homegrown modern organised retail and meets the aspirational needs of urban and rural consumers across the country through its various formats viz. large formats (Big Bazaar, fbb (Fashion @ Big Bazaar), Hypercity, Foodhall) and Small Store formats (easyday, Heritage, Nilgiris). During the year under review, the Company has expanded its small store formats at various locations. The expansion and increase of access points in under served areas has fueled creation of grass root employment and contributed significantly to social inclusion.

The business through its fashion, food, and home segments works with value chain members who have a large role to play in the success of the business as well as the ecosystems it operates in.

FRL embraces the Group’s sustainability vision “Striving to grow responsibly and achieve our dual goal of a happy

environment and society, both of which are necessary ingredients for business continuity and growth.”

Consequently, the Company’s principles are focused on creating sustained environmental, social and economic value.

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Directors of FRL hereby present the Business Responsibility Report (“BRR”) of the Company for the financial year ended March 31, 2019.

This BRR delineates FRL’s endeavours to conduct business with responsibility and accountability towards all its stakeholders keeping in view the nine principles of the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’ released by Ministry of Corporate Affairs. This BRR is in line with the format proposed by Securities and Exchange Board of India (“SEBI”).

## Part A: General Information about the Company

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L51909MH2007PLC268269
2	Name of the Company	Future Retail Limited
3	Registered address	Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
4	Website	www.futureretail.co.in
5	E-mail id	investorrelations@futureretail.in
6	Financial Year reported	2018-19
7	Sectors(s) that the Company is engaged in (industrial activity code-wise)	Multi Brand Retail Trade NIC Code: 47 (Retail Trade, except of motor vehicles and motorcycles)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. Apparels / Garments; ii. Food and Grocery; and iii. Consumer Durables / Electronics
9	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	We are not operating from any International locations as on March 31, 2019. Subsequent to year end and as on date of report, our joint venture company viz, Future Retail LLC incorporated in Oman is running fashion business through two (2) fbb stores.
	(b) Number of National Locations	As on March 31, 2019, we have a pan India presence with 1,511 stores in 428 cities covering various formats of the Company
10	Markets served by the Company - Local/State/National/International	National / International (Post year end, we have presence in Oman (International market) through Future Retail LLC (joint venture company) running “fbb” stores)

## Part B: Financial details of the Company

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	₹ 100.52 crore
2	Total Turnover (INR)	₹ 20,164.90 crore (standalone)
3	Total profit after taxes (INR)	₹ 732.81 crore (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	With regard to the year under review, the Company was required to spend ₹ 6.76 crore on CSR activities, since the average net profits of the Company made during the three immediately preceding financial years was ₹ 338.25 crore. The Company has transferred this entire amount to "Sone Ki Chidiya Foundation" ('SKC Foundation') with mandate to deploy such amount for CSR activities identified by the Company. Out of the above contribution, an amount of ₹ 5.74 crore has already been deployed by SKC Foundation during the year under review. SKC Foundation have already identified the relevant projects for balance unspent amount, which will be utilised in current financial year.
5	List of activities in which expenditure in 4 above has been incurred	<p>During the year under review, the Company spent it's CSR contribution through SKC Foundation, which in-turn has deployed these funds <i>inter-alia</i> towards:</p> <ul style="list-style-type: none"> <li>I. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare;</li> <li>II. Promoting education, including special education and employment enhancing vocational skills among differently abled and livelihood enhancement projects;</li> <li>III. Measures for reducing inequalities faced by socially and economically backward groups through access to basic goods and services</li> </ul> <p><i>(For further details, please see the Corporate Social Responsibility Report forming part of Directors' Report)</i></p>

## Part C: Other Details

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes, FRL has two subsidiaries and two step down subsidiaries as on March 31, 2019
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiary companies define their own initiatives specific to their business context whilst having access to information and expertise residing with the Parent company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Group has duly approved sustainability policies and framework and in coming years will see familiarisation amongst its prominent business partners. Based on discussion with suppliers and distributors, currently less than 30% of other entities participate in BR initiatives of the Company.

## Part D: BR Information

### 1. Details of the Director and BR Head responsible for implementation of the BR policy / policies (DIN, Name, Designation):

Sr. No.	Particulars	Details
1	Director Identification Number (if applicable)	00005740
2	Name	Mr. Kishore Biyani
3	Designation	Chairman & Managing Director
4	Telephone number	022-61190000
5	E-mail ID	investorrelations@futuresretail.in



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

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

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

### BR Policies and coverage of NVG Nine principles:

(a) Details of compliance (Reply in Y/N)										
Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on voluntary sustainability guidelines such as the Global Reporting Initiative (GRI) and also based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes – the policies have been approved by the Board and signed by the Chairman & Managing Director								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of policy?	Yes, the Company's officials / respective departments are authorised to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	<a href="http://www.futureretail.co.in/investors/Policies.html">www.futureretail.co.in/investors/Policies.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

<b>(a) Details of compliance (Reply in Y/N)</b>	
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?
	In the upcoming reporting period, FRL will evaluate its operations including its suppliers on various parameters - environmental, social, quality and safety norms and compliance requirements vide a self-assessment questionnaire and will verify the declarations by third party on achieving robustness in the process and reporting
<b>(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why</b>	Not Applicable

### 3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company and its Committees shall continue to assess various business responsibility initiatives undertaken by the Company annually.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BRR for the year 2018-19 forms part of the Annual Report, which is published and is also available on the website of the Company: <a href="http://www.futureretail.co.in/investors/Policies.html">www.futureretail.co.in/investors/Policies.html</a>

## Part E: Principle-wise Performance

### Principle 1: Ethics, Transparency & Accountability

#### Business should conduct and govern themselves with ethics, transparency and accountability

FRL diligently follows good corporate governance practices, policies and procedures that ensures ethical conduct at all levels. The Company's employees are committed to the highest standards of personal and professional ethical behaviour. Employees at all levels are expected to comply with the Future Group's policies and code of conduct.

FRL's Directors and Senior Management are required to abide by a separate Code of Conduct ("CoC"). Their affirmation to the CoC is communicated to all stakeholders by Managing Director through a declaration in the Annual Report.

#### Governance

FRL has established robust governance structure, which consists of various committees such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. These committees *inter-alia* help to address concerns with respect to policies and procedures enforced across the Company's business and operations.

The Company discloses all necessary legal and financial disclosures to stakeholders through Stock Exchanges, Company's website, Annual Report, including Newspapers and other media as required.

#### Vigilance Policy

The Company's Vigil mechanism empowers employees and other stakeholders who have concerns about suspected misconduct, unethical behaviour, actual or suspected

fraud or violation of the code of conduct or ethics policy to come forward and express their concerns without fear of punishment or unfair treatment. The mechanism promotes responsible and secure whistle blowing and provides adequate safeguards to the whistle blower.

There were no complaints received by FRL under the Whistle Blower Policy as on March 31, 2019.

#### Grievance Redressal Mechanism

Stakeholder complaints, concerns and queries are addressed vide grievance mechanisms and processes to ensure that the Company resolves such cases satisfactorily, thus improving its relationship with its stakeholders and adding value to business through transparency and disclosure.

#### • Employees

Grievance boxes are made available at all stores and store employees are made aware of the same. At the outset, efforts are made that grievances are resolved at the store level itself.

In case such grievances are not resolved, the Company's Internal Complaints Committee ("ICC") receives the complaints, investigates the issue and resolves the grievance.

The POSH policy is accessible to employees vide the intranet. Employees are entitled to report potential cases of sexual harassment by writing at - [posh@futuregroup.in](mailto:posh@futuregroup.in) and seek redressal of their grievances.

During the year under review, 5 (five) complaints with allegation of sexual harassment were filed with the Company and the same have been resolved.

- **Investors**

The Company has a good system in place for servicing investor related queries and grievances through its Registrar and Share Transfer Agents (R&T Agent) and the Compliance Officer is responsible for the same.

The Stakeholders' Relationship Committee regularly meets to resolve queries, grievances, if any, and provides guidance for any Company related matter. The Company has a designated e-mail ID – investorrelations@future Retail.in for addressing the investor complaints.

During the reporting period, the Company has received a total of 10 (Ten) investor complaints. Out of which a total of 9 (Nine) complaints were resolved during the year and the balance 1 (One) complaint was since resolved on April 2, 2019. In summary, complaints received are satisfactorily resolved by the Company and its R&T Agent.

- **Customers**

The Company is constantly working on ways to improve its customer grievance redressal mechanism. Any service or product deficiencies through offline and online interfaces are mapped on database in CRM systems and taken up for necessary action by concerned team members. Customers are updated about the actions taken and the customer service team ensures that necessary actions are being taken.

Details of consumer complaints: Opening balance – 159, received during the year – 141; resolved during the year – 48; and pending at the end of the year - 252 (due to legal cases / matters in the reporting period).

### **Principle 2: Product Stewardship / Products contributing to Sustainability**

#### **Business should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.**

Customers trust FRL to provide affordable, safe and healthier products for them and their families. The Company understands that trust is earned by advocating these values among value chain members and encouraging innovation and transparency on product development and production.

The Company has begun engaging with its large suppliers to reduce environmental and social impacts of products and services in its value chain.

#### **Affordable, Healthy and Safe Products**

As on year end, FRL operates 1,511 retail stores across 428 cities. Freshness of healthy product varieties is a challenge due to Indian tropical conditions and the infrastructure conditions. The Company ensures quality of the sourced rice, sugar, wheat, oil seeds, pulses, dry fruits and spices and freshness of fruits and vegetables

through the support of more than 85 distribution centers well equipped with packing infrastructure, cold storages and quality equipment.

Nutrition is considered as one of the critical parameters for addressing health and well-being and hence the Company promotes healthy eating habits, organic food products and healthy drinks. The stores also provide access to various products like rice, wheat, milk, salt and essential oil fortified with the basic micronutrients and vitamins required to serve its customers a nutritious meal.

The Company also retails a wide product range of healthy snacks and breakfast meals like cornflakes, rolled oats, dry fruits which addresses health concerns in the society like diabetes and cardiovascular diseases.

#### **Environment Friendly Products**

The Company does not manufacture any products, but demonstrates responsible procurement in sourcing of products that meet the aspirational needs and addresses customer requirements.

With the increasing notifications on the ban of single use plastic across the country and changing perception of Indian consumers, the Company witnessed an exponential increase in sale of cotton bags and consumption of bags of roll made of paper and cornstarch. The Company ensures that any plastics retailed and used at stores comply with the provisions of Plastic Waste Management (Amendment) Rules, 2018.

The Company is conscious about customer welfare and environment health and accordingly retails products that are free of harmful chemicals like parabens, sulphates, silicon, formaldehyde releasing preservatives and microbeads. Essential goods like milk, oil, rice, wheat and salt fortified with vitamins and iron, biodegradable products, environment friendly paper products and a range of organic products certified by USDA are also available at stores.

The Company retails electronics under the brand name 'KORYO', wherein various product ranges include solar lanterns, air purifiers, air fryers, LED based products including :

- (a) Water efficient inverter washing machines of high capacity ranging from 5 kg to 10 kg;
- (b) Inverter air conditioners and refrigerators having BEE certification ranging between 3 star and 5 star and utilizing eco-friendly refrigerants.

#### **Product Labelling**

Products retailed at stores comply with the applicable regulations such as the Drugs and Cosmetics Act, Legal Metrology Act, Bureau of Indian Standards Specifications, Food Safety and Standards Act, Food Safety and Standards (Packaging and Labelling) Regulations, 2011 in addition to local applicable laws. The Company also

ensures compliance of labelling requirements as required to comply E-Waste Management Rules and Plastic Waste Management (Amendment) Rules, 2018.

FRL's private brand Koryo provides clear information on the safe and responsible usage of its products including guidelines for product handling, storage and disposal and makes sure that the same is explicitly visible. Procurement teams at Koryo, sources from large vendors who demonstrate compliance to local/national statutory requirements.

The Company is committed to build trust by disclosing information truthfully and factually including cautionary statements and through transparent communication.

### Sustainable Sourcing

FRL endeavours to create minimum environmental impact from logistics and transportation and promotes local entrepreneurship. The Company provides market linkages for products produced by women small co-operatives and women entrepreneurs in Ahmedabad, Bengaluru and Delhi.

FRL sources fruits and vegetables directly from over 6,000 farmers and makes available to customers the seasonal produce found at specific geographies at affordable price like strawberries from Mahabaleshwar, oranges from Farmer Producer Companies in Warud and Paratwada in Nagpur, Kinnow orange directly from Abohar in Punjab, apples from Himachal Pradesh, green peas from Solan in Himachal Pradesh.

FRL retails a range of organic products under the "Mother Earth" brand and also sources incense sticks, agarbattis and dhoop under the "Pratha" brand. These are made by women entrepreneurs and small co-operatives both of which contribute to livelihood generation activities.

In the year under review, the Company sourced Forest Stewardship Council (FSC)<sup>1</sup> certified paper bags for its Big Bazaar stores, from a local convertor that helped in minimizing the environmental footprint by reducing paper consumption per bag by approximately 40%. The Company intends to increase procurement from certified sources in the coming years.

In the upcoming financial years, the Company plans to procure carry bags and fabrics made from natural cotton made by women entrepreneurs from small cities / town.

The Company is in the process of creating awareness and will assess its suppliers on specific parameters which

inter-alia includes quality, compliances, human rights, health & safety and environment in the coming reporting period. The Company intends to ensure our suppliers adhere to our broad based sustainability targets for responsible supply chain in coming years. (Please refer to Principle 4 for more details).

### Principle 3: Employee Welfare

#### Business should promote the well-being of all employees

The Company's retail processes create opportunities for a large number of value chain members and those employed at the Company's stores and offices. The Company remains committed to inclusion and hires those from diverse backgrounds and provides them the opportunity to experience and grow in the retail industry.

FRL's human resource policies are guided by the inherent values of the Group and are aligned with labour and human rights regulations that is applicable from time to time. FRL's HR policies ensure that there is no child labour, forced labour or any form of involuntary labour, paid or unpaid at any of its premises.

#### Non-Discrimination in Recruitment and Employment

With the presence of stores across the country, diversity and richness of culture the Company constantly seeks to maintain a diverse workforce through employments of Customer Service Associates (CSA) and identification of supply chain members, both of which are critical to the Company.

The Company's recruitment process evaluates candidates from entry through their journey on a values based assessment process. The Company uses gender neutral job descriptions and removes potential biases in screening, shortlisting and sourcing of candidate which is also consistent with employment related legislation.

At a pan India level, zonal offices have tied up with multiple not-for-profits organisations in villages and towns for sourcing of CSAs, thus providing entry level employees an opportunity to learn, grow and advance their careers.

The permanent manpower at FRL as on March 31, 2019 was as follows:

Total Employee Strength	No. of female employees	No. of differently abled
45,949	10,752	189

Levels (Band wise)	Home Office		Stores		Zone		Total
	Female	Male	Female	Male	Female	Male	
1	4	25	9,601	25,988	70	220	35,908
2	61	168	602	5,425	106	641	7,003
3	120	241	41	1,168	76	708	2,354
4	39	131		109	20	277	576
5	11	71			1	25	108
<b>Total</b>	<b>235</b>	<b>636</b>	<b>10,244</b>	<b>32,690</b>	<b>273</b>	<b>1,871</b>	<b>45,949</b>

1) FSC prohibits illegal logging, forest degradation and deforestation in certified areas and is the forest certification scheme backed by environmental NGOs like Greenpeace and the World Wide Fund for Nature.

## Diversity and Women's Empowerment

The Company is keen to improve diversity, right from entry level bands to its senior leadership, with a focus on women's representation. FRL currently employs around 23.3% women in their workforce at Company level, an increase of upto 3% over financial year 2017-18.

### Strengthening the Leadership pipeline:

- **Leadership Academy:** The Group looks at identifying its leadership team across various businesses through the institution of its Leadership Academy, an intricately curated 10 months intervention for leaders which has been developed to identify employees with leadership potential and strengthen their capacities through adequate training and project exposure.
- **Assessor Certification:** A 16 hour training programme for all senior management is conducted annually.

### Young Leader induction programs:

- **Future Business Innovator Program (FBI)**

The Company through its Campus Connect program hires management graduates from Welinkar

Name of Training Programme	Training Description	No. of Participants	No. of Training Hours
<b>Large Format Stores</b>			
Prarambh	Trainee of new joinees for a 10 day store level induction programme	2,421	1,14,832
Avatar	Assistant manager, assistant stores manager and team leaders undergo training to enable them to achieve their career objectives. Some of the trainings include : <ul style="list-style-type: none"> <li>• Effective communication;</li> <li>• Team management;</li> <li>• Customer service;</li> <li>• Conflict Management;</li> <li>• Planning and prioritizing;</li> <li>• Inventory Management;</li> <li>• Sales Analytics;</li> <li>• Cashiering;</li> <li>• Leadership;</li> <li>• Constructive conversation;</li> <li>• Decision making;</li> <li>• Beyond price tags;</li> <li>• Style Genie;</li> <li>• Personal impact;</li> <li>• Environmental Management</li> </ul>	5,060	45,416

Institute of Management & Research, IRMA at Anand and School of Communications at Manipal. These graduates are placed in a program that ensures learning in a fast paced environment for up-to a year in a General Management role. In the reporting year, total 25 FBIs were hired.

- **Future Summer Samurai**

The program provided summer internship to 38 management graduates in the month of April-May 2018 for a period of 2 months, wherein they are mentored by Business Heads and get hands on experience.

### Employee growth, training and development and overall well-being

The Company believes that a skilled and confident workforce will create greater value and in turn stronger communities. The Company ensures continuous skill and competence upgradation of all employees including customer service associates and new employees at stores by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. Training assessments are conducted on an annual basis for all employees. Some of the training programs by our large format and small format stores in the reporting period are:

Name of Training Programme	Training Description	No. of Participants	No. of Training Hours
Foodhall Skill Training	Training to store staff on <ul style="list-style-type: none"> <li>• Grooming;</li> <li>• Etiquettes;</li> <li>• Communication;</li> <li>• Cashiering;</li> <li>• Customer service;</li> <li>• First aid and fire safety;</li> <li>• FSSAI training;</li> </ul>	2,279	12,195
	<ul style="list-style-type: none"> <li>• Personality Development;</li> <li>• Butler training;</li> <li>• SOP Training;</li> <li>• Product and process training: <ul style="list-style-type: none"> <li>- wine basic;</li> <li>- store basic;</li> <li>- better for you;</li> <li>- loss prevention;</li> <li>- seva neeti;</li> <li>- MPOS training</li> </ul> </li> </ul>		
STRIDE	Training to improve the skills of Assistant Store Manager to build Competencies	55	4,400

Name of Training Programme	Training Description	No. of Participants	No. of Training Hours
Others	<ul style="list-style-type: none"> <li>Analytical skills;</li> <li>Problem solving;</li> <li>VM Workshop;</li> <li>SOP CSD;</li> <li>Goldratt's Workshop;</li> <li>Presentation Advantage;</li> <li>FSSAI;</li> <li>Entrepreneurship thinking;</li> <li>Management trainee (MT) inductions;</li> <li>Fashion forward;</li> <li>Finance for non finance;</li> <li>Gurukul;</li> <li>Pragathi</li> </ul>	1,868	28,264
<b>Small Format Stores</b>			
Induction Training	New Joiners Induction + On the Job training	7,839	28,22,040
Membership Certification	Membership and selling skills certification	158	1,264
OUST Learning	<ul style="list-style-type: none"> <li>Retail 3.0;</li> <li>Expiry Management;</li> <li>Markdowns;</li> <li>Membership pre enrolment;</li> <li>Membership enrolment;</li> <li>Far eye app;</li> <li>Member app;</li> <li>Voice of Customer;</li> <li>Picker app;</li> </ul>	6,275	1,19,225
<b>Others</b>			
LEAP	Training intervention is defined to develop competencies of managers to create a leadership pool to take up larger responsibilities	82	3,104
FutuReady	An interactive and engaging induction & orientation program for all new joiners which explains them an overview of Future Group, its businesses, its values & culture and prepares them for their journey at Future Group.	178	1,424
Assessors Certification	A training programme of 16 hours must for all senior management is conducted annually.	294	4,704

Name of Training Programme	Training Description	No. of Participants	No. of Training Hours
Leadership Academy	An intricately curated 10 month intervention for leaders which has been developed to identify employees with leadership potential and strengthen their capacities through adequate training and project exposure.	63	1,008
<b>Grand Total</b>		<b>26,572</b>	<b>31,57,876</b>

### Sensitisation of store employees towards Persons with Disabilities (PWDs)

As a part of Avesha, training programs were organized for store managers and employees of PWD friendly Big Bazaar stores on pan India basis with the objective of sensitising them to important aspects of dealing with People with Disabilities (PWDs).

A plan to create awareness at store level was also executed successfully in the reporting period, the sensitisation training also introduced participants to sign languages.

Zones	No of employees trained	No. of Training Hours
Mumbai	460	3,680
North (including Delhi NCR)	2,026	16,208
South (including Andhra Pradesh and Telangana)	5,996	47,968
West	68	544
East	1,010	8,080
<b>Total</b>	<b>9,560</b>	<b>76,480</b>

### Promotion and Recognition

The Company through an internal evaluation process has advanced a number of its employees providing higher financial incentives.

#### Inter Band Promotion for 2018-19

Revised Band (2 to 5)	Band Description	No. of Employees
2	Specialist	365
3	Mid-Management	189
4	Management Advisory	51
5	Strategic	11
<b>Total</b>		<b>616</b>

### Intra Band Promotion for 2018-19

Revised Band (1 to 5)	Band Description	No. of Employees
1	Coordinator	726
2	Specialist	299
3	Mid-Management	128
4	Management Advisory	27
5	Strategic	2
<b>Total</b>		<b>1,182</b>

### Khushali program (Employee wellbeing)

Employees are benefitted through a host of corporate partnerships under the Group's Khushali program focusing on home, education and health.

- Housing Benefits

The Company has partnered with reputed real estate developers such as Dosti Realty, Shapoorji Pallonji, Piramal, Arkade Group, Kanakia Group, Wadhwa Group and JP Corp. Employees are provided discounts and other benefits such as buy back offerings, and flexi-payment plan for houses at their desired location.

- Education Support

The Company partnered with various organisations such as Jaro Education and NIIT on PAN India basis to provide employees management and technical courses, and technology programs from reputed institutes, universities and colleges for pursuing courses online.

- Health Benefits

The Company has forged a partnership with health care institution Fortis and diagnostic centres like Dr. Lal Path Labs and Welcome Cure. Employees and their family members can avail priority treatment, free ambulance services, discounts on consultations, radiological diagnostic services, check-ups and alternative health care packages.

Insurance policies such as Mediclaim, EDLI and Life security plans continue at Group level for eligible employees as per their grade.

### Employee incentives

The Company provides benefits to its employees and dependents upto a maximum of five who can avail employee discount benefits at any of Future Group stores including Big Bazaar, Hypercity, fbb, Central, Brand Factory, Foodhall, Home Town, easyday and Nilgiris. This helps meet the daily and aspirational needs of the employees and its dependents in various categories like food, bakery, fashion, homeware, electronics and personal care product categories.

### Other benefits

Employees are provided the liberty of a flexi time window to enable employees to achieve a work life balance on need basis.

The Company provides its employees an assistance plan to help address personal and professional challenges and situations that might be hindering growth and well-being of employee(s).

The Company's small format stores like Heritage engages with its employees to explore ways to address store specific local challenges:

- Local conveyance and rental accommodation benefits are being provided to employees who are deployed at premium store locations;
- Organizing free health check-up and other wellness programs;
- Providing transfer options for our Customer Service Associates (CSAs) to other stores at selected locations or relocation to home stores locations.

### Employee Health and Safety

The Company embraces the Group's policy of health and safety to ensure employee welfare through accident free operations.

The concerned team at Group level works on a regular basis to strengthen its checks and processes and the asset health and functioning of safety equipment at stores and offices. The Company is in process of setting up separate teams at office and identification of specific personnel at every store in addition to regular and periodical audit and mock drills as per requirement of local laws and authorities.

### POSH Training

The Company believes in providing equal opportunity and has a policy on Prevention of Sexual Harassment to ensure a harassment-free workspace for the employees. Awareness on the code of conduct and the sexual harassment policy is provided to all new employees during induction.

The Company organized 5 POSH trainings that was attended by 163 employees from Future Group who were sensitized about the definition, scope, investigation skills, identifying sexual harassment, how to avoid/protect oneself from being a victim of sexual harassment and the reporting procedure of sexual harassment complaints.

### Principle 4: Stakeholder Engagement

**Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

FRL believes that meaningful engagement and collaboration with stakeholders helps the Company

envision, address various opportunities and challenges proactively.

This common dialogue allows learning, understanding of the operating environment, pooling of resources to positively impact and resolve problems that makes the organization perform better.

The Company has identified its stakeholders and established periodic and effective communication with them.

### **Investor Engagement**

The Company regularly interacts with its shareholders and investors through results announcements, annual report, media releases, Company's website and subject-specific communications. The Annual General Meeting gives the shareholders an opportunity to engage directly with the Board of Directors and the Management. During this meeting, the Board engages with shareholders and answers their queries on varied subjects.

The Investor Relations team also interacts regularly with investors and analysts, through quarterly results calls, one-on-one and group meetings, participation at investor conferences and the investors meet.

### **Employee Engagement**

FRL engages with employees irrespective of their function and position within the organization and organizes various programs and activities to boost their morale, provide equal opportunities to nurture talent and develop their creativity. The employees in return are committed and passionate towards their individual, organizational goals and self-development.

Certain identified activities were undertaken during the year, which are summarized below:

- Encourages participation of store employees in various competitions on fruit carving, games, dance and painting, bowling, basketball and many more;
- Organizes employee welfare programmes by setting up free health checkups and dental checkups on a periodic basis;
- Undertakes reward and recognition activities on a periodical basis at store and office level and appreciates efforts towards customer service every day and specially on Retail Employees' Day;
- Undertakes quarterly outdoor activities at Foodhall format for store employees to create a spirit of team building and employee satisfaction. Activities include watching movies, team lunch, team outings, inter store sports, and competitions.
- Celebration of Birthdays and Anniversaries at Store and Office level;

- Celebrating festivals and traditional days along with employee's children and families. Activities include organising fun activities, distributing sweets and goodies;
- Organised desk yoga on the occasion of World Yoga Day;
- Celebrated world environment day through street plays, quiz and distribution of cloth bags to spread awareness on environment friendly practise, safe use and disposal of plastic;
- Celebrated Women's Day and engaged women with fun, educational and grooming sessions for all women employees.

### **Customer**

FRL works towards addressing the requirements of the immediate community through active involvement of employees and customers, and collaborating with institutions and not-for-profits to carry out various activities:

#### *Help us Help Kerala*

Big Bazaar partnered with Goonj and encouraged customers on pan India basis to stand in solidarity with the people of Kerala by creating a platform for donating kits (comprising of water, dry foods, essential oil, health and hygiene products) that were distributed to the affected community through offline channels at stores and vide online platform. The Company also created modalities for donations towards Kerala CMs' distress relief fund within the given platform. (Please refer Principle 8, for more details)

#### *Bano Kisi Ka Santa*

Big Bazaar with the help of NGO partners - Magic Bus Foundation and Child Rights and You took a step to celebrate and be a cause of joy to children during Christmas 2018.

The Company created opportunities for customers to play Santa by gifting to children from weaker sections vide Big Bazaar stores and online portal. This generated delight to the lives of children participated.

### **Store outreach efforts**

The stores celebrate days of national/international importance, promotes local festivals, cultures and tradition with its community including employees and also makes available essential products and service that bring joy amongst our members of the community.



Social Activities	West Zone	North Zone	East Zone	South Zone
Free Health Check Up		<ul style="list-style-type: none"> <li>• BB-Noida, Grand Venice</li> <li>• BB-Ghaziabad, Kaushambi</li> <li>• BB-Varanasi, IP Grand</li> </ul>		BB- Bengaluru-Hebbal
Free Dental Check up		BB-Ghaziabad, Aditya Mall		
Free Eye Check up		BB-Varanasi, IP Grand		BB- Bengaluru-Hebbal
Blood Donation Camp	BB-Manish Nagar, Nagpur		<ul style="list-style-type: none"> <li>• BB-Barasat</li> <li>• BB-Jamshedpur</li> <li>• BB-Rourkela ,</li> <li>• BB-Krishnaplaza</li> <li>• BB-PS Aviator</li> <li>• BB-Jorhat</li> <li>• BB-Dimapur</li> </ul>	
Road Safety, working with traffic police			<ul style="list-style-type: none"> <li>• BB-Krishnanagar</li> <li>• BB-Dimapur</li> </ul>	
Visiting old age homes, terminally ill and orphanages (distribution of grocery, snacks, sweets garments and utility items)		<ul style="list-style-type: none"> <li>• BB-Prayagraj</li> <li>• BB-Meerut</li> <li>• BB-Agra</li> <li>• BB-Vasant Kunj*</li> </ul>	<ul style="list-style-type: none"> <li>• BB-Asansol</li> <li>• BB-Barasat</li> <li>• BB-Bokaro</li> <li>• BB-Ranchi, BG Tower, Nucleus Mall</li> <li>• BB-Jamshedpur</li> <li>• BB-LIC,</li> <li>• BB VIP Road Kolkatta</li> <li>• BB-Saltlake</li> <li>• BB-Silchar</li> </ul>	BB Vijayawada
Annasantharpane (last Friday of every month)				BB Mysuru Chamrajpuram
Festival celebrations* with local community (donations of grocery, water, juices and organising competitions)	<ul style="list-style-type: none"> <li>• BB-Ajmer</li> <li>• BB-Rajkot</li> <li>• BB-Bharuch</li> </ul>	<ul style="list-style-type: none"> <li>• BB-Varanasi</li> <li>• BB &amp; FBB- Prayagraj</li> <li>• BB-Mathura</li> <li>• BB-Meerut</li> <li>• BB-NCR region</li> </ul>	<ul style="list-style-type: none"> <li>• BB-Agartala</li> <li>• BB-Shreebhumi, Kolkata</li> <li>• BB-Dhanbad Sri Ram Mall</li> <li>• BB-Bokaro</li> <li>• BB-Ranchi, BG Tower,</li> <li>• BB-Jamshedpur</li> <li>• BB-Deoghar</li> <li>• BB-Nagpur</li> <li>• BB-Jalpaiguri</li> <li>• BB-Rabindrasarani,</li> <li>• BB-Woodsquare</li> <li>• BB-Darjeeling</li> <li>• BB-Dibrugarh</li> </ul>	
Cleanliness drives – Swachh Bharat Abhiyan		<ul style="list-style-type: none"> <li>• BB-Kangra</li> <li>• BB-Meerut</li> </ul>	BB-Deoghar, Revolution Mall	
Yoga day with community#		BB-Mathura	BB-Guwahati	BB-Gokulam Road, Bengaluru
Young Elders Walkathon		BB-stores, NCR	BB-Ranchi, BG Tower	
Recycling Holi clothes	BB-Mumbai stores	BB-stores , NCR incl. Lucknow and Meerut	BB-stores Kolkata	BB-stores Chennai

\* Festivals: Janmashtami Seva (Matki Phod), Iftari during Ramadan, Chhath Puja (Juice Sewa), Cheti Chand (Sindhi Samaj), Baisakhi Seva, Jal Seva during Adhik Maas, Navratri, Durga Puja (Jal Sewa), Kanvar Yatra Seva, Holi, Sarhul Seva, Ram Navami Seva.

# Yoga day: Encouraging community to participate in Yoga with help of local trainer.

## Supplier / Vendor Engagement

FRL is committed for promoting, increasing and improving the participation of the suppliers within its value chain.

As a leading retailer in India, the diversity within the value chain not only allows the Company to broaden the range of products and services provided to the communities served, but also develop product in line with the changing habits and local tastes of a given store or region. The Company is able to source from both large and small players including its Group's private brands in food category.

FRL also partners with its suppliers on new product development initiatives. In the reporting period, the Company collaborated with a major paper producer and identified converters to develop paper bags that are sourced from sustainable sources, which helped the organization reduce its environmental footprint.

In the upcoming reporting years, the Company shall endeavour to incorporate key aspects (quality, compliance to applicable regulations, human rights, health and safety and environment) of the Group's sustainability guidelines during vendor registration and assess suppliers through a self-assessment questionnaire to ensure compliance to local regulations, adherence to social and environmental standards and monitor key aspects in an endeavour towards supply chain improvement.

## Media

The Company engages with media to update about the developments in the Company. Regular interactions with print, television and online media take place through press releases, media events and quarterly results announcements. The Company also ensures timely and appropriate responses to media for any information requests within the stipulated disclosure norms.

## Communities

The Company, through its stores and employees have identified and created multiple platforms to undertake community service. The coming years will see scaling up of these efforts, and ensuring that the community including the employees and customers are an integral part of this.

(Please refer to Store outreach efforts in this section and Principle 8 for more details)

## Principle 5: Human Rights

### Business should respect and promote human rights

The Company seeks to uphold and promote human rights in its operations, in relationships with business and partners through its human rights policy.

The Company's human rights policy recognizes the following priority issues: compliance with applicable labour laws, zero tolerance to child, forced or compulsory labour in operations and supply chains, equal opportunity, provide opportunities for all employees to express

concerns and seek redressal, health and safety of our employees, respect and support of social and cultural norms of local communities.

In order to ensure no child labour in its operations, the Company documents age proofs and PAN cards or identical proof of all candidates hired or contracted. FRL ensures non-discrimination while communicating the job description through recruitment channels to give equal opportunity to all candidates irrespective of their caste, race, religion or gender.

The upcoming reporting period will see the Company sensitise value chain members and include key sustainability criteria in contracts of suppliers, contractors and vendors such as compliances to applicable labour laws, salary / wage payments within prescribed time limits, medical facilities, and also ensuring compliance of applicable deductions including PF, ESIC, contributions to various funds like Gratuity and other retirement benefits as applicable from time to time.

Employees at FRL are provided with ample opportunities to voice their needs. With an open door policy within the Company, it helps employees to express their grievances, feedback or suggestion to senior management for sound resolution. In view of this, the need of employees to participate in collective bargaining activities was not required. No complaints were received during the year under review.

The Chairman & Managing Director regularly interacts with all employees through e-mails and regular briefings, and all employees are encouraged to directly write to him on his email address. The Company ensures that stakeholders including consumers and communities impacted by the business have access to grievance mechanism.

## Principle 6: Environment

### Business should respect, protect and make efforts to restore the environment

Resource efficiency is an important pillar of the sustainability framework of the organisation. The Company embraces the Group's policies with respect to the Environment including its Energy and Carbon, Water Stewardship, Waste to Wealth and Health & Safety policies in an endeavour to use resources efficiently and comply with applicable environmental norms within the local and national boundaries.

### Energy Efficiency and Climate Stewardship

The Company has taken an internal target to reduce its energy consumption by 20% across all stores by 2022 and is committed towards low carbon transformation by sourcing energy from renewable sources, utilizing IOT platforms and improving efficiency of its energy intensive equipment.

The Company has reduced its' carbon footprint through various actions, some of these are mentioned herein:

- Installed aircosavers in Big Bazaar, fbb and Hypercity stores across Karnataka, Andhra Pradesh, Telangana and Kerala which is expected to bring in 10% savings in HVAC load as per pilot study carried out by the Company;
- Small format stores of appx. 2,000 sq.ft., have installed end to end IOT platform at more than 20 store locations in Pune and MMRDA that support monitoring of asset health, energy monitoring, power quality monitoring, air quality control and optimizing operations of HVAC viz. based on footfalls, thermal comfort and scheduled on and off control coupled with manual overrides to increase or decrease set temperatures. The initiative has resulted in savings up to 10% of total energy consumption at identified stores;
- Installed timer based controls for lighting and HVAC to schedule on and off of the equipment in identified Big Bazaar stores in Delhi resulting in 10% savings on overall consumption of stores;
- Replacement of 2X28W LED lighting fixtures with 1x28W LED lighting fixtures across which has resulted in approx. 6% saving in energy from lighting purpose at the stores;
- Converting open door chillers to closed door chillers resulting in energy has resulted in savings of upto 15% savings in refrigeration operations at identified stores.

Various sensitization activities including switching off unessential lighting at stores and offices was undertaken on Earth Day. The Company empowers employees at offices to make a choice and improve their energy consumption by providing manual overhead controls for lighting fixtures.

In the upcoming years, the Company endeavours to:

- Implement mechanisms to measure and monitor energy consumption including diesel at all stores, track refill rates of refrigerant gases in HVAC and refrigerators, deploy key performance indicators, undertake carbon foot-printing studies and develop a climate strategy to showcase the commitment of the Company as a climate steward;
- Scale up activities undertaken in the current reporting period;
- Installation of energy efficient chiller, which is expected to generate energy savings of 6% in overall consumption;
- Identification and installation of rooftop solar and accessing renewable energy at feasible locations;
- Retrofit IOT based solutions in more than 150 Big Bazaar stores, which will provide 10% savings in overall energy consumption through timer based controls for chillers, weather based controls and occupancy sensor based controls;

- Retrofit existing HVAC systems with inverter based HVAC systems, using eco-friendly refrigerants which will ensure up to 15% energy savings in cooling operations, the Company has undertaken pilots in the year under review.

FRL audits its emissions and conducts checks in order to comply with emission norms from DG sets as defined by CPCB at periodic intervals.

### **Material consumption**

With Responsible Consumption as the objective, the Company took a pledge to reduce paper consumption by 50% in offices and at stores by 2021 over 2018 baseline. The Company sensitized employees on the environmental impacts of paper waste and promoted the concept, ways and means to reduce – reuse – recycle.

The Company undertook the following initiatives:-

- Reduced its POS roll consumption/bill by 18% at various stores by optimizing the bill structure and through lever realignment of printers;
- Paper consumption audits were undertaken, tech based interventions to control and reduce paper consumption by 15% was undertaken in the reporting period.

During the period under review, several pilots were undertaken by the Company to reduce paper consumption which shall be undertaken in the upcoming financial year at FRL. Digital invoicing was rolled out by another Group company and the Company will begin implementing the same in the coming financial year.

Detailed below are a couple of customer connect platforms that was piloted at selected Big Bazaar stores with the objective of creating awareness amongst both employees and customers, delivering economic, environmental and social value:

### *Holi Clothes Recycling*

Holi, a festival of colours and happiness is celebrated across different parts of the country. Whilst participating in Holi celebrations, the clothes that are worn often get stained rendering it unwearable and then these clothes are often thrown away and end up in landfills.

During this year during Holi, Big Bazaar partnered with “Goonj” to launch a recycling campaign for Holi stained clothes across 93 stores in Mumbai, Chennai, Delhi NCR, Lucknow, Meerut and Kolkata. During the campaign, customers were incentivized to bring back and drop in their stained garments. The campaign saw an overwhelming response and more than 50,000 clothes were collected from around 27,000 Big Bazaar customers.

The clothes were collected, re-processed and upcycled at Goonj Processing Centres and converted into sitting mats and quilts that have benefitted over 5,000 children in over 50 schools located in extreme climatic regions, thereby creating a better learning environment, providing comfort and also promoting good hygiene practices.

## *Recycling Plastic Bottles Campaign: Plastic Lao Paise Kamao*

In adherence to the Plastic Waste Management (Amendment) Rules 2018, Big Bazaar is supporting brand owners by creating a collection mechanism for the brand's packaging at Point of Sale in stores.

This Extended Producer Responsibility (EPR) mechanism is available at BB stores in Mumbai, Navi Mumbai, Thane, Solapur, Kolhapur, Latur, Tarapore, Nashik and Ahmednagar, while creating awareness amongst customers of Big Bazaar.

### *Waste management*

FRL's compliance to waste management is limited to disposal of e-wastes generated through electronic product brand 'KORYO' and have partnered with authorised e-waste handlers across India.

Further, there were no show cause and legal notices received by the Company which are pending from the CPCB or SPCB at any of the Company's operations.

### **Principle 7: Public Advocacy**

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

FRL focuses on building excellence in retail, while interacting with key stakeholders. The senior leadership team continue to share invaluable experience to provide incisive insights at various conferences involving industry leaders as knowledge sharing practice.

FRL is committed to public good, however the Company has not actively advocated or lobbied directly with government officials or institutions. FRL actively participates in industry events and is a member of the Retailers Association of India (RAI). The operational team continue to learn from the best practices of others. Management and the senior leadership team interacts with various professional bodies and organizations to anticipate and understand the government regulations, economic scenario, industrial environment and advancement of public goods and services.

### **Principle 8: Inclusive Growth**

#### **Business should support inclusive growth and equitable development**

Inclusive growth and sustainability are key components of strategy and business practices at FRL in creating 'Happy Communities'. The Company listens to the voice of the disadvantaged stakeholder and strives to reach out and support these in partnership with its customers and third sector partners.

#### **Engagement with People with disabilities**

The Company believes that shopping should be accessible to everyone. The joy of shopping is a feeling which everyone i.e. senior citizen, pregnant women, temporarily disabled & people with disabilities should experience to

navigate, bargain, talk, discover and shop like any other shopper. Big Bazaar wants to foster inclusiveness and is on a mission to make everyone shop irrespective of race, religion, income, age or disability.

Big Bazaar 'Sabke Liye' initiative has resulted in 140 Big Bazaar stores having disability friendly trial rooms, accessible washrooms, wheelchair friendly ramps, shopping assistance, sit down billing, free home delivery and priority checkouts for shoppers with special needs. Families with babies can enjoy shopping at Big Bazaar which is now also having diaper changing stations.

During the reporting period, Big Bazaar launched a Braille Shopping Guide on World Braille Day making shopping independent and enjoyable. Reserved parking for shoppers with special needs, wider aisles and obstacle free navigation are some of the value added services that have benefitted the disadvantaged society.

Big Bazaar encourages people with special needs through various campaign to experience shopping independently and make them feel special. In December, 2018 the Company organized a Looking Ahead workshop for people with blindness at 13 Big Bazaar stores across India.

More than 400 people with visual impairment participated in the three phased workshop promoting:

- **Eye for Fashion** - A workshop on fashion tips and styling for women with blindness conducted by experts;
- **You Look Beautiful** - A workshop on beauty and personal grooming for women with blindness;
- **Cooking Without Looking** - Hands on training on cooking food and beverages using safe cooking equipments.

Further in SPARK 2019, the annual business meet of Future Group, the idea was promoted by two models having locomotive and visual disability, as show stoppers in an inclusive fashion show.

### *The Quiet Hour*

Shopping can be very stressful and painful experience for people with neuro development disorders such as Autism. The bright lights, loud music and crowds of people can trigger anxiety. The sheer demographic magnitudes in Indian cities makes shopping a crowded experience for all persons with sensorial processing difficulties, including autism, preventing them from experiencing shopping in a pleasant and fulfilling way.

On December 3, 2018, Big Bazaar, Matunga organized quiet hour, a unique concept, first of its kind to make shopping environment conducive to people with autism. The concept will be a weekly feature for one hour on Tuesdays for shoppers at 9 (nine) Big Bazaar stores located at Hebbal, Bengaluru, Matunga, Mumbai, City Square, Guwahati, Vasal Mall, Jalandhar, Vasant Kunj, New Delhi, Elante Mall, Chandigarh, City Square, Jaipur, Hiland Park, Kolkata and Amanara Town Centre, Pune

FRL also partners with various not-for-profits organisations like Youth4Jobs Foundation, Sarthak Educational Trust and Trust for Retailers & Retail Associates of India (TRRAIN Foundation) to train and create livelihood opportunities for Persons with Disability (PwD) in the retail industry. In the reporting period, FRL has hired PwDs who are employed as cashiers and at back end operations. The Company sensitizes employees on inclusion and becoming more receptive to PwD customers through AVESHA (For more details refer to Principle 3)

Further disclosures with reference to non-discrimination at the work place including persons with disabilities and minorities, respecting employee dignity and human rights may be referred to under Principles 3, and 5 of this report.

### Social Responsibility Programs

Pursuant to the requirements detailed in Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by the Ministry of Corporate Affairs (“MCA”) the Company has in place its Corporate Social Responsibility (“CSR”) policy.

The Company implements its CSR programs through the Group’s “Sone Ki Chidiya” Foundation (“SKC Foundation”).

SKC Foundation has been set up *inter-alia* with objectives of undertaking projects that support community welfare thus creating social value, economic empowerment and environmental value. It seeks to inspire our employees and value chain members to volunteer and participate on key issues that affects communities in areas where stores, offices and warehouses are located.

During the reporting period, the Company was mandated to spend ₹ 6.76 crore on CSR projects as per an agreed plan, which was transferred to the SKC Foundation to be disbursed on various projects and activities as per provisions of Schedule VII of the Companies Act. An amount of ₹ 5.74 crore was spent in the reporting period.

#### Humanitarian Relief

Disasters create devastating human suffering that demands coordinated, swift relief efforts. Big Bazaar provides basic goods like food supplies and garments, as required by the community in a safe and timely manner with the support of on-ground partners.

#### Kerala Flood Relief

Big Bazaar in partnership with customers and Goonj provided relief kits, which equipped communities in Kerala State to sustain the damages caused due to floods.

Further, the Company aggregated cash worth ₹ 0.07 crore as donations by customers vide offline and online platform which was donated to Kerala CM’s Distress Relief Fund (KCMDRF). The Company also matched the cash contributions of its customers and submitted the same to the KCMDRF.

#### Nathapur Fire Hazard

The Company through the SKC Foundation extended support and help for needy and affected people of various families during Nathapur Fire Hazard which took place in March 2019.

#### Creating Social Value

Some of the activities undertaken in relation to social value are mentioned below:

##### Promoting Education

The Company donated ₹ 0.25 crore towards Maheshwari Vidya Pracharak Mandal for construction of a girls hostel at Airoli, Mumbai which will benefit over 75 young women pursuing their higher education.

The Company donated ₹ 0.10 crore towards Friends of Tribal Society in Wada district in Palghar. These 50 Ekalvidyalayas helps to promote the culture of continuous learning through education amongst more than 1,500 tribal children.

##### Creating Access to Better Healthcare Facilities

FRL partnered with Parmath Seva Samiti to provide a better recuperative and living environment for the caretakers of cancer survivors and patients seeking palliative care in Mumbai by donating ₹ 0.46 crore for the construction of residential facilities in Mumbai.

##### Reducing Inequalities through access to nutritious food

The Company donated oats worth ₹ 0.05 crore to a large network of children’s homes, shelter homes for the homeless and non-formal education centers across Mumbai, Delhi NCR, Bengaluru under the midday meal programmes run by Responsenet Development Services. Through such food assistance, over 16,200 food insecure children were provided nutrition rich meals including breakfast and snacks.

##### Reducing Inequalities faced by socially and economically backward groups by providing basic goods:

The Company provided goods worth ₹ 4.87 crore to affected communities and has so far provided to over a lakh members of the community in 21 states and 2 union territories.

State	District/Cities	NGO Partners	Beneficiaries
Andhra Pradesh	Visakhapatnam, Vijayawada, Rajahmundry, Chittoor	The Akshaya Patra Foundation, Youth4Jobs Foundation	200 youth with disability and 19,553 children in 91 government schools

State	District/Cities	NGO Partners	Beneficiaries
Assam	Guwahati	Shishu Sarothi, Youth4Jobs, Indian Council for Child Welfare	78 youth with disability and 136 children
Bihar	Dhanbad, Gaya	Responset Development Services	378 children
Chandigarh	Chandigarh	Sarthak Educational Trust, Sai Swayam Society	580 youth with disability
Chhattisgarh	Korba	Responset Development Services	483 children
NCT of Delhi	Delhi, Gurugram	Navjyoti India Foundation, Sahyog Care for You, Magic Bus India Foundation, SAKSHAM, Sarthak Educational Trust, Sai Swayam Society, Society for Upliftment and Development of Human Beings by Action	4,953 children and 4,099 youth with disability
Gujarat	Ahmedabad	Blind Peoples Association, Youth4Jobs Foundation, Samvedana Trust, Sai Swayam Society	1,175 children with disability and 1,500 children
Haryana	Ambala, Faridabad	Sarthak Educational Trust	800 youth with disability
Himachal Pradesh	Haldwani	DHAROHAR Vikas Sanstha	25 children
Jharkhand	Ranchi, Seraikela Kharsawan, Giridih	Youth4Jobs Foundation, Technology Resource Communication and Service Centre. Responset Development Services	40 youth with disability and 1,183 children
Karnataka	Bengaluru, Mangaluru	Seva Sahyog Foundation, ActionAid, Voice of Needy Foundation, Youth4Jobs Foundation	200 youth with disability and 3,997 children
Kerala	Wayanad, Idduki, Kannur, Thrissur, Malappuram, Kottayam, Pathanamthitta, Palakkad, Alappuzha and Ernakulum	Goonj	13,500 families from marginalized communities
Madhya Pradesh	Bhopal	Sarthak Educational Trust	400 youth with disability
Maharashtra	Mumbai, Pune, Nagpur, Ahmednagar, Bhiwandi	Youth4Jobs Foundation, Sarthak Educational Trust, Seva Sahyog Foundation, Mann Center for Individuals with Special Needs, All India Institute of Local Self- Government	1,090 youth with disability including 120 youth with autism and intellectual disability and 3,582 children
Nagaland	Dimapur	Community Educational Centre Society	1,553 children from Naga Society
Orissa	Bhubaneswar, Cuttack, Sambalpur, Puri, Angul, Mayurbhanj, Dhenkanal, Bolangir, Sundergarh, Keonjhar	Handicapped Welfare Organisation, Youth4Jobs Foundation, Adruta Children Home	88 youth with disability including 48 youth with intellectual disability and 450 orphan children

State	District/Cities	NGO Partners	Beneficiaries
Punjab	Jalandhar, Ludhiana, Barnala	Nari Niketan, Sarthak Educational Trust, Sai Swayam Society	39 children and 580 youth with disability
Puducherry	Puducherry	Youth4Jobs Foundation	40 youth with disability
Rajasthan	Jaipur	Youth4Jobs Foundation, Seva Sahayog Foundation, Sai Swayam Society	620 youth with disability and 2,934 children
Tamil Nadu	Chennai, Coimbatore, Trichy	Seva Sahayog Foundation, Youth4Jobs Foundation	130 youth with disability and 1,925 children
Telangana	Hyderabad, Warangal	Youth4Jobs Foundation, The Akshaya Patra Foundation, Sarthak Educational Trust, Responset Development Services	540 youth with disability and 20,608 children
Uttar Pradesh	Agra, Ghaziabad, Lucknow, Noida	TEARS Agra, Sarthak Educational Trust, Sai Swayam Society	1,134 children with intellectual disability
West Bengal	Kolkata, Siliguri, Asansol, Durgapur	Hope Kolkata Foundation, Youth4Jobs Foundation, Siliguri Bhawana Society, FMR- India Asha Niketan, Sarthak Educational Trust, Sai Swayam Society.	409 children and 643 youth with disability

(For more details, please refer to CSR Report annexed to Directors' Report for the year ended March 31, 2019)

### Projects scheduled for deployment in the course of FY 2019-20

The Company has finalised partnerships with not-for-profits organisations in various cities on pan India basis aimed at vocational training and employment opportunities for persons with disabilities

#### Principle 9: Value to customers and consumers

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

FRL adheres to key customer values that matters and constantly works towards increasing customer loyalty by adhering to highest standards of quality and compliance requirements.

To lend credence to its motto "Sab Ke Liye", the Company consistently provides customer connect platforms at its stores and through its outreach efforts with underserved communities.

As in past years, the Learning and Development Team and the Operations SPOC are continually involved in training of employees from Customer Service Team on pan India basis for better customer service, improving knowledge of technology, especially the CRM at the Customer interface to cater to customer grievances and feedback.

FRL has integrated Microsoft CRM with Field Partner CRM for complete transparency and visibility of field service.

The customer based survey, internally branded as Voice of Customer (VOC) runs on the Net Promoter Score (NPS) platform. During the reporting period, the Company saw a marked improvement in the NPS score and it has set out internal target going forward.

The Company proactively interacts with customers for higher customer centricity and better response (Please refer to Principle 4 for more details related to customers) and have set in place a strong grievance mechanism, conducted through CRM software to address complaints (Please refer to Principle 1 for more details on grievance mechanism).

FRL ensures that its marketing and advertising campaign and communications do not confuse or mislead the consumers or violate any of the principles in these Guidelines. (Please refer to Principle 2 for more details with regards to Product Labeling).

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

## 4 YEARS FINANCIAL SUMMARY

### Key Highlights of Financial Position

(₹ in crore)

Particulars	Mar-19##	Mar-18	Mar-17	Mar-16*
Share Capital	100.52	100.40	94.36	8.70
Reserves & Surplus	3,751.43	2,995.87	2,459.30	1,779.92
Net Worth	3,851.95	3,096.27	2,553.66	1,874.19
Total Borrowings	2,657.04	1,286.41	1,244.13	1,122.40
Capital Employed	6,508.99	4,382.68	3,797.79	2,996.59
Net Block	1,440.82	1,018.56	553.78	260.93
Investments	104.00	0.01	0.00	-
Inventory	5,065.59	4,417.41	3,735.16	3,297.24

### Key Highlights of Financial Results

(₹ in crore)

Particulars	Mar-19##	Mar-18	Mar-17	Mar-16*
	12 Months	12 Months	12 Months	12 Months
Sales & Operating Income	20,164.90	18,477.97	17,075.09	6,844.96
Total Income	20,185.37	18,489.64	17,098.89	6,860.47
COGS	14,781.08	13,740.68	12,834.35	5,065.12
PBDIT	1,057.38	843.99	605.09	101.06
Interest	223.98	175.38	204.23	49.75
Depreciation	100.59	53.43	32.58	36.76
Profit Before Tax	732.81	615.18	368.28	14.55
Profit After Tax	732.81	11.31#	368.28	14.55

### Key Financial Ratios

Particulars	Mar-19##	Mar-18	Mar-17	Mar-16*
COGS/Sales & Operating Income(%)	73.30%	74.36%	75.16%	74.00%
Interest/Total Income (%)	1.11%	0.95%	1.19%	0.73%
PBDIT/Interest (Debt-Service Ratio)	4.72	4.81	2.96	2.03
PBDIT/Total Income (%)	5.24%	4.56%	3.54%	1.48%
PBT/Total Income (%)	3.63%	3.33%	2.15%	0.21%
PAT/Total Income (%)	3.63%	0.06%	2.15%	0.21%
Basic EPS (₹)	14.58	0.23	7.81	0.66
Debt Equity Ratio	0.69	0.42	0.49	0.60

Note: \* The Company's Retail business was realigned in FY 2015-16 pursuant to the scheme of arrangement between Future Retail Limited and Future Enterprises Limited (FEL) and vesting of Retail business of FEL with the Company and transfer of Retail Infrastructure business to FEL.

# In the previous financial year, the Company has a non-cash exceptional item of ₹ 603.87 crore resulting in reduction of profit by the same amount.

## The financial results for the year ended March 31, 2019 are not comparable with previous years, due to effect given to demerger of Home Retail Business undertaking to Praxis Home Retail Limited and vesting of demerged Retail Undertaking of Heritage Foods Retail Limited and demerged Retail Business Undertaking of Hypercity Retail (India) Limited with the Company at different period of times during the previous years and in the financial year under review.



## INDEPENDENT AUDITORS' REPORT

To the Members of  
FUTURE RETAIL LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of Future Retail 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 judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have

determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<u>Revenue Recognition</u> Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers".	<u>Principal Audit Procedures</u> We assessed the appropriateness of the revenue recognition accounting policies, including those relating to discounts by comparing with new revenue accounting standard. Tested the relevant information technology system's access and change management controls which govern revenue recognition interfaces between different systems and key management controls over revenue recognition to assess the completeness of the revenue entries being recorded in the accounting system. We performed substantive testing by selecting samples of discount transactions recorded during the year and comparing the parameters used in the calculation of the discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of the discounts was in accordance with the terms and conditions defined in the corresponding schemes. Performed analytical procedures for reasonableness of revenues.
2	<u>Valuation of Inventory</u> We identified this matter as key in our audit due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory.	<u>Principal Audit Procedures</u> Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process. Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard. Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system. Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory. Verification of the determination of net realizable value on a representative sample basis

## 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

## Management's 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 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.
- g. With respect to the other matters to be included in the Auditor's 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 NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. : 119850W

**Ashok A. Trivedi**  
Partner

Mumbai  
May 25, 2019

Membership Number: 042472

## 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 Retail 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. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed, conveyance deed provided to us, we report that, the title deeds, comprising the immovable properties of land, are held in the name of the Company as at the Balance Sheet date.
- 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 and based on our examination of the records, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to guarantee given.
- 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 Sales Tax, Value Added Tax and Stamp Duty 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 Crore)	Period to which the amount relates	Forum where dispute is pending
The Indian Stamp Act, 1899	Stamp Duty	9.53*	FY: 2008-09; FY: 2015-16	District Collector of Stamp, Gautambudhnagar, U.P.; Collector of Lucknow; ADM (F & R); The Collector of Stamps Preet Vihar, Delhi
Central Sales Tax Act and Local Sales Tax Act	Central Sales Tax and Local Sales Tax (including Value Added Tax)	17.22*	FY: 2011-12; FY: 2013-14; FY: 2014-15; FY: 2015-16; FY: 2016-17; FY: 2017-18.	Dy. Commissioner of Sales Tax; Joint Commissioner of commercial Taxes, Appeal-3; Comm. Tax Circle-P, Jammu ; Tribunal

\*Net of amount paid under protest

- 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. The Company has not taken any loans from Government or any Financial Institution and debenture holders.
- ix. Based on our audit procedure and on the basis information and explanation given by the management, we are of the opinion that money raised by company by way of term loan have been applied for the purpose for which they were raised. The company did not raise any money by way of Initial Public offer or further public offer.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance 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 NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. : 119850W

**Ashok A. Trivedi**  
Partner  
Membership Number: 042472

Mumbai  
May 25, 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 Retail 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 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 NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. : 119850W

Mumbai  
May 25, 2019

**Ashok A. Trivedi**  
Partner  
Membership Number: 042472

## BALANCE SHEET AS AT MARCH 31, 2019

	Note No.	As at March 31, 2019	(₹ in crore) As at March 31, 2018
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
Property, Plant and Equipment	2	862.64	488.62
Capital Work-in-Progress	2	147.82	24.31
Intangible Assets	3	578.18	529.94
Intangible Assets Under Development	3	42.36	9.27
Financial Assets			
Investments	4	104.00	0.01
Deposits	5	395.32	273.49
Other Financial Assets	6	0.13	0.31
Other Non-Current Assets	7	275.14	132.66
<b>Total Non-Current Assets</b>		<b>2,405.59</b>	<b>1,458.61</b>
<b>2. Current Assets</b>			
Inventories	8	5,065.59	4,417.41
Financial Assets			
Trade Receivables	9	316.46	238.35
Cash and Cash Equivalents	10	204.91	175.34
Bank Balances Other Than The Above	11	47.90	39.64
Deposits	12	1,540.13	1,306.50
Other Financial Assets	13	99.84	82.90
Other Current Assets	14	847.26	475.73
<b>Total Current Assets</b>		<b>8,122.09</b>	<b>6,735.87</b>
<b>Total Assets</b>		<b>10,527.68</b>	<b>8,194.48</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	100.52	100.40
Other Equity	16	3,751.43	2,995.87
<b>Total Equity</b>		<b>3,851.95</b>	<b>3,096.27</b>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	17	375.31	223.33
Provisions	18	57.76	52.26
Other Non-Current Liabilities	19	136.99	118.50
<b>Total Non-Current Liabilities</b>		<b>570.06</b>	<b>394.09</b>
<b>2. Current Liabilities</b>			
Financial Liabilities			
Borrowings	20	2,178.67	1,001.41
Trade Payables	21		
Due to Micro and Small Enterprises		19.31	16.17
Due to Others		2,918.01	3,408.06
Other Financial Liabilities	22	121.40	83.27
Provisions	23	7.71	3.97
Other Current Liabilities	24	860.57	191.24
<b>Total Current Liabilities</b>		<b>6,105.67</b>	<b>4,704.12</b>
<b>Total Equity and Liabilities</b>		<b>10,527.68</b>	<b>8,194.48</b>
The accompanying notes are an integral part of the financial statements.	1-53		

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Kishore Biyani**  
Chairman & Managing Director

**Rakesh Biyani**  
Jt. Managing Director

**Ravindra Dhariwal**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472

**Gagan Singh**  
Director

**Shailendra Bhandari**  
Director

**Sridevi Badiga**  
Director

**Mumbai**  
May 25, 2019

**Rahul Garg**  
Director

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>INCOME</b>			
Revenue From Operations	25	20,164.90	18,477.97
Other Income	26	20.47	11.67
<b>Total Income</b>		<b>20,185.37</b>	<b>18,489.64</b>
<b>EXPENSES</b>			
Purchase of Stock-In-Trade		15,431.85	14,422.55
Change in Inventories of Stock-In-Trade	27	(650.77)	(681.87)
Employee Benefits Expense	28	1,074.41	929.95
Finance Costs	29	223.98	175.38
Depreciation and Amortization Expense	2&3	100.59	53.43
Other Expenses	30	3,272.50	2,975.02
<b>Total Expenses</b>		<b>19,452.56</b>	<b>17,874.46</b>
<b>Profit Before Exceptional Item and Tax</b>		<b>732.81</b>	<b>615.18</b>
Exceptional Item	31	-	(603.87)
<b>Profit Before Tax</b>		<b>732.81</b>	<b>11.31</b>
Total Tax Expense	35	-	-
(1) Current Tax		-	-
(2) Deferred Tax		-	-
<b>Profit For The Year</b>		<b>732.81</b>	<b>11.31</b>
<b>Other Comprehensive Income For The Year</b>		<b>5.81</b>	<b>1.96</b>
Fair Value Changes On Investment		0.00	0.00
Re-measurement Gains on Defined Benefit Plans		5.81	1.96
<b>Total Comprehensive Income For The Year</b>		<b>738.62</b>	<b>13.27</b>
<b>Earnings Per Equity Share of Face Value of ₹ 2/- each</b>	39		
Basic And Diluted		14.58	0.23
The accompanying notes are an integral part of the financial statements.	1-53		

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Kishore Biyani**  
Chairman & Managing Director

**Rakesh Biyani**  
Jt. Managing Director

**Ravindra Dhariwal**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472

**Gagan Singh**  
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**Shailendra Bhandari**  
Director

**Sridevi Badiga**  
Director

**Mumbai**  
May 25, 2019

**Rahul Garg**  
Director

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
<b>(A) EQUITY SHARE CAPITAL</b>		
<b>Opening Balance</b>	<b>100.40</b>	94.36
Issue of Equity Shares Under Employee Stock Option Scheme	<b>0.12</b>	0.03
Issued Pursuant to the Scheme of Arrangement	-	3.57
Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	-	0.57
Issued Pursuant to the acquisition of Equity shares of Hypercity Retail (India) Limited	-	1.86
<b>Closing Balance</b>	<b>100.52</b>	100.40
<b>(B) OTHER EQUITY</b>		
<b>Share Capital Suspense</b>		
<b>Opening Balance</b>	-	3.57
Issued Pursuant to the Scheme of Arrangement	-	(3.57)
<b>Closing Balance</b>	-	-
<b>Retained Earnings</b>		
<b>Opening Balance</b>	<b>(112.02)</b>	(125.29)
Profit For The Year	<b>732.81</b>	11.31
Other Comprehensive Income For The Year		
Fair Value Changes On Investment	<b>0.00</b>	0.00
Re-measurement Gain on Defined Benefit Plans	<b>5.81</b>	1.96
<b>Closing Balance</b>	<b>626.60</b>	(112.02)
<b>Capital Reserve</b>		
<b>Opening Balance</b>	<b>(124.20)</b>	2,273.54
On Composite Scheme of Arrangements	-	(2,397.74)
<b>Closing Balance</b>	<b>(124.20)</b>	(124.20)
<b>Securities Premium</b>		
<b>Opening Balance</b>	<b>3,224.69</b>	6.02
Issue of Equity Shares	<b>7.92</b>	1.93
Issued Pursuant to the Scheme of Arrangement	-	291.43
Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	-	153.63
Issued Pursuant to the acquisition of Equity shares of Hypercity Retail (India) Limited	-	498.14
On Composite Scheme of Arrangement	-	2,273.54
<b>Closing Balance</b>	<b>3,232.61</b>	3,224.69

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
<b>Securities Premium Reserve Suspense</b>		
<b>Opening Balance</b>	-	291.43
Issued Pursuant to the Scheme of Arrangement	-	(291.43)
<b>Closing Balance</b>	-	-
<b>Share Options Outstanding Account</b>		
<b>Opening Balance</b>	7.40	4.08
Employee Stock Option Expense	16.44	5.13
Exercise of Stock Options	(7.42)	(1.81)
<b>Closing Balance</b>	16.42	7.40
<b>Equity Component of Optionally Convertible Debentures</b>		
<b>Opening Balance</b>	-	5.95
Conversion of Optionally Convertible Debentures (Equity Component)	-	(5.95)
<b>Closing Balance</b>	-	-
<b>TOTAL OTHER EQUITY</b>	<b>3,751.43</b>	<b>2,995.87</b>

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472

**Mumbai**  
May 25, 2019

**Kishore Biyani**  
Chairman & Managing Director

**Gagan Singh**  
Director

**Rahul Garg**  
Director

**Rakesh Biyani**  
Jt. Managing Director

**Shailendra Bhandari**  
Director

**C. P. Toshniwal**  
Chief Financial Officer

**Ravindra Dhariwal**  
Director

**Sridevi Badiga**  
Director

**Virendra Samani**  
Company Secretary

# STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

( ₹ in Crore )

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	732.81	11.31
<b>Adjustments For:</b>		
Depreciation and Amortization Expense	100.59	53.43
Finance Costs	223.98	175.38
Loss on Sale of Investment	-	603.87
Employee Stock Option Expense	16.44	5.13
Allowance for Credit Losses	5.55	2.75
Loss on Disposal/Discard of Fixed Assets (Net)	8.51	1.41
Interest Income	(17.70)	(10.82)
<b>Operating Profit Before Working Capital Changes</b>	<b>1,070.18</b>	<b>842.46</b>
<b>Adjustments For:</b>		
Trade Receivables	(83.66)	(30.24)
Deposits, Other Financial Assets and Other Assets	(878.89)	(26.70)
Inventories	(648.18)	(742.17)
Trade Payables	(486.91)	681.23
Other Financial Liabilities, Other Liabilities and Provisions	741.02	(76.85)
<b>Cash Generated From/(Used in) Operations</b>	<b>(286.43)</b>	<b>647.73</b>
Taxes Paid	(15.59)	(15.40)
<b>Net Cash Flows From/(Used in) Operating Activities</b>	<b>(302.02)</b>	<b>632.33</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(687.99)	(375.86)
Purchase of Investment	(103.99)	(111.72)
Sale of Investment	-	7.85
Interest Received	17.70	10.82
<b>Net Cash Flows Used In Investing Activities</b>	<b>(774.28)</b>	<b>(468.91)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares	0.62	148.40
Proceeds from Borrowings	1,329.23	(103.49)
Interest Paid	(223.98)	(175.38)
<b>Net Cash Flow from/(Used In) Financing Activities</b>	<b>1,105.87</b>	<b>(130.47)</b>
On Composite Schemes of Arrangement	-	13.93
<b>Net Increase/(Decrease) In Cash and Cash Equivalents</b>	<b>29.57</b>	<b>46.89</b>
<b>Net Increase/(Decrease) In Cash and Cash Equivalents</b>	<b>29.57</b>	<b>46.89</b>
Cash and Cash Equivalents (Opening Balance)	175.34	128.45
Cash and Cash Equivalents (Closing Balance)	204.91	175.34

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Kishore Biyani**  
Chairman & Managing Director

**Rakesh Biyani**  
Jt. Managing Director

**Ravindra Dhariwal**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472

**Gagan Singh**  
Director

**Shailendra Bhandari**  
Director

**Sridevi Badiga**  
Director

**Mumbai**  
May 25, 2019

**Rahul Garg**  
Director

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Company Overview and Significant Accounting Policies

#### 1.1 Company Overview

Future Retail Limited ('The Company') is a public Company domiciled in India and incorporated on February 7, 2007. The Company is engaged in the business of retailing of fashion, household and consumer products through departmental and neighbourhood stores under various formats across the country.

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

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 25, 2019.

#### 1.2 Basis of Preparation of Financial Statements

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

#### 1.3 Use of Estimates

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

#### 1.4 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.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative-catchup transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

##### Sale of Products

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

##### Rendering of Services

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

##### Interest Income

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

##### Dividend Income

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

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

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

Building	:	30 years
Plant and Equipment	:	15 years
Office Equipment*	:	3 to 6 years
Furniture and Fixture	:	10 years
Leasehold Improvement*	:	Lease term or 15 years, whichever is lower
Vehicle	:	8 years

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

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

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

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

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

### 1.6 Intangible Assets

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

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

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

### 1.7 Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 1.8 Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense on a straight line basis in Statement of Profit and Loss over the lease term.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss.

### 1.9 Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when it is:

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

All other liabilities are classified as non-current.

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

### 1.10 Measurement of Fair Value

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

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

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

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

### 1.11 Financial Instruments

#### (i) Initial Recognition and Measurement

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

#### (ii) Subsequent Measurement

##### A Non-Derivative Financial Instruments

###### a Financial Assets Carried at Amortized Cost

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

###### b Financial Assets at Fair Value Through Other Comprehensive Income

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

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

###### c 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.

###### d Financial Liabilities

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

##### B Derivative Financial Instruments

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

Financial Assets or Liabilities, at Fair Value Through Profit or Loss:

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



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Although The Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

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

### (iii) Derecognition of Financial Instruments

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

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

### 1.12 Inventories

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

### 1.13 Foreign Currency

#### (i) Functional Currency

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

#### (ii) Transactions and Translations

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

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

### 1.14 Borrowing Costs

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

### 1.15 Employee Benefits

Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus etc. are recognised as an expense at the undiscounted amount in statement of profit and loss for the period in which the related service is rendered.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Post-employment defined contribution benefits

Payment to defined contribution plans such as provident fund, employee state insurance etc. are recognised as expense when employees have rendered services entitling them to such contributions. Company has no further payment obligations once the contributions have been paid.

### Post-employment defined benefit benefits

Cost of post-employment benefit plans such as gratuity are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period. Service cost (including current service cost, past service cost) and interest expense are recognised in the statement of profit and loss. Gains and losses through re-measurements of the net defined benefit liability are recognised in other comprehensive income. The effect of any plan amendments are recognised in statement of profit and loss.

### 1.16 Share-Based Payment

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/option 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 share options outstanding reserve.

### 1.17 Income Tax

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

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

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

### 1.18 Earnings Per Share

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

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

### 1.19 Provisions

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### 1.20 Impairment

#### (i) Financial Assets

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

#### (ii) Non-Financial Assets

##### Intangible Assets and Property, Plant and Equipment

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

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

### 1.21 Share Capital

#### Ordinary Shares

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

### 1.24 Application of new and revised standards

#### Ind AS 116- Leases:

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in IND AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2. Property, Plant and Equipment

(₹ in crore)

Cost	Freehold Land	Building	Leasehold Improvements	Plant and Equipments	Office Equipments	Furniture and Fixtures	Vehicles	Office Equipments On Lease	Total	Capital Work-in-Progress
<b>As At April 01, 2017</b>	7.94	12.05	5.70	51.01	6.40	10.37	0.09	1.41	94.97	2.41
Additions/Transfer	-	-	105.60	61.55	11.95	230.94	-	-	410.04	-
Disposals	-	-	-	-	-	-	-	1.41	1.41	-
<b>As At March 31, 2018</b>	7.94	12.05	111.30	112.56	18.35	241.31	0.09	-	503.60	24.31
<b>As At April 01, 2018</b>	7.94	12.05	111.30	112.56	18.35	241.31	0.09	-	503.60	24.31
Additions/Transfer	0.13	-	90.88	92.70	10.06	249.47	1.04	-	444.28	-
Disposals	-	-	6.71	-	0.18	2.60	-	-	9.49	-
<b>As At March 31, 2019</b>	8.07	12.05	195.47	205.26	28.23	488.18	1.13	-	938.38	147.82
<b>Depreciation</b>										
<b>As At April 01, 2017</b>	-	-	-	-	-	-	-	-	-	-
Depreciation For The Year	-	0.19	3.06	4.38	2.08	5.26	0.01	0.27	15.25	-
Disposals	-	-	-	-	-	-	-	0.27	0.27	-
<b>As At March 31, 2018</b>	-	0.19	3.06	4.38	2.08	5.26	0.01	-	14.98	-
<b>As At April 01, 2018</b>	-	0.19	3.06	4.38	2.08	5.26	0.01	-	14.98	-
Depreciation For The Year	-	1.30	14.94	9.12	4.27	31.68	0.10	-	61.41	-
Disposals	-	-	0.62	-	-	0.03	-	-	0.65	-
<b>As At March 31, 2019</b>	-	1.49	17.38	13.50	6.35	36.91	0.11	-	75.74	-
<b>Net Book Value</b>										
<b>As At March 31, 2019</b>	8.07	10.56	178.09	191.76	21.88	451.27	1.02	-	862.64	147.82
As At March 31, 2018	7.94	11.86	108.24	108.18	16.27	236.05	0.08	-	488.62	24.31

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 3. Intangible Assets

	Computer Software	Brand/ Trademark	Total	Intangible Assets Under Development
<b>Cost</b>				
<b>As At April 01, 2017</b>	354.50	155.03	509.53	9.44
Additions/Transfer	109.57	-	109.57	-
Disposals	-	-	-	-
<b>As At March 31, 2018</b>	464.07	155.03	619.10	9.27
<b>As At April 01, 2018</b>	464.07	155.03	619.10	9.27
Additions/Transfer	55.95	31.47	87.42	
Disposals	-	-		
<b>As At March 31, 2019</b>	<b>520.02</b>	<b>186.50</b>	<b>706.52</b>	<b>42.36</b>
<b>Amortization</b>				
<b>As At April 01, 2017</b>	50.72	-	50.72	-
Amortization For The Year	38.44	-	38.44	-
Disposals	-	-	-	-
<b>As At March 31, 2018</b>	89.16	-	89.16	-
<b>As At April 01, 2018</b>	89.16	-	89.16	
Amortization For The Year	39.18	-	39.18	
Disposals	-	-		
<b>As At March 31, 2019</b>	<b>128.34</b>	-	<b>128.34</b>	
<b>Net Book Value</b>				
<b>As At March 31, 2019</b>	<b>391.68</b>	<b>186.50</b>	<b>578.18</b>	<b>42.36</b>
<b>As At March 31, 2018</b>	374.91	155.03	529.94	9.27

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
<b>4 Non-Current Financial Assets - Investment in</b>		
<b>Equity Instruments</b>		
<b>Fully Paid Up Equity Shares</b>		
<b>Quoted</b>		
100 Equity Shares of Future Supply Chain Solutions Limited of ₹ 10/- each *	0.01	0.01
<b>Unquoted</b>		
<b>Subsidiary Companies</b>		
41,44,211 (Nil) Equity Shares of Travel News Services (India) Private Limited of ₹ 10/- each	65.41	-
10,000 (Nil) Equity Shares of SHME Food Brands Private Limited of ₹ 10/- each	0.01	-
<b>Joint Venture Company</b>		
2,50,000 (Nil) Equity Shares of Future Retail LLC of RO 1/- each	4.57	-
<b>Fully Paid Up Preference Shares</b>		
<b>Unquoted</b>		
<b>Subsidiary Company</b>		
34,00,000 (Nil) 7% Cumulative Redeemable Preference Shares of Travel News Services (India) Private Limited ₹ 100/- each	34.00	-
	<b>104.00</b>	<b>0.01</b>
<b>Note:</b>		
<b>Investment Carried At Fair Value Through Other Comprehensive Income</b>		
*Aggregate Value of Quoted Investment ₹ 0.01 Cr ( 2018 ₹ 0.01 Cr )		
Aggregate Value of Unquoted Investment ₹ 103.99 Cr ( 2018 ₹ Nil)		
<b>5 Non-Current Financial Assets - Deposits</b>		
<b>Security Deposits</b>		
Unsecured, Considered Good	395.32	273.49
	<b>395.32</b>	<b>273.49</b>
<b>6 Non-Current Financial Assets - Others</b>		
<b>Bank Balances Other Than Cash and Cash Equivalents</b>		
Deposit With Banks	0.13	0.31
	<b>0.13</b>	<b>0.31</b>
<b>7 Other Non-Current Assets</b>		
<b>Capital Advances</b>		
Others Unsecured, Considered Good	56.54	-
	<b>56.54</b>	<b>-</b>
<b>Others</b>		
Others Unsecured, Considered Good*	218.60	132.66
	<b>218.60</b>	<b>132.66</b>
	<b>275.14</b>	<b>132.66</b>
(* Includes Balances with Statutory Authorities.)		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
<b>8</b>	<b>Inventories</b>		
	Stock-in-Trade	5,063.56	4,412.79
	Goods-in-Transit of ₹ 126.18 crore (2018: ₹ 93.28 crore)		
	Packing Materials And Others	2.03	4.62
		<b>5,065.59</b>	<b>4,417.41</b>
<b>9</b>	<b>Trade Receivables</b>		
	Unsecured, Considered Good (Refer Note No. 32)	316.46	238.35
	Unsecured, Considered Doubtful	5.55	2.75
		<b>322.01</b>	<b>241.10</b>
	Less: Allowance for Credit Losses	5.55	2.75
		<b>316.46</b>	<b>238.35</b>
<b>10</b>	<b>Cash and Cash Equivalents</b>		
	Balances with Banks	132.49	146.74
	Cheques on Hand	1.37	1.11
	Cash on Hand	71.05	27.49
		<b>204.91</b>	<b>175.34</b>
<b>11</b>	<b>Bank Balances Other Than The Above</b>		
	Deposit With Banks*	47.90	39.64
		<b>47.90</b>	<b>39.64</b>
	*Held as margin money or security against the borrowings, guarantees and other commitments		
<b>12</b>	<b>Current Financial Assets - Deposits</b>		
	<b>Security Deposits</b>		
	Unsecured, Considered Good	1,540.13	1,306.50
	Unsecured, Considered Doubtful	2.90	-
		<b>1,543.03</b>	<b>1,306.50</b>
	Less: Provision for Doubtful	2.90	-
		<b>1,540.13</b>	<b>1,306.50</b>
<b>13</b>	<b>Current Financial Assets-Others</b>		
	Others	99.84	82.90
		<b>99.84</b>	<b>82.90</b>
<b>14</b>	<b>Other Current Assets</b>		
	<b>Other Advances#</b>		
	Unsecured, Considered Good	847.26	475.73
	Unsecured, Considered Doubtful	2.99	1.43
		<b>850.25</b>	<b>477.16</b>
	Less: Provision for Doubtful	2.99	1.43
		<b>847.26</b>	<b>475.73</b>
	#Includes Advance to Suppliers, Prepaid Expenses, Statutory Authorities, etc.		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 15 Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	Number	(₹ in crore)	Number	(₹ in crore)
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	12,50,00,00,000	2,500.00	12,50,00,00,000	2,500.00
	<b>12,50,00,00,000</b>	<b>2,500.00</b>	<b>12,50,00,00,000</b>	<b>2,500.00</b>
<b>Issued *</b>				
Equity Shares of ₹ 2/- each	50,27,02,810	100.54	50,20,79,525	100.42
	<b>50,27,02,810</b>	<b>100.54</b>	<b>50,20,79,525</b>	<b>100.42</b>
<b>Subscribed and Paid up *</b>				
Equity Shares of ₹ 2/- each	50,25,98,439	100.52	50,19,75,154	100.40
	<b>50,25,98,439</b>	<b>100.52</b>	<b>50,19,75,154</b>	<b>100.40</b>

\* Pursuant to the provisions of the Companies Act, 2013, the issue of 1,04,371 Equity Shares are kept in abeyance corresponding to their status in Future Enterprises Limited

#### (i) Reconciliation of Number of Shares

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	Number of Shares	Number of Shares
<b>Opening Balance</b>	<b>50,19,75,154</b>	47,18,12,739
Add : Shares Issued Under Employee Stock Option Scheme	<b>6,23,285</b>	1,51,622
Add : Shares issued pursuant to Composite Scheme of Arrangement	-	1,78,47,420
Add : Shares issued on conversion of Optionally Convertible Debentures into Equity Shares	-	28,52,386
Add : Issued Pursuant to the acquisition of Equity shares of Hypercity Retail (India) Limited	-	93,10,987
<b>Closing Balance</b> (Equity Shares of ₹ 2/- each)	<b>50,25,98,439</b>	<b>50,19,75,154</b>

#### (ii) Terms/Rights Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Each holder is entitled to one vote per share in case of voting by show of hands and one vote per share held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the Company. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by shareholder.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (iii) Shares in the Company held by each shareholder holding more than 5 percent shares and number of Shares held are as under:

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Future Corporate Resources Private Limited (formerly known as Suhani Trading and Investment Consultants Private Limited )	<b>23,62,18,516</b>	<b>47.00</b>	23,36,51,321	46.55
Cedar Support Services Limited	-	-	4,63,30,647	9.23

### Nature and Purpose of Reserves:

#### a) Securities Premium Reserve

Securities Premium Reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and Company can use this reserve for buy-back of shares.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
<b>16 OTHER EQUITY</b>		
<b>Share Capital Suspense</b>		
<b>Opening Balance</b>		3.57
Issued Pursuant to the Scheme of Arrangement	-	(3.57)
<b>Closing Balance</b>	-	-
<b>Retained Earnings</b>		
<b>Opening Balance</b>	(112.02)	(125.29)
Profit For The Year	732.81	11.31
Other Comprehensive Income For The Year		
Fair Value Changes On Investment	0.00	0.00
Re-measurement Gain on Defined Benefit Plans	5.81	1.96
<b>Closing Balance</b>	626.60	(112.02)
<b>Capital Reserve</b>		
<b>Opening Balance</b>	(124.20)	2,273.54
On Composite Scheme of Arrangements	-	(2,397.74)
<b>Closing Balance</b>	(124.20)	(124.20)
<b>Securities Premium</b>		
<b>Opening Balance</b>	3,224.69	6.02
Issue of Equity Shares	7.92	1.93
Issued Pursuant to the Scheme of Arrangement	-	291.43
Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	-	153.63
Issued Pursuant to the acquisition of Equity shares of Hypercity Retail (India) Limited	-	498.14
On Composite Scheme of Arrangement	-	2,273.54
<b>Closing Balance</b>	3,232.61	3,224.69
<b>Securities Premium Reserve Suspense</b>		
<b>Opening Balance</b>	-	291.43
Issued Pursuant to the Scheme of Arrangement	-	(291.43)
<b>Closing Balance</b>	-	-
<b>Share Options Outstanding Account</b>		
<b>Opening Balance</b>	7.40	4.08
Employee Stock Option Expense	16.44	5.13
Exercise of Stock Options	(7.42)	(1.81)
<b>Closing Balance</b>	16.42	7.40
<b>Equity Component of Optionally Convertible Debentures</b>		
<b>Opening Balance</b>	-	5.95
Conversion of Optionally Convertible Debentures (Equity Component)	-	(5.95)
<b>Closing Balance</b>	-	-
<b>TOTAL OTHER EQUITY</b>	<b>3,751.43</b>	<b>2,995.87</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
<b>17</b>	<b>Non-Current Financial Liabilities - Borrowings</b>		
	<b>Secured</b> (Refer Note No. 48)		
	Loan from Banks	375.31	223.33
		<b>375.31</b>	<b>223.33</b>
<b>18</b>	<b>Non-Current Liabilities - Provisions</b>		
	Provision for Employee Benefits	57.76	52.26
		<b>57.76</b>	<b>52.26</b>
<b>19</b>	<b>Other Non-Current Liabilities</b>		
	Lease Equalisation Account	136.99	118.50
		<b>136.99</b>	<b>118.50</b>
<b>20</b>	<b>Current Financial Liabilities - Borrowings</b>		
	<b>Secured</b>		
	Loan from Bank	50.00	-
	Working Capital Loans and Others	2,128.67	1,001.41
		<b>2,178.67</b>	<b>1,001.41</b>
<b>21</b>	<b>Trade Payables</b>		
	Due to Micro and Small Enterprises (Refer Note No. 41)	19.31	16.17
	Due to Others	2,918.01	3,408.06
		<b>2,937.32</b>	<b>3,424.23</b>
<b>22</b>	<b>Current-Other Financial Liabilities</b>		
	Current Maturities of Long-Term Borrowings	103.06	61.67
	Security Deposits	11.82	10.59
	Others	6.52	11.01
		<b>121.40</b>	<b>83.27</b>
<b>23</b>	<b>Current Provisions</b>		
	Provision for Employee Benefits	6.90	3.39
	Warranties	0.81	0.58
		<b>7.71</b>	<b>3.97</b>
<b>24</b>	<b>Other Current Liabilities</b>		
	Lease Equalisation Account	2.83	3.70
	Advance From Customers	164.77	138.28
	Other Payables	692.97	49.26
		<b>860.57</b>	<b>191.24</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>25 Revenue From Operations</b>		
Sale of Products	21,288.16	19,540.53
Less: Vat, Sales Tax, GST	1,892.05	1,628.17
Other Operating Revenue	768.79	565.61
	<b>20,164.90</b>	<b>18,477.97</b>
<b>26 Other Income</b>		
Interest Income	17.70	10.82
Excess Provisions/Liabilities Written Back	2.02	0.05
Miscellaneous Income	0.75	0.80
	<b>20.47</b>	<b>11.67</b>
<b>27 Changes In Inventories of Stock-In-Trade</b>		
<b>Opening Inventories</b>		
Stock-In-Trade	4,412.79	3,730.92
<b>Closing Inventories</b>		
Stock-In-Trade	5,063.56	4,412.79
	<b>(650.77)</b>	<b>(681.87)</b>
<b>28 Employee Benefits Expense</b>		
Salaries, Wages and Bonus	966.65	843.42
Contribution to Provident and Other Funds	58.83	54.06
Employee Stock Option Expense	16.44	5.13
Staff Welfare Expenses	32.49	27.34
	<b>1,074.41</b>	<b>929.95</b>
<b>29 Finance Costs</b>		
Interest Expense	218.28	167.12
Other Borrowing Costs	5.70	8.26
	<b>223.98</b>	<b>175.38</b>
<b>30 Other Expenses</b>		
Power and Fuel	320.27	264.79
Repairs and Maintenance	54.59	46.09
Insurance	11.64	8.59
Rates and Taxes	43.15	29.55
Rent Including Lease Rentals	1,487.38	1,405.33
Advertisement and Marketing	379.71	336.60
Corporate Social Responsibility Expenses	6.76	0.17
Allowance for Credit Losses	4.89	2.82
Loss on Disposal/Discard of Fixed Assets (Net)	8.51	1.41
Exchange Fluctuation Loss/(Gain) (Net)	4.35	(3.56)
Miscellaneous Expenses	951.25	883.23
	<b>3,272.50</b>	<b>2,975.02</b>
<b>31 Exceptional Item</b>		
Loss on Sale of Investment	-	603.87
	-	603.87

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 32. Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

#### i Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the interest cost, treasury performs a comprehensive corporate interest rate risk management by balancing the borrowings from commercial paper, short term loan, working capital loan and non fund facilities from banks.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

#### ii Foreign Currency Risk

The Company is exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies.

The Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

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

	(₹ in crore)	
	<b>2018-19</b>	<b>2017-18</b>
Trade Payables	<b>13.87</b>	134.06
Trade Receivables	<b>4.42</b>	-

#### iii Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 316.46 crore and ₹ 238.35 crore 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.

#### Credit Risk Exposure

Change in the loss allowance measured using life-time expected credit loss model:

	(₹ in crore)	
	<b>2018-19</b>	<b>2017-18</b>
Opening Balance	<b>2.75</b>	1.36
Provided During The Year	<b>4.89</b>	1.39
Amounts Written off	<b>2.09</b>	-
<b>Closing Balance</b>	<b>5.55</b>	<b>2.75</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due:

	(₹ in crore)	
	2018-19	2017-18
Up to 3 Months	281.29	212.70
3 to 6 Months	22.67	16.76
More Than Six Months	12.50	8.89

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

#### iv Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

	(₹ in crore)	
	2018-19	2017-18
Short Term Borrowings	2,178.67	1,001.41
Trade Payables	2,937.32	3,424.23
Other Financial Liabilities	121.40	83.27

#### (v) Financial Instruments Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of quoted investment is measured at quoted price or NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

Particulars	As At March 31, 2019			As At March 31, 2018		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Assets</b>						
<b>At Amortized Cost</b>						
Trade Receivables	316.46	-	-	238.35	-	-
Cash and Bank Balances	252.81	-	-	214.98	-	-
Deposits	1,935.44	-	-	1,579.99	-	-
Other Financial Assets	99.97	-	-	83.21	-	-
<b>At FVTOCI</b>						
Investments	0.01	0.01	-	0.01	0.01	-
<b>Financial Liabilities</b>						
<b>At Amortized Cost</b>						
Borrowings	2,553.98	-	-	1,224.74	-	-
Trade Payables	2,937.32	-	-	3,424.23	-	-
Other Financial Liabilities	121.40	-	-	83.27	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

### 33. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(₹ in crore)		
Particular	March 31, 2019	March 31, 2018
Gross Debt	2,657.04	1,286.41
Trade Payables	2,937.32	3,424.23
Other Payables	1,015.90	331.34
Less: Cash and Cash Equivalents	204.91	175.34
<b>Net Debt</b>	<b>6,405.35</b>	<b>4,866.64</b>
Equity	100.52	100.40
Other Equity	3,751.43	2,995.87
<b>Total Capital</b>	<b>3,851.95</b>	<b>3,096.26</b>
<b>Capital and Net Debt</b>	<b>10,257.30</b>	<b>7,962.90</b>
<b>Gearing Ratio</b>	<b>62.45%</b>	<b>61.12%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

### 34. Employee Benefits - Gratuity

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

(₹ in crore)		
i Change in Present Value of Defined Benefit Obligation	2018-19	2017-18
Defined Benefit Obligation at the beginning of the year	37.63	33.15
Service Cost	9.02	9.01
Interest Expense	2.77	2.35
Acquisition	0.35	1.80
Remeasurement-Actuarial (gains)	(6.00)	(1.82)
Benefits Paid	(6.01)	(6.86)
Defined Benefit Obligation at the end of the year	37.75	37.63

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ii	Change in Fair Value of Plan Assets		(₹ in crore)
		<b>2018-19</b>	<b>2017-18</b>
	Fair Value of Plan Assets at the beginning of the year	5.73	5.30
	Remeasurement-Return on plan assets excluding amounts included in Interest Income	0.44	0.29
	Contributions	(4.94)	0.00
	Actuarial Gain/(Loss) on Plan Assets	(0.19)	0.14
	Fair Value of Plan Assets at the end of the year	1.05	5.73
iii	Net Defined Benefit Liability/(Assets)		(₹ in crore)
		<b>2018-19</b>	<b>2017-18</b>
	Defined Benefit Obligation	37.75	37.63
	Fair Value of Plan Assets	1.05	5.73
	Surplus/(Deficit)	36.70	31.90
	Net Defined Benefit Liability/(Assets)	36.70	31.90
iv	Total Expenses Recognised in the Statement of Profit and Loss		(₹ in crore)
		<b>2018-19</b>	<b>2017-18</b>
	Current Service cost	9.02	9.01
	Net interest on the net defined benefit liability/asset	2.33	2.06
	Total Expenses Recognised in the Statement of Profit And Loss	11.35	11.07
v	Remeasurement Effects Recognised in Other Comprehensive Income (OCI)		(₹ in crore)
		<b>2018-19</b>	<b>2017-18</b>
	Actuarial (Gains)/Losses	(6.00)	(1.82)
	(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit Liability/(Asset)	0.19	(0.14)
	Total (Gain)/Loss included in OCI	(5.81)	(1.96)
vi	Reconciliation of Amounts in Balance Sheet		(₹ in crore)
		<b>2018-19</b>	<b>2017-18</b>
	Defined Benefit Obligation at the beginning of the year	31.90	27.85
	Acquisitions	0.35	0.44
	Total expenses recognised in Profit and Loss Account	11.35	11.07
	Total Remeasurement included in OCI	(5.81)	(1.96)
	Benefits paid	1.09	5.49
	Defined Benefit Obligation at the end of the year	36.70	31.90



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

vii	Reconciliation of Amounts in Statement of Other Comprehensive Income	(₹ in crore)	
		<b>2018-19</b>	<b>2017-18</b>
	OCI Income at the beginning of year	1.01	2.97
	Total Remeasurement included in OCI	(5.81)	(1.96)
	OCI (Income)/Expense at the end of the year	(4.80)	1.01
viii	Expected Maturity Profile of Defined benefit Obligation	(₹ in crore)	
		<b>2018-19</b>	<b>2017-18</b>
	Year 1	2.30	3.12
	Year 2	2.98	2.76
	Year 3	2.97	2.93
	Year 4	3.50	3.05
	Year 5	3.68	3.34
	Year 6 - 10	20.01	14.60
ix	Financial Assumptions	(₹ in crore)	
		<b>2018-19</b>	<b>2017-18</b>
	Discount Rate	7.30%	7.70%
	Expected Rate of Salary Increase	7 % for First 2 Years and 5 % thereafter	5.00%
x	Demographic Assumptions	(₹ in crore)	
		<b>2018-19</b>	<b>2017-18</b>
	Mortality Rate	IALM (2006-08) ultimate	IALM (2006-08) ultimate
	Withdrawal Rate	2 % to 10 %	2 % to 10 %
	Retirement age	58 Years	58 Years
xi	Sensitivity Analysis	(₹ in crore)	
		<b>2018-19</b>	<b>2017-18</b>
	Discount Rate		
	a. Discount Rate -100 basis point	42.86	41.60
	b. Discount Rate +100 basis point	33.52	34.27
	Salary Increase Rate		
	a. Rate -100 basis point	33.76	34.23
	b. Rate +100 basis point	42.40	41.57
<b>35.</b>	<b>Income Tax Expense</b>		
i	Reconciliation of Tax Expenses	(₹ in crore)	
		<b>2018-19</b>	<b>2017-18</b>
	Profit Before Tax	732.81	11.31
	Applicable tax rate	34.94%	34.61%
	Computed expected tax expense	256.07	3.92
	Effect of Non-deductible Expense	9.69	217.20
	Effect of Additional deduction	(17.44)	(9.67)
	Carried forward losses utilized	(248.31)	(211.44)
	Tax expense charged to the Statement of Profit and Loss	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### ii Amount for Which Deferred Tax Asset is Not Recognised

(₹ in crore)

	2018-19	2017-18
Unused tax losses/depreciation	260.78	451.29
Other items giving rise to temporary differences	71.46	61.55
Accelerated depreciation for tax purpose	(129.58)	(188.21)
Deferred tax asset/(liability)	202.66	324.63

### 36. Segment Reporting

The Company is primarily engaged in the business of "Retail", which in terms of Ind AS 108 on "Segment Reporting" constitutes a single reporting segment.

### 37. Related Party Disclosures

Disclosure as required by Ind AS 24 and Companies Act, 2013 "Related Party Disclosures" are given below:

#### 1. List of Related Parties

##### A Subsidiary Companies

- (i) Travel News Services (India) Private Limited (from May 11, 2018)
- (ii) TNSI Retail Private Limited (from May 11, 2018)
- (iii) Welcome Retail Private Limited (from May 11, 2018)
- (iv) SHME Food Brands Private Limited (from Feb 28, 2019)

##### B Joint Venture Company

- (i) Future Retail LLC ( JV Company Registered on May 1, 2018 in Sultanate of Oman)

##### C Enterprises over which Key Managerial Personnel(s) are able to exercise significant influence

- (i) Apollo Design Apparel Parks Limited
- (ii) Bansi Mall Management Company Private Limited
- (iii) Clarks Future Footwear Private Limited
- (iv) FLFL Travel Retail Bhubaneswar Private Limited
- (v) FLFL Travel Retail Guwahati Private Limited
- (vi) FLFL Travel Retail Lucknow Private Limited
- (vii) FLFL Travel Retail West Private Limited
- (viii) Future E-commerce Infrastructure Limited
- (ix) Future Enterprises Limited
- (x) Future Generali India Insurance Company Limited
- (xi) Future Generali India Life Insurance Company Limited
- (xii) Future Human Development Limited
- (xiii) Future Ideas Company Limited
- (xiv) Future Lifestyle Fashions Limited
- (xv) Future Media (India) Limited
- (xvi) Future Sharp Skills Limited
- (xvii) Future Speciality Retail Limited
- (xviii) Future Supply Chain Solutions Limited
- (xix) Goldmohur Design & Apparel Park Limited
- (xx) Retail Light Techniques India Limited
- (xxi) Work Store Limited (formerly known as Staples Future Office Products Limited)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### D Entity able to Exercise Significant Influence

- (i) Future Corporate Resources Private Limited (formerly known as Suhani Trading and Investment Consultants Private Limited)

### E Key Managerial Personnel(s)

- (i) Mr. Kishore Biyani  
(ii) Mr. Rakesh Biyani  
(iii) Mr. C. P. Toshniwal  
(iv) Mr. Virendra Samani

### F Relatives of Key Managerial Personnel(s)

- (i) Mrs. Bhavika Samani

## 2. Transaction with Related Parties

(₹ in crore)

Nature of Transaction	Subsidiaries	Joint Venture	Key Managerial Personnel Exercise Significant Influence	Entity able to Exercise Significant Influence	Key Managerial Personnel/ Relatives
Sale of Goods and Services	1.72	4.42	421.81	0.33	-
	(-)	(-)	(4.98)	(0.71)	(-)
Purchase of Goods and Services	-	-	4,665.42	66.67	0.02
	(-)	(-)	(3,084.73)	(93.89)	(-)
Investments	34.00	4.57	-	-	-
	(-)	(-)	(-)	(-)	(-)
Managerial Remuneration	-	-	-	-	15.40
	(-)	(-)	(-)	(-)	(13.44)
Outstanding Balance as on March 31, 2019					
Receivable	1.36	4.42	1,120.06	152.16	-
	(-)	(-)	(306.59)	(-)	(-)
Payable	0.43	-	522.38	-	-
	(-)	(-)	(1.61)	(0.02)	(-)

Note: Previous year figures are given in parenthesis.

## 3. Significant Related Party Transactions

- A Sale of Goods and Services includes Travel News Services (India) Private Limited 0.70 crore, TNSI Retail Private Limited 1.02 crore, Future Retail LLC 4.42 crore, Future Lifestyle Fashions Limited ₹378.42 Future Corporate Resources Private Limited (formerly known as Suhani Trading and Investments Private Limited (2018: ₹ 0.71 crore),
- B Purchases of Goods and Services includes Future Enterprises Limited ₹3838.14 crore (2018: ₹3076.99 crore), Future Supply Chain Solutions Limited ₹557.88 crore.
- C Investment includes Travel New Services India (Private) Limited 34.00 crore and Future Retail LLC 4.57 crore.
- D Managerial Remuneration includes Mr. Kishore Biyani ₹ 5.89 crore (2018 : ₹ 5.39 crore), Mr. Rakesh Biyani ₹ 5.37 crore (2018 : ₹ 4.62 crore). Key Managerial Personnel Remuneration includes Mr. C. P. Toshniwal ₹ 3.29 crore (2018 : ₹ 3.02 crore), Mr. Virendra Samani ₹ 0.85 crore (2018 : ₹ 0.41 crore)

## 38. Joint Venture Company Information

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on December 31, 2018
1	Future Retail LLC	Equity	Sultanate of Oman	50.00%

Company's Interest in the Joint Venture

(₹ in crore)

S. No.	Name of the Company	As on	Assets	Liabilities	Year ended on	Income	Expenditure
1	Future Retail LLC	December 31, 2018	12.18	8.05	December 31, 2018	-	(0.49)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 39. Earnings Per Share

Statement of Calculation of Basic and Diluted EPS is as under:

	Units	2018-19	2017-18
Profit attributable to equity holders	₹ in crore	<b>732.81</b>	11.31
Weighted average number of Equity Shares for Basic EPS	No. in crore	<b>50.25</b>	49.40
Weighted average number of Equity Shares for Diluted EPS	No. in crore	<b>50.25</b>	49.40
Nominal Value per Equity Share	₹	<b>2</b>	2
Earnings Per Equity Share (Basic)	₹	<b>14.58</b>	0.23
Earnings Per Equity Share (Diluted)	₹	<b>14.58</b>	0.23

### 40. Employee Stock Option Scheme

The Company had received approval of the Board and Shareholders for issuance of 90,00,000 Equity Shares of ₹2 each for offering to eligible employees of the Company under Employee Stock Option Scheme (FRL ESOP 2016). During the year the Company has granted in aggregate 14,47,298 (2018-Nil) options out of which (i) 52,298 options exercisable at ₹10 each, (ii) 12,70,000 option exercisable at ₹ 392 each, (iii) 1,25,000 options exercisable at ₹ 300 each, plus all applicable taxes as may be levied in this regard. Out of the options granted 92,450 (2018 - 8,392) options were cancelled during the year. The options to be granted, would vest over a maximum period of 3 years or such other period as may be decided by the Nomination and Remuneration Committee or Human Resources Department from the date of grant based on specified criteria.

Stock Option activity during the previous year

	2018-19	2017-18
Outstanding at the beginning of the year	<b>6,70,117</b>	8,30,131
Granted during the year	<b>14,47,298</b>	-
Forfeited/cancelled during the year	<b>92,450</b>	8,392
Exercised during the year	<b>6,23,285</b>	1,51,622
Expired during the year	-	-
Outstanding at the end of the year	<b>14,01,680</b>	6,70,117
Exercisable at the end of the year	<b>81,680</b>	3,41,762

(₹ in crore)

Weighted average fair value of options granted

- On December 6, 2016 : ₹ 116.82
- On December 15, 2016 : ₹ 119.02
- On December 15, 2016 : ₹ 119.03
- On July 05, 2018 : ₹ 282.29
- On February 04, 2019 : ₹ 219.24

Method and Assumptions used to estimate the fair value of options granted during the current and previous year:

	February 4, 2019	July 5, 2018	December 15, 2016	December 15, 2016	December 6, 2016
1. Date of Grant					
2. Risk Free Interest Rate	7.20%	7.81%	6.34%	6.30%	6.30%
3. Expected Life	3.65 Years	3.65 Years	1.50 Years	2.75 Years	2.78 Years
4. Expected Volatility	38.07%	33.91%	43.00%	43.00%	43.00%
5. Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%
6. Price of the underlying share in market at the time of the option grant (₹)	440.43	559.38	127.3	127.3	125.1

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 41. Details of dues to Micro, Small and Medium Enterprises Development as defined under the MSMED Act, 2006

	(₹in crore)	
	March 31, 2019	March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	8.12	5.26
- Interest due on above	0.21	0.03
<b>Total</b>	<b>8.33</b>	<b>5.29</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	0.44	0.82
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.66	0.85
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	2.86	2.42

### 42. Contingent Liabilities

Claims Against the Company Not Acknowledged as Debts, In respect of Value Added Tax ₹ 18.86 crore (2018: ₹ 11.91 crore), Letter of Credit ₹ 445.3 crore (2018 : ₹ 458.65 crore), Others ₹ 45.46 crore (2018: ₹ 88.43 crore) and Other money for which the Company is Contingently Liable, Bank Guarantee Given ₹ 90.88 crore and Corporate Guarantees Given ₹ 3602.63 crore (2018 : ₹ 4467.48 crore)

There are various labour, legal metrology, food adulteration and cases under other miscellaneous acts pending against the Company, the liability of which cannot be ascertained. However, management does not expect significant or material liabilities devolving on the Company.

43. Pursuant to the levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1, 2007 by the Finance Act, 2010, the Company based on legal advice, challenged the levy through Retailers Association of India and its retrospective application. The Hon'ble Supreme Court had passed an interim order dated October 14, 2011. In compliance of this order Company has made an aggregate deposit of ₹ 39.71 crore in respect of the liability for such service tax for the period from June 1, 2007 up to September 30, 2011. From October 1, 2011, the Company is accounting and paying for such service tax regularly as per directives of the Supreme Court. Accordingly the Company has not made provision of ₹ 79.42 crore for the period June 1, 2007 to September 30, 2011 which would be appropriately recognised on final determination.

44. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of M/s. Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni has filed a review petition with Hon'ble Supreme Court which is pending for disposal Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

### 45. Capital and Other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 42.74 crore (2018 : ₹ Nil)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 46. Payment to the Auditor

(₹ in crore)

	2018-19	2017-18
Statutory Audit Fees	0.95	0.95
Certification & Consultation Fees	0.05	0.04
<b>Total</b>	<b>1.00</b>	<b>0.99</b>

### 47. Expenditure on Corporate Social Responsibilities

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend ₹ 6.76 crore on Corporate Social Responsibility (CSR) activities during FY 2018-19. Against it, the Company has during the year under review allocated and transferred an amount of ₹ 6.76 crore towards CSR activities to SKC Foundation. SKC Foundation has already spent ₹ 5.74 crore in the year under review and also identified programs for the balance amount to be spend in the current financial year.

### 48. Security clause in respect to Secured Borrowings

#### A Long Term Borrowings

- ₹ 223.33 crore (2018: ₹ 285 crore) are secured by First Pari-Passu charge on moveable Fixed Assets of the Company.
- ₹ 150 crore (2018: ₹ Nil) are secured by First Pari-Passu charge on all present and future tangible moveable Fixed Assets of the Company.
- ₹ 107.05 crore (2018: ₹ Nil) are secured by First Pari-Passu charge on tangible moveable Fixed Assets both present and future of the Company and post dated cheques for installments due under term loan.
- Weighted average rate of interest on Term Loan is 9.38% (2018: 9.31%)

**B** Short Term Borrowings includes Working Capital Loans and others are secured by (a) First Pari-Passu Charge on Current Assets of the Company (b) Second Pari-Passu Charge on Card Receivables (c) Secured by Corporate Guarantee of Future Enterprises Limited. Average Interest Rate 9.98 % (2018: 11.14%).

49. Pursuant to the Composite Scheme of Arrangement between the Future Retail Limited [now known as Future Enterprises Limited (FEL)] and Bharti Retail Limited [now known as Future Retail Limited (the Company/FRL)] and their respective Shareholders and Creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 2013 (the Scheme), the Shareholders and OCD holders of Bharti Group have agreed to share with the respective companies (i.e. the Company and FEL) an upside on the realization out of the shares of the two companies, subject to certain broad terms and conditions. Further, the said transaction has been partially completed and amount received under this arrangement is shown a part of other Current liabilities.

### 50. Leases

#### Operating Lease

The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases payable not later than one year is ₹ 1,071.53 crore (2018: ₹ 949.28 crore), payable later than one year but not later than five year is ₹ 2,551.64 crore (2018: ₹ 3,365.07 crore) and payable later than five years is ₹ 1,406.65 crore (2018: ₹ 1,309.32 crore).

### 51. Business Combination

The Company has entered into Shareholder agreement with Khimji Ramdas LLC, company incorporated under the law of Sultanate of Oman to establish the Company "Future Retail LLC" to run retail fashion store under the "fbb" Brand name in the territory of oman on May 1, 2018. The Company has subscribed to 50% Equity of Future Retail LLC.

The Company has executed necessary agreement(s) and on May 11, 2018 acquired the entire equity share capital of TNSI from its existing shareholders for cash consideration. Consequent to this, TNSI has become a wholly owned subsidiary of the Company.

The Company has completed acquisition of Retail Business undertaking operated under the brand name "Foodworld" (Foodworld Business) from Foodworld Supermarkets Private Limited in terms of business transfer agreement on May 21, 2018. Under this arrangement company has acquired Assets ₹ 31.43 crore, Other Assets ₹ 20.01 crore and Liabilities ₹ 12.26 crore by paying total Purchase Consideration ₹ 39.18 crore.

During the year under review, the Company has acquired the entire equity share capital of SHME Food Brands Private Limited for cash consideration from its existing shareholders on February 28, 2019.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 52. Particulars of Loans, Guarantee and Investment under Section 186(4) of the Companies Act, 2013

(₹ in crore)

S No.	Name	Purpose of Loan	Amount as at March 31, 2019 (Including Interest Accrued)	Maximum outstanding during the year	Amount as at March 31, 2018 (Including Interest Accrued)	Maximum outstanding during the Previous year
<b>A</b>	<b>Corporate Guarantee Given</b>					
I	Future Enterprises Limited for various borrowing facilities.	To secure credit facilities/ loan availed	3,582.63	Not Applicable	4,467.48	Not Applicable
II	Travel News Services (India) Private Limited for issuing of Bank Guarantee	To secure credit facilities	18.00		-	
III	TNSI Retail Private Limited for issuing of Bank Guarantee		2.00		-	
<b>B</b>	<b>Investments</b>					
	Refer Note 4 to Notes forming part of the Financial Statements					

### 53. Details of Miscellaneous Expenses

(₹ in crore)

	2018-19	2017-18
Common Area Maintenance Charges	136.65	118.14
Credit Card Charges	78.99	74.70
House Keeping Charges	93.63	77.14
Legal and Professional Charges	54.93	66.85
Security Service Charges	96.38	76.43
Travelling and Conveyance Expenses	49.68	45.23
Other Expenses	441.00	424.74
<b>Total</b>	<b>951.26</b>	<b>883.23</b>

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Kishore Biyani**  
Chairman & Managing Director

**Rakesh Biyani**  
Jt. Managing Director

**Ravindra Dhariwal**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472

**Gagan Singh**  
Director

**Shailendra Bhandari**  
Director

**Sridevi Badiga**  
Director

**Mumbai**  
May 25, 2019

**Rahul Garg**  
Director

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary

# INDEPENDENT AUDITORS' REPORT

To the Members of  
**FUTURE RETAIL LIMITED**

## Report on the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of FUTURE RETAIL LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated 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 consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit

of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<u>Revenue Recognition</u> Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"	<u>Principal Audit Procedures</u> Assessed the appropriateness of the revenue recognition accounting policies, including those relating to discounts by comparing with new revenue accounting standard. Tested the relevant information technology system's access and change management controls which govern revenue recognition interfaces between different systems and key management controls over revenue recognition to assess the completeness of the revenue entries being recorded in the accounting system. Performed substantive testing by selecting samples of discount transactions recorded during the year and comparing the parameters used in the calculation and discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of discounts was in accordance with the terms and conditions defined in the corresponding schemes. Performed analytical procedures for reasonableness of revenues.
2	<u>Valuation of Inventory</u> Identified this matter as key due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory	<u>Principal Audit Procedures</u> Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process. Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard. Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system. Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory. Verification of the determination of net realizable value on a representative sample basis



## Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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

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

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

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

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal financial 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 Holding Company and its subsidiary companies and jointly controlled entity which are companies, 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements of its subsidiaries whose financial statements reflect total assets (net) of Rs. 14.19 crore as at March 31, 2019, total revenues of Rs. 222.24 crore and net cash inflows amounting to Rs. 1.67

crore for the year ended on that date as considered in the consolidated financial statements. These financial statements and the other financial information have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated results to the extent they have been derived from such financial statements is based solely on the other auditor's report. The consolidated financial statements also include the Group's share of loss after tax of Rs. 0.24 crore for the period ended December 31, 2018, as considered in the consolidated financial statements, in respect of jointly controlled entity, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record

by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India none of the directors of the Group companies 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 the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

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

- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
- ii. The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. : 119850W

Mumbai  
May 25, 2019

**Ashok A. Trivedi**  
Partner  
Membership Number: 042472

## Annexure – A to the Auditors’ Report

### Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Art”)

In conjunction with our audit of the Consolidated Ind AS financial statement of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of FUTURE RETAIL LIMITED (“the Holding Company”) and its subsidiary companies which are companies, incorporated in India , as of that date.

### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 of

the Holding Company, its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required 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 risk of material misstatement of the Ind As financial statement, whether due to fraud or error.

We believe that the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitation of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

### **Opinion**

In our opinion and to the best of our information and according to explanation given and based on the consideration of report of other auditors, as referred to in other matters paragraph, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding 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 ICAI.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies which are companies incorporated in India,.

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. : 119850W

Mumbai  
May 25, 2019

**Ashok A. Trivedi**  
Partner  
Membership Number: 042472

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

	Note No.	(₹ in Crore) As at March 31, 2019
<b>ASSETS</b>		
<b>1. Non-Current Assets</b>		
Property, Plant and Equipment	2	870.94
Capital Work-in-Progress	2	147.90
Goodwill	2	75.37
Other Intangible Assets	2	578.30
Intangible Assets Under Development	2	42.36
Financial Assets		
Investments	3	4.34
Deposits	4	416.19
Other Financial Assets	5	0.13
Other Non-Current Assets	6	283.14
<b>Total Non-Current Assets</b>		<b>2,418.67</b>
<b>2. Current Assets</b>		
Inventories	7	5,084.97
Financial Assets		
Trade Receivables	8	322.47
Cash and Cash Equivalents	9	207.89
Bank Balances Other Than The Above	10	47.93
Deposits	11	1,540.70
Other Financial Assets	12	108.39
Other Current Assets	13	855.78
<b>Total Current Assets</b>		<b>8,168.13</b>
<b>Total Assets</b>		<b>10,586.80</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	14	100.52
Other Equity	15	3,746.13
<b>Total Equity</b>		<b>3,846.65</b>
<b>Liabilities</b>		
<b>1. Non-Current Liabilities</b>		
Financial Liabilities		
Borrowings	16	375.31
Other Financial Liabilities	17	9.34
Provisions	18	58.66
Other Non-Current Liabilities	19	138.10
<b>Total Non-Current Liabilities</b>		<b>581.41</b>
<b>2. Current Liabilities</b>		
Financial Liabilities		
Borrowings	20	2,178.67
Trade Payables	21	
Due to Micro and Small Enterprises		68.73
Due to Others		2,910.10
Other Financial Liabilities	22	127.36
Provisions	23	7.93
Other Current Liabilities	24	865.95
<b>Total Current Liabilities</b>		<b>6,158.74</b>
<b>Total Equity and Liabilities</b>		<b>10,586.80</b>
The accompanying notes are an integral part of the financial statements.	1-46	

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Kishore Biyani**  
Chairman & Managing Director

**Rakesh Biyani**  
Jt. Managing Director

**Ravindra Dhariwal**  
Director

**Ashok A. Trivedi**  
Partner  
Membership No.: 042472

**Gagan Singh**  
Director

**Shailendra Bhandari**  
Director

**Sridevi Badiga**  
Director

**Mumbai**  
May 25, 2019

**Rahul Garg**  
Director

**C. P. Toshniwal**  
Chief Financial Officer

**Virendra Samani**  
Company Secretary

# STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	Note No.	Year Ended March 31, 2019
<b>INCOME</b>		
Revenue From Operations	25	20,332.58
Other Income	26	23.14
<b>Total Income</b>		<b>20,355.72</b>
<b>EXPENSES</b>		
Purchase of Stock-In-Trade		15,515.90
Change in Inventories of Stock-in-Trade	27	(655.39)
Employee Benefits Expense	28	1,090.17
Finance Costs	29	228.12
Depreciation and Amortization Expense	2	104.02
Other Expenses	30	3,345.46
<b>Total Expenses</b>		<b>19,628.28</b>
Profit Before Share of Loss from Joint Venture		727.44
Share of Loss From Joint Venture		0.24
<b>Profit Before Tax</b>		<b>727.20</b>
<b>Total Tax Expense</b>		
(1) Current Tax		0.01
(2) Deferred Tax		-
<b>Profit For The Year</b>		<b>727.19</b>
<b>Attributable To :</b>		
Equity Holders of the Parent		727.03
Non-Controlling Interest		0.16
<b>Other Comprehensive Income For The Year</b>		
Fair Value Changes on Investment		0.00
Re-measurement Gains on Defined Benefit Plans		5.85
<b>Total Other Comprehensive Income For The Year</b>		<b>5.85</b>
<b>Attributable To :</b>		
Equity Holders of The Parent		5.85
<b>Total Comprehensive Income For The Year</b>		<b>733.04</b>
Earnings Per Equity Share of Face Value of ₹ 2/- each	37	
Basic And Diluted		14.47
The accompanying notes are an integral part of the financial statements.	1-46	

As per our report of even date attached

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Chief Financial Officer

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Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	As at March 31, 2019
<b>(A) EQUITY SHARE CAPITAL</b>	
<b>Opening Balance</b>	<b>100.40</b>
Issue of Equity Shares Under Employee Stock Option Scheme	<b>0.12</b>
<b>Closing Balance</b>	<b>100.52</b>
<b>Retained Earnings</b>	
<b>Opening Balance</b>	<b>(112.02)</b>
Profit For The Year	<b>727.03</b>
Other Comprehensive Income for the Year	
Fair Value Changes on Investment	<b>0.00</b>
Re-measurement Gains on Defined Benefit Plans	<b>5.85</b>
<b>Closing Balance</b>	<b>620.86</b>
<b>Capital Reserve</b>	<b>(124.20)</b>
<b>Securities Premium Reserve</b>	
<b>Opening Balance</b>	<b>3,224.69</b>
Issue of Equity Shares	<b>7.92</b>
<b>Closing Balance</b>	<b>3,232.61</b>
<b>Share Options Outstanding Account</b>	
<b>Opening Balance</b>	<b>7.40</b>
Employee Stock Option Expense	<b>16.44</b>
Exercise of Stock Options	<b>(7.42)</b>
<b>Closing Balance</b>	<b>16.42</b>
<b>Capital Reserve on Consolidation</b>	<b>0.16</b>
<b>Non - Controlling Interest</b>	<b>0.28</b>
<b>TOTAL OTHER EQUITY</b>	<b>3,746.13</b>

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants  
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Chief Financial Officer

**Virendra Samani**  
Company Secretary



# STATEMENT OF THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

( ₹ in Crore )

	<b>Year Ended March 31, 2019</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit Before Tax	727.44
<b>Adjusted for :</b>	
Depreciation and Amortization Expense	104.02
Expense on Employee Stock Option Scheme	16.44
Finance Costs	228.12
Loss on Disposal/Discard of Fixed Assets (Net)	8.53
Interest Income	(19.33)
Allowance for Credit Losses	4.98
<b>Operating Profit Before Working Capital Changes</b>	<b>1,070.20</b>
<b>Adjusted for :</b>	
Trade Receivables	(57.35)
Inventories	(667.56)
Deposits, Other Financial Assets and Other Assets	(919.01)
Trade Payables	(445.40)
Other Financial Liabilities, Other Liabilities and Provisions	697.10
<b>Cash Generated Used In Operations</b>	<b>(322.01)</b>
Share in Loss of Joint Ventures and Associate Company	0.24
Share in Minority Interest	0.28
Taxes Paid	(18.13)
<b>Net Cash Flow Used In Operating Activities</b>	<b>(340.11)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of Property, Plant and Equipment and Intangible Assets	(775.22)
Purchase of Investment	(4.25)
Interest Received	19.33
<b>Net Cash Used In Investing Activities</b>	<b>(760.13)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds From Borrowings	1,390.23
Proceeds From Issue of Shares	2.43
Interest Paid	(228.12)
<b>Net Cash From Financing Activities</b>	<b>1,164.54</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>64.31</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents</b>	<b>64.31</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>143.59</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>207.89</b>

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

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Chief Financial Officer

**Virendra Samani**  
Company Secretary

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1.0 Company Overview and Significant Accounting Policies

### 1.1 Overview

Future Retail Limited ('The Company or Parent') is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956 on February 7, 2007. The Company, its Subsidiaries and Joint Venture collectively refer to as a Group.

The Group is engaged in the business of retailing of fashion, household and consumer products through departmental and neighbourhood stores under various formats.

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 25, 2019.

### 1.2 Basis of Preparation of consolidated financial statements

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

### 1.3 Basis of Consolidation

The Group consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Group, it controlled its subsidiaries and joint venture.

Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-Group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

Investments in joint ventures are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.

### 1.4 Use of Estimates

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

### 1.5 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative-catchup transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

### **Sale of Products**

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

### **Rendering of Services**

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

### **Interest Income**

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

### **Dividend Income**

Dividend income is recognised when the Group’s right to receive such dividend is established.

## **1.6 Property, Plant and Equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

An item of property, plant and equipment and any significant part initially recognised 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 or Loss when the asset is derecognised.

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

Building	: 30 years
Plant and Equipment	: 15 years
Office Equipment*	: 3 to 6 years
Furniture and Fixture	: 10 years
Leasehold Improvement*	: Lease term or 15 years, whichever is lower
Vehicle	: 8 years

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

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

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

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

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1.7 Intangible Assets

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

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 or Loss when the asset is derecognised.

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

### 1.8 Goodwill

Goodwill on acquisition of Subsidiaries and Joint Ventures is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

### 1.9 Business Combinations

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

### 1.10 Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense on a straight line basis in Statement of Profit and Loss over the lease term.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss.

### 1.11 Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when it is:

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All other liabilities are classified as non-current.

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

### 1.12 Measurement of Fair Value

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

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

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

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

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

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

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

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

### 1.13 Financial Instruments

#### (i) Initial Recognition and Measurement

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

#### (ii) Subsequent Measurement

##### a) Non-Derivative Financial Instruments

##### (i) Financial Assets Carried at Amortized Cost

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

##### (ii) Financial Assets at Fair Value Through Other Comprehensive Income

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

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (iii) Investments in Joint Venture

Investments in Joint Venture are carried at cost.

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

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

### (v) Financial Liabilities

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

### b) Derivative Financial Instruments

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

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

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

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

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

#### (ii) Derecognition of Financial Instruments

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

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

### 1.14 Inventories

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

### 1.15 Foreign Currency

#### (i) Functional Currency

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

#### (ii) Transactions and Translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

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

### 1.16 Borrowing Costs

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

### 1.17 Employee Benefits

Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus etc. are recognised as an expense at the undiscounted amount in statement of profit and loss for the period in which the related service is rendered.

Post-employment defined contribution benefits

Payment to defined contribution plans such as provident fund, employee state insurance etc. are recognised as expense when employees have rendered services entitling them to such contributions. Company has no further payment obligations once the contributions have been paid.

Post-employment defined benefit benefits

Cost of post-employment benefit plans such as gratuity are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period. Service cost (including current service cost, past service cost) and interest expense are recognised in the statement of profit and loss. Gains and losses through re-measurements of the net defined benefit liability are recognised in other comprehensive income. The effect of any plan amendments are recognised in statement of profit and loss.

### 1.18 Share-Based Payment

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/option 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 share options outstanding reserve.

### 1.19 Taxation

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

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

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 1.20 Earnings Per Share

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

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

### 1.21 Provisions

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

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

### 1.22 Impairment

#### (i) Financial Assets

The Group recognizes loss allowances using the expected credit losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in 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.

#### (ii) Non-Financial Assets

##### Intangible Assets and Property, Plant and Equipment

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

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



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1.23 Share Capital

#### Ordinary Shares

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

### 1.24 Application of new and revised standards

#### Ind AS 116- Leases:

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in IND AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2. Property, Plant And Equipment

( ₹ in crore )

	Freehold Land	Leasehold Improvement	Building	Plant and Equipments	Furniture and Fixtures	Office Equipment	Vehicle	Total	Capital Work-in-Progress
<b>Cost :</b>									
<b>As At April 1st, 2018</b>	7.94	111.30	12.05	112.56	241.31	18.35	0.09	503.60	24.31
Additions/Acquisitions	0.13	96.10	-	94.48	252.72	11.39	1.04	455.84	
Disposals/Transfers		6.71			2.60	0.18		9.49	
Less : Asset Held For Sale									
<b>As At March 31, 2019</b>	8.07	200.69	12.05	207.04	491.42	29.56	1.13	949.94	147.90
<b>Accumulated Depreciation :</b>									
<b>As At April 1st, 2018</b>	-	3.06	0.19	4.38	5.26	2.08	0.01	14.98	
Depreciation Charged For The Year	-	16.85	1.30	9.44	32.37	4.74	0.10	64.81	
Disposals/Transfers	-	0.75	-	-	0.03	0.01	-	0.79	
<b>As At March 31, 2019</b>	-	19.16	1.49	13.82	37.61	6.81	0.11	79.01	
Net Book Value									
<b>As At March 31, 2019</b>	8.07	181.53	10.56	193.22	453.82	22.74	1.01	870.94	147.90

### Intangible Assets

( ₹ in crore )

	Computer Software	Brands/ Trademarks	Goodwill	Total	Intangible Assets under Development
<b>Cost</b>					
<b>As At April 1st, 2018</b>	464.07	155.03	-	619.10	9.27
Additions/Acquisitions	56.07	31.47	75.37	162.91	
<b>As At March 31, 2019</b>	520.14	186.50	75.37	782.01	42.36
<b>Accumulated Amortization</b>					
<b>As At April 1st, 2018</b>	89.16	-	-	89.16	-
Amortization For The Year	39.18			39.18	
<b>As At March 31, 2019</b>	128.34	-	-	128.34	-
Net Book Value					
<b>As At March 31, 2019</b>	391.80	186.50	75.37	653.67	42.36

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in crore )

		As at March 31, 2019
<b>3</b>	<b>Non-Current Financial Assets-Investments</b>	
	<b>Quoted Fully Paid Up Equity Shares</b>	
	100 Equity Shares of Future Supply Chain Solutions Limited of ₹10/- each *	0.01
	<b>Joint Venture Company</b>	
	Unquoted Fully Paid Up Equity Shares	
	4,50,000 Equity share of Future Retail LLC of RO 1.00 (One Rials Omani) each	4.34
		<b>4.34</b>
	<b>Note:</b>	
	*Investment Carried At Fair Value Through Other Comprehensive Income	
<b>4</b>	<b>Non-Current Financial Assets - Deposits</b>	
	<b>Security Deposits</b>	
	Unsecured, Considered Good	416.19
		<b>416.19</b>
<b>5</b>	<b>Non-Current Financial Assets - Others</b>	
	<b>Bank Balances Other Than Cash and Cash Equivalents</b>	
	Deposit with Banks	0.13
		<b>0.13</b>
<b>6</b>	<b>Other - Non Current Assets</b>	
	<b>Capital Advances</b>	
	Unsecured, Considered Good	56.74
	<b>Others</b>	
	Others Unsecured, Considered Good*	226.40
	(*includes balances with statutory authorities)	<b>283.14</b>
<b>7</b>	<b>Inventories</b>	
	Stock-in-Trade	5,082.94
	(includes goods in transit of ₹ 126.18 crore)	
	Packing Materials and Others	2.03
		<b>5,084.97</b>
<b>8</b>	<b>Trade Receivables (Refer Note No. 31)</b>	
	Unsecured, Considered Good	322.47
	Unsecured, Considered Doubtful	5.69
	Less: Allowance For Credit Losses	(5.69)
		<b>322.47</b>
<b>9</b>	<b>Cash And Cash Equivalents</b>	
	Balances with Banks	134.55
	Cheques on Hand	1.37
	Cash on Hand	71.97
		<b>207.89</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in crore )

	<b>As at March 31, 2019</b>
<b>10</b>	<b>Bank Balance Other Than The Above</b>
	Deposit with Banks*
	<b>47.93</b>
	<b>47.93</b>
	*Held as margin money or security against the borrowings, guarantees and other commitments.
<b>11</b>	<b>Current Financial Assets - Deposits</b>
	<b>Security Deposits</b>
	Unsecured, Considered Good
	<b>1,540.70</b>
	Unsecured, Considered Doubtful
	<b>2.90</b>
	<b>1,543.60</b>
	Less : Provision for Doubtful
	<b>2.90</b>
	<b>1,540.70</b>
<b>12</b>	<b>Current Financial Assets - Others</b>
	Others
	<b>108.39</b>
	<b>108.39</b>
<b>13</b>	<b>Other Current Assets</b>
	<b>Other Advances #</b>
	Unsecured, Considered Good
	<b>855.78</b>
	Unsecured, Considered Doubtful
	<b>2.98</b>
	<b>858.76</b>
	Less : Provision for Doubtful
	<b>2.98</b>
	<b>855.78</b>
	#Includes advance to suppliers, prepaid expenses, statutory authorities, etc.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 14 Share Capital

	As at March 31, 2019	
	Number	(₹ in Crore)
<b>Authorised</b>		
Equity Shares of ₹ 2/- each	12,50,00,00,000	2,500.00
	12,50,00,00,000	2,500.00
<b>Issued *</b>		
Equity Shares of ₹ 2/- each	50,27,02,810	100.54
	50,27,02,810	100.54
<b>Subscribed and Paid up *</b>		
Equity Shares of ₹ 2/- each	50,25,98,439	100.52
	50,25,98,439	100.52

\* Pursuant to the provisions of the Companies Act, 2013, the issue of 104,371 Equity Shares are kept in abeyance corresponding to their status in Future Enterprises Limited

(i) Reconciliation of Number of Equity Shares		
Particulars		As at March 31, 2019
		Number of Shares
Opening Balance Equity Shares of ₹ 2/- each		50,19,75,154
Add : Shares Issued Under Employee Stock Option Scheme		6,23,285
Closing Balance (Equity Shares of ₹ 2/- each)		50,25,98,439

#### (ii) Terms/Rights Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Each holder is entitled to one vote per share in case of voting by show of hands and one vote per share held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the company. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by shareholder.

#### (iii) Shares in the Company held by each shareholder holding more than 5 percent shares and number of Shares held are as under:

Name of Shareholder	As at March 31, 2019	
	No. of Shares held	% of Holding
<b>Equity Shares</b>		
Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited )	23,62,18,516	47.00

#### Nature and Purpose of Reserves:

##### a) Securities Premium Reserve

Securities Premium Reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and Company can use this reserve for buy-back of shares.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in crore )

	As at March 31, 2019
<b>15 Other Equity</b>	
<b>Retained Earnings</b>	
<b>Opening Balance</b>	(112.02)
Profit For The Year	727.03
Other Comprehensive Income for the Year	
Fair Value Changes on Investment	0.00
Re-measurement Gains on Defined Benefit Plans	5.85
<b>Closing Balance</b>	<b>620.86</b>
<b>Capital Reserve</b>	(124.20)
<b>Securities Premium Reserve</b>	
<b>Opening Balance</b>	3,224.69
Issue of Equity Shares	7.92
<b>Closing Balance</b>	<b>3,232.61</b>
<b>Share Options Outstanding Account</b>	
<b>Opening Balance</b>	7.40
Employee Stock Option Expense	16.44
Exercise of Stock Options	(7.42)
<b>Closing Balance</b>	<b>16.42</b>
<b>Capital Reserve on Consolidation</b>	0.16
<b>Non - Controlling Interest</b>	0.28
<b>TOTAL OTHER EQUITY</b>	<b>3,746.13</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in crore )

		As at March 31, 2019
16	<b>Non-Current Financial Liabilities - Borrowings</b>	
	<b>Secured</b>	
	Loan From Banks	375.31
		<b>375.31</b>
17	<b>Non-Current - Other Financial Liabilities</b>	
	Deposit	9.34
		<b>9.34</b>
18	<b>Non-Current Liabilities - Provisions</b>	
	Provision For Employee Benefits	58.66
		<b>58.66</b>
19	<b>Other Non-Current Liabilities</b>	
	Lease Equalisation Account	137.98
	Other Payables	0.12
		<b>138.10</b>
20	<b>Current Financial Liabilities - Borrowings</b>	
	<b>Secured</b>	
	Loan From Banks	50.00
	Working Capital Loans and Others	2,128.67
		<b>2,178.67</b>
21	<b>Trade Payables</b>	
	Due to Micro and Small Enterprises	68.73
	Due to Others	2,910.10
		<b>2,978.83</b>
22	<b>Current - Other Financial Liabilities</b>	
	Current Maturities of Long-Term Borrowings	103.06
	Security Deposits	12.33
	Others	11.97
		<b>127.36</b>
23	<b>Current Provisions</b>	
	Provision For Employee Benefits	7.12
	Warranties	0.81
		<b>7.93</b>
24	<b>Other Current Liabilities</b>	
	Advance From Customers	165.76
	Lease Equalisation Account	4.11
	Other Payables	696.08
		<b>865.95</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

( ₹ in crore )

		Year Ended March 31, 2019
<b>25</b>	<b>Revenue From Operations</b>	
	Sale of Products	21,427.96
	Less : GST	(1,892.05)
	Other Operating Revenue	796.67
		<b>20,332.58</b>
<b>26</b>	<b>Other Income</b>	
	Interest Income	19.33
	Excess Provisions/Liabilities Written Back	2.02
	Miscellaneous Income	1.79
		<b>23.14</b>
<b>27</b>	<b>Changes In Inventories of Stock- In-Trade</b>	
	<b>Opening Inventories</b>	
	Stock-In-Trade	4,427.55
	<b>Closing Inventories</b>	
	Stock-In-Trade	5,082.94
		<b>(655.39)</b>
<b>28</b>	<b>Employee Benefits Expense</b>	
	Salaries, Wages and Bonus	981.05
	Contribution to Provident and Other Funds	59.92
	Employee Stock Option Expense	16.44
	Staff Welfare Expenses	32.76
		<b>1,090.17</b>
<b>29</b>	<b>Finance Costs</b>	
	Interest Expense	219.86
	Other Borrowing Costs	8.26
		<b>228.12</b>
<b>30</b>	<b>Other Expenses</b>	
	Power and Fuel	322.60
	Repairs and Maintenance	55.41
	Insurance	11.76
	Rates and Taxes	43.50
	Rent including Lease Rentals	1,493.83
	Advertisement and Marketing	380.16
	Corporate Social Responsibility Expenses	6.76
	Allowance For Credit Losses	4.98
	Loss on Disposal/Discard of Fixed Assets (Net)	8.53
	Exchange Fluctuation Loss/(Gain) (Net)	4.35
	Miscellaneous Expenses	1,013.58
		<b>3,345.46</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 31. Financial Risk Management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Group manage market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

#### (i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the interest cost, treasury performs a comprehensive corporate interest rate risk management by balancing the borrowings from commercial paper, short term loan, working capital loan and non fund facilities from banks.

The Group is not exposed to significant interest rate risk as at the respective reporting dates.

#### (ii) Foreign Currency Risk

The Group are exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies.

The Group follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

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

	( ₹ in crore )
	<b>2018-19</b>
Trade Payables	<b>20.23</b>
Trade Receivable	<b>4.42</b>

#### (iii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹322.47 crore as of March 31, 2019. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grant credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.

#### Credit Risk Exposure

Change in the loss allowance measured using life-time expected credit loss model: (₹ in crore)

	2018-19
Opening Balance	2.90
Provided During The Year	4.98
Amounts Written off	2.20
<b>Closing Balance</b>	<b>5.68</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due:

	(₹ in crore)
	<b>2018-19</b>
Up to 3 Months	<b>284.37</b>
3 to 6 Months	<b>24.92</b>
More Than Six Months	<b>13.18</b>

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

### (iv) Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Typically the Group ensure that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

	(₹ in crore)
	<b>2018-19</b>
Short-Term Borrowings	<b>2,178.67</b>
Trade Payables	<b>2,978.83</b>
Other Financial Liabilities	<b>127.36</b>

### (v) Financial Instruments Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of quoted investment is measured at quoted price or NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

Particulars	(₹ in crore)		
	As At March 31, 2019		
	Carrying Amount	Level of Input used in	
		Level 1	Level 2
<b>Financial Assets</b>			
<b>At Amortized Cost</b>			
Trade Receivables	<b>322.47</b>	-	-
Cash and Bank Balances	<b>255.82</b>	-	-
Deposits	<b>1,956.89</b>	-	-
Other Financial Assets	<b>108.52</b>	-	-
<b>At FVTOCI</b>			
Investments	<b>0.01</b>	<b>0.01</b>	-
<b>Financial Liabilities</b>			
<b>At Amortized Cost</b>			
Borrowings	<b>2,553.98</b>	-	-
Trade Payables	<b>2,978.83</b>	-	-
Other Financial Liabilities	<b>136.70</b>	-	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

### 32. Capital Management

For the purpose of the Group capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

( ₹ in crore )	
Particular	March 31, 2019
Gross Debt	2,657.04
Trade Payables	2,978.83
Other Payables	1,028.36
Less: Cash and Cash Equivalents	207.89
<b>Net Debt</b>	<b>6,456.34</b>
Equity	100.52
Other Equity	3,746.13
<b>Total Capital</b>	<b>3,846.65</b>
<b>Capital and Net Debt</b>	<b>10,302.99</b>
<b>Gearing Ratio</b>	<b>62.66%</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

### 33. Income Tax Expense

( ₹ in crore)	
(i) Income Tax Expense charged to Profit and Loss:	
March 31, 2019	
Profit Before Tax	727.20
Tax Expense	
Current Tax	0.01
Deferred Tax	-
Tax Expense charged to Profit and Loss Account	0.01
Profit After Tax	727.19

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Amount for Which Deferred Tax Asset is Not Recognised

( ₹ in crore )

	<b>March 31, 2019</b>
Unused Tax Losses	<b>265.60</b>
Accelerated Depreciation for Tax Purpose	<b>74.98</b>
Other items giving rise to temporary differences	<b>(128.53)</b>
Deferred tax asset	<b>212.05</b>

### 34. Segment Reporting

The Group is primarily engaged in the business of “Retail”, which in terms of Ind AS 108 on “Segment Reporting” constitutes a single reporting segment.

### 35. Related Party Disclosures

Disclosure as required by Ind AS 24 “Related Party Disclosures” are given below:

#### 1 List of Related Parties

##### A Subsidiary Companies

- (i) Travel News Services (India) Private Limited (from May 11, 2018)
- (ii) TNSI Retail Private Limited (from May 11, 2018)
- (iii) Welcome Retail Private Limited (from May 11, 2018)
- (iv) SHME Food Brands Private Limited (from Feb 28, 2019)

##### B Joint Venture Group

- (i) Future Retail LLC ( JV Company Registered on May 1, 2018 in Sultanate of Oman)

##### C Enterprises over which Key Managerial Personnel(s) are able to exercise significant influence

- (i) Apollo Design Apparel Parks Limited
- (ii) Bansi Mall Management Company Private Limited
- (iii) Clarks Future Footwear Private Limited
- (iv) FLFL Travel Retail Bhubaneswar Private Limited
- (v) FLFL Travel Retail Guwahati Private Limited
- (vi) FLFL Travel Retail Lucknow Private Limited
- (vii) FLFL Travel Retail West Private Limited
- (viii) Future E-commerce Infrastructure Limited
- (ix) Future Enterprises Limited
- (x) Future Generali India Insurance Company Limited
- (xi) Future Generali India Life Insurance Company Limited
- (xii) Future Human Development Limited
- (xiii) Future Ideas Company Limited
- (xiv) Future Lifestyle Fashions Limited
- (xv) Future Media (India) Limited
- (xvi) Future Sharp Skills Limited
- (xvii) Future Speciality Retail Limited
- (xviii) Future Supply Chain Solutions Limited
- (xix) Goldmohur Design & Apparel Park Limited
- (xx) Retail Light Techniques India Limited
- (xxi) Work Store Limited (formerly known as Staples Future Office Products Limited)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### D Entity able to Exercise Significant Influence

- (i) Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited)

### E Key Managerial Personnel(s)

- (i) Mr. Kishore Biyani  
(ii) Mr. Rakesh Biyani  
(iii) Mr. C. P. Toshniwal  
(iv) Mr. Virendra Samani

### F Relatives of Key Managerial Personnel(s)

- (i) Mrs. Bhavika Samani

## 2 Transaction with Related Parties

(₹ in crore)

Nature of Transaction	Joint Venture	Key Managerial Personnel Exercise Significant Influence	Entity able to Exercise Significant Influence	Key Managerial Personnel/ Relatives
Sale of Goods and Services	4.42	421.81	0.33	-
Purchase of Goods and Services	-	4,665.42	66.67	0.02
Investments	4.57	-	-	-
Managerial Remuneration		-		15.40
Outstanding Balance as on March 31, 2019				
Receivable	4.42	1,120.06	152.16	-
Payable	-	522.38	-	-

## 3 Significant Related Party Transactions

- A Sale of Goods and Services includes Future Lifestyle Fashions Limited ₹ 378.42 crore.
- B Purchases of Goods and Services includes Future Enterprises Limited ₹ 3838.14 crore, Future Supply Chain Solutions Limited ₹ 557.88 crore.
- C Investment includes Future Retail LLC 4.57 crore.
- D Managerial Remuneration includes Mr. Kishore Biyani ₹ 5.89 crore, Mr. Rakesh Biyani ₹ 5.37 crore. Key Managerial Personnel Remuneration includes Mr. C. P. Toshniwal ₹ 3.29 crore, Mr. Virendra Samani ₹ 0.85 crore.

## 36. Interest In Other Entities

### Subsidiary Companies :

S. No.	Name of the Group	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2019
1	Travel News Services (India) Private Limited	Equity	India	100%
2	TNSI Retail Private Limited	Equity	India	100%
3	Welcome Retail Private Limited	Equity	India	51%
4	SHME Food Brands Private Limited	Equity	India	100%

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Joint Venture Group Information :

S. No.	Name of the Group	Description of Interest	Country of Incorporation	Percentage of Interest as on December 31, 2018
1	Future Retail LLC	Equity	Sultanate of Oman	50%

### Group's Interest in the Joint Venture:

(₹ in crore)

Particulars	As At March 31, 2019
Assets	12.18
Liabilities	8.05
Income	-
Expenditure	(0.49)

### 37. Earnings Per Share

Statement of Calculation of Basic and Diluted EPS is as under:

(₹ in crore)

	Units	2018-19
Profit attributable to equity holders	₹ in crore	727.03
Weighted average number of Equity Shares for Basic EPS	No. in crore	50.25
Weighted average number of Equity Shares for Diluted EPS	No. in crore	50.25
Nominal Value per Equity Share	₹	2
Earnings Per Equity Share (Basic)	₹	14.47
Earnings Per Equity Share (Diluted)	₹	14.47

### 38. For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of the Entities in the Group	2018-19							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	(₹ in crore)	As a % of Consolidated Profit	(₹ in crore)	As a % of Consolidated Profit	(₹ in crore)	As a % of Consolidated Profit	(₹ in crore)
Future Retail Limited	100.14%	3,851.95	100.76%	732.54	99.33%	5.81	100.75%	738.36
<b>Subsidiaries</b>								
TNSI News Services (India) Private Limited	0.50%	19.09	0.07%	0.50	1.13%	0.07	0.08%	0.56
TNSI Retail Private Limited	-0.14%	(5.49)	-0.27%	(1.98)	-0.46%	(0.03)	-0.27%	(2.00)
Welcome Retail Private Limited	0.01%	0.30	0.02%	0.18	0.00%	-	0.02%	0.18
SHME Food Brands Private Limited	0.00%	0.03	0.00%	0.02	0.00%	-	0.00%	0.02
<b>Subtotal</b>		<b>3,865.88</b>		<b>731.27</b>		<b>5.85</b>		<b>737.11</b>
Intercompany Elimination and Consolidation Adjustments	-0.50%	(19.29)	-0.58%	(4.24)	0.00%	-	-0.58%	(4.23)
<b>Total</b>		<b>3,846.59</b>		<b>727.03</b>		<b>5.85</b>		<b>732.88</b>
Non - Controlling Interest		0.28		0.16				0.16
<b>Joint Ventures (Investment as per Equity Method)</b>								
Future Retail LLC		(0.24)				-		-
<b>Grand Total</b>		<b>3,846.63</b>		<b>727.19</b>		<b>5.85</b>		<b>733.04</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 39. Contingent Liabilities

Claims Against the Group Not Acknowledged as Debts, In respect of Value Added Tax ₹ 18.86 crore, Letter of Credit ₹ 445.3 crore, Others ₹ 49.49 crore and Other money for which the Group is Contingently Liable, Bank Guarantee Given ₹ 104.3 and Corporate Guarantees Given ₹ 3,589.97 crore).

There are various labour, legal metrology, food adulteration and cases under other miscellaneous acts pending against the Group, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Group.

40. Pursuant to the levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1, 2007 by the Finance Act, 2010, the Group based on legal advice, challenged the levy through Retailers Association of India and its retrospective application. The Hon'ble Supreme Court had passed an interim order dated October 14, 2011. In compliance of this order Group has made an aggregate deposit of ₹ 39.71 crore in respect of the liability for such service tax for the period from June 1, 2007 up to September 30, 2011. From October 1, 2011, the Group is accounting and paying for such service tax regularly as per directives of the Supreme Court. Accordingly the Group has not made provision of ₹79.42 crore for the period June 1, 2007 to September 30, 2011 which would be appropriately recognised on final determination.
41. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of M/s. Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni has filed a review petition with hon'ble Supreme Court which is pending for disposal Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

### 42. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 42.74 crore.

### 43. Payment to the Auditor

(₹ in crore)

	2018-19
Statutory Audit Fees	0.95
Certification & Consultation Fees	0.05
<b>Total</b>	<b>1.00</b>

44. Pursuant to the Composite Scheme of Arrangement between the Future Retail Limited (now known as Future Enterprises Limited (FEL)) and Bharti Retail Limited (now known as Future Retail Limited (the Company/FRL)) and their respective Shareholders and Creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 2013 (the Scheme), the Shareholders and OCD holders of Bharti Group have agreed to share with the respective companies (i.e. The company and FEL) an upside on the realization out of the shares of the two companies, subject to certain broad terms and conditions. Further, the said transaction has been partially completed and amount received under this arrangement is shown a part of other Current liabilities.

### 45. Leases

#### Operating Lease

The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases payable not later than one year is ₹ 1,140.36 crore payable later than one year but not later than five year is ₹ 2,819.91 crore and payable later than five years is ₹ 1,433.90 crore.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 46. Business Combination

The Company has entered into Shareholder agreement with Khimji Ramdas LLC, company incorporated under the law of Sultanate of Oman to establish the Company "Future Retail LLC" to run retail fashion store under the "fbb" Brand name in the territory of oman on May 1, 2018. The Company has subscribed to 50% Equity of Future Retail LLC.

The Group has completed acquisition of Retail Business undertaking operated under the brand name "Foodworld" (Foodworld Business) from Foodworld Supermarkets Private Limited in terms of business transfer agreement on May 21,2018. Under this arrangement companies has acquired Assets ₹ 31.43 crore,Other Assets ₹ 20.01 crore and Liabilities ₹ 12.26 crore by paying total Purchase Consideration ₹ 39.18 crore.

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**

Chartered Accountants

**Ashok A.Trivedi**

Partner

Membership No.: 042472

**Mumbai**

May 25, 2019

**Kishore Biyani**

Chairman & Managing Director

**Gagan Singh**

Director

**Rahul Garg**

Director

**Rakesh Biyani**

Jt. Managing Director

**Shailendra Bhandari**

Director

**C. P. Toshniwal**

Chief Financial Officer

**Ravindra Dhariwal**

Director

**Sridevi Badiga**

Director

**Virendra Samani**

Company Secretary



## FORM AOC - 1

### Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

[Pursuant to first proviso to subsection (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

#### Part "A": Subsidiary companies

(₹ in crore)

Name of the Subsidiaries	Travel News Services (India) Private Limited (TNSI)	TNSI Retail Private Limited*	Welcome Retail Private Limited*	SHME Food Brands Private Limited
Date of Acquisition / becoming subsidiary	May 11, 2018	May 11, 2018	May 11, 2018	February 28, 2019
Reporting period for the subsidiary	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
Reporting currency	INR	INR	INR	INR
Share Capital	4.14	18.94	0.05	0.01
Reserves & Surplus	14.95	(24.42)	0.53	0.02
Total Assets	66.95	19.55	12.96	0.05
Total Liabilities**	47.86	25.03	12.38	0.02
Investments	2.72 <sup>#</sup>	Nil	Nil	Nil
Turnover	140.57	57.54	21.45	0.02
Profit before Taxation	(3.74)	(1.98)	0.35	0.02
Provision for Taxation	4.24	0.00	0.00	0.00
Profit after Taxation	0.50	(1.98)	0.35	0.01
Proposed Dividend	Nil	Nil	Nil	Nil
% of Shareholding	100	100	51	100

(\*) Subsidiaries of TNSI

(\*\*) Excluding Share Capital and Reserves & Surplus

(#) Includes investment made in its subsidiary companies.

**Note:** The subsidiaries have commenced their operations and no subsidiary is under liquidation or sold during the year.

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of Companies Act, 2013 related to Associate & Joint Ventures

(₹ in crore)

Name of Joint Venture	Future Retail LLC
Latest audited Balance Sheet Date	December 31, 2018
Shares of Joint Venture held by the Company on the year end	
• No. of shares	1,25,000
• Amount of investment in Joint Venture	2.31
• Extend of Holding (%)	50
Description of how there is significant influence	Joint Venture / Shareholders Agreement
Reason why the joint venture is not consolidated	Not Applicable
Networth attributable to shareholding as per latest audited Balance Sheet	4.13
Profit/Loss for the year	
• Considered in consolidation	(0.24)
• Not considered in consolidation	(0.24)

**Notes:**

- FR LLC was registered on May 1, 2018 in Sultanate of Oman and during the period ended December 31, 2018, it had not commenced its operations. However, it has incurred expenses for setting-up of its business.
- No associate or joint venture are under liquidation or sold during the year under review.

As per our report of even date attached

For and on behalf of Board of Directors

**For NGS & Co. LLP**

Chartered Accountants  
Firm Registration No. 119850W

**Kishore Biyani**

Chairman & Managing Director

**Rakesh Biyani**

Jt. Managing Director

**Ravindra Dhariwal**

Director

**Ashok A. Trivedi**

Partner  
Membership No.: 042472

**Gagan Singh**

Director

**Shailendra Bhandari**

Director

**Sridevi Badiga**

Director

**Mumbai**

May 25, 2019

**Rahul Garg**

Director

**C. P. Toshniwal**

Chief Financial Officer

**Virendra Samani**

Company Secretary



# FUTURE RETAIL LIMITED

Information as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2019.

## Sl. No., Employee Name, Designation, Age, Date of Joining, Experience (in Yrs), Qualification, Remuneration received (in ₹.), Last Employment.

1. Ajay Chablani, Head, 45, October 31, 2015, 24, B.Tech, 1,71,32,695, Future Enterprises Ltd.; 2. Anand Banvarilal Adukia, CEO-West & Mumbai, Future Group, 48, October 31, 2015, 22, BCA, 1,18,99,598, Future Enterprises Ltd.; 3. Animesh Kumar\*, Chief People & Transformation Officer, 51, January 9, 2018, 24, PGD-Human Resources Management, 31,67,098, IDFC Group & IDFC Bank; 4. Ashwin Rajan, Chief of Staff-Chairman's Office, 34, November 1, 2017, 15, Graduate Diploma Legal Practice, 1,44,92,238, Dr. Babasaheb Ambedkar College of Engineering and Research; 5. Behram Kabrajee, Head-Sourcing, Quality Assurance & Technical, 58, October 31, 2015, 32, B.Com, 1,45,64,268, Future Enterprises Ltd.; 6. Bharat Bhihkbhai Manseta, Head, 63, July 18, 2016, 24, B.Tech, 1,05,43,300, Aditya Birla Domestic Textile Ltd.; 7. C. P. Toshniwal, Chief Financial Officer, 53, May 02, 2016, 29, CA & CS, 3,29,33,188, Future Lifestyle Fashions Ltd.; 8. Dhananjay Sengupta, CEO-Small Format, 54, October 31, 2015, 31, MBA, 1,32,11,575, Future Enterprises Ltd.; 9. Gopal R Asthana\*, Head-LOB Beauty & Special Projects, 48, January 14, 2019, 21, MBA, 28,61,000, Shoppers Stop Ltd.; 10. Hardeep Singh\*, Director-Distribution Strategy & Supply Chain, Food-FMCG, 50, June 1, 2018, 25, Master in Management Studies, 1,74,86,297, Vulcan Express Pvt. Ltd.; 11. Harsha Saksena, Head-Treasury, 48, November 30, 2016, 24, CA, 1,13,05,593, Ladderup Finance Ltd; 12. Jishnu Sen, Head-Marketing, 49, January 16, 2017, 28, B.Com, 1,63,34,407, Essar Group; 13. Kishore Biyani, Managing Director, 58, May 2, 2016, 38, B.Com & PG Diploma in Management, 5,88,57,899#, Future Group CEO; 14. M. Venkateshwar Kumar, CEO-South Future Group, 51, October 31, 2015, 28, MBA, 1,55,10,587, Future Enterprises Ltd.; 15. Mahesh Shah\*, CEO-Home Town, 51, August 1, 2018, 27, MMS, 1,02,98,803, Praxis Home Retail Ltd.; 16. Manish Agarwal, CEO-East, Future Group, 49, October 31, 2015, 27, CA, 1,69,16,187, Future Enterprises Ltd.; 17. N Mohan, Director-Footwear, 59, December 1, 2017, 26, B.E. Mechanical, 2,10,12,795, Asrosoles Europe; 18. Purandhar Potineni\*, Vice President, 47, April 1, 2016, 24, PGPM, 78,34,958, Bharti Walmart Pvt. Ltd.; 19. Rajan Malhotra, President-Strategy & Convergence, 50, October 31, 2015, 26, B.SC Chemistry & MBA, 2,72,76,379, Future Enterprises Ltd.; 20. Rajesh Seth, Chief Operating Officer-fbb, 47, April 4, 2016, 21, B.E. Mechanical, 2,05,65,969, Future Enterprises Ltd.; 21. Rakesh Biyani, Jt. Managing Director, 47, May 2, 2016, 23, B.Com, Advance Management Programme (Harvard Business School), 5,36,52,939^, Future Group, 22. Ramesh Menon, Head-Small Formats, 53, January 2, 2018, 20, PGDBA, 2,55,61,252, Hypercity Retail (India) Ltd.; 23. Sadashiv Nayak, CEO-Food Business, Future Group and Interim CEO-Future Consumer Ltd., 48, October 31, 2015, 23, B.E. Electronics & Communications & PGDBM, 3,24,36,141, Future Enterprises Ltd.; 24. Sandeep Sharma, Head, 50, October 31, 2015, 29, Electrical Engineer & Diploma, 1,13,03,087, Future Enterprises Ltd.; 25. Saurabh Vijayvergia\*, Head Strategy & Investor Relations, 38, May 1, 2018, 18, CA, 1,05,87,178, Future Corporate Resources Pvt. Ltd.; 26. Swetank Jain, Group Chief People Officer, 39, August 1, 2017, 20, MS, 1,50,27,891, ICICI Bank Ltd.; 27. Vinay Bhatia, CEO-Group Loyalty & Analytics, 50, April 1, 2018, 25, MMS, 1,81,75,694, Shoppers Stop Ltd.; 28. Vineet Jain, CEO-North & NCR, Future Group, 44, October 31, 2015, 24, CA & ICWAI, 1,23,63,993, Future Enterprises Ltd.

"\*" denotes employed for part of the year.

"#" Including commission of ₹ 1.50 crore paid during the year 2018-19.

"^" Including commission of ₹ 1.00 crore paid during the year 2018-19.

### Notes:

1. Nature of employment is permanent and terminable by Notice on either side except in case of Directors, which is contractual;
2. The above employees are not related to any other Director of the Company;
3. No employee holds by himself/herself or along with spouse and dependent children 2% or more of the equity shares of the Company;
4. Terms and conditions of employment are as per Company's Rules; and
5. The above remuneration is excluding of the ESOP Perquisites.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : May 25, 2019

**Kishore Biyani**  
Chairman & Managing Director





July 5, 2019

To,  
Dept. of Corporate Services (CRD)  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400 001

To,  
Listing Department  
**The National Stock Exchange of India Limited**  
Exchange Plaza, Bandra- Kurla Complex,  
Bandra (East), Mumbai- 400 051

**Scrip Codes:**

**Equity:** 540798

**Debt:** 958280, 958281

**Scrip Symbol: FSC**

**Ref.: Regulations 30 & 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir / Madam,

**Sub: Notice of the 14<sup>th</sup> Annual General Meeting & Annual Report for the year 2018-19.**

Pursuant to the above referred Regulations, please find enclosed herewith a Notice of the 14<sup>th</sup> annual general meeting ("AGM") of the Company together with the Annual Report for the financial year 2018-19.

Please further take note of below schedule of AGM and other matters related therewith:

Day & Date of AGM	:	Wednesday, July 31, 2019
Time & venue of AGM	:	At 3:00 p.m. at Sunville Banquets Hall, 9, Dr. Annie Besant Road, Worli, Mumbai 400 018
Cut-off date for e-voting on resolutions proposed at AGM	:	July 26, 2019
E-voting period	:	E-voting shall start at 9:00 a.m. on July 28, 2019 and shall end at 5:00 p.m. on July 30, 2019
Record date for determining eligibility of shareholders to receive dividend, if declared at AGM	:	July 26, 2019

Please be further informed that the Notice of the AGM, Annual Report for the financial year 2018-19, Form of Proxy and Attendance Slip shall also be available on the website of the Company [www.futuresupplychains.com](http://www.futuresupplychains.com)

Kindly take the same on your records.

Yours faithfully,  
**For Future Supply Chain Solutions Limited**

  
**Vimal K Dhruve**  
**Company Secretary**

Encl: as above



## FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

Corporate Identity Number (CIN): L63030MH2006PLC160376

Regd. Office: Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.

Tel. No.: +91 22 6644 2200 Fax: +91 22 6644 2201

Email: investorrelations@futuresupplychains.com Website: www.futuresupplychains.com

## Notice

NOTICE is given that the Fourteenth Annual General Meeting of the members of Future Supply Chain Solutions Limited (“AGM”) will be held on Wednesday, the July 31, 2019 at 3:00 pm at Sunville Banquets, 9 - Dr. Annie Besant Road, Siddharth Nagar, Worli, Mumbai – 400018 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt –
  - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the reports of the Auditors and Directors thereon;
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 together with the reports of the Auditors thereon;
2. To declare a dividend on equity shares for the financial year 2018-19;
3. To appoint a director in place of Rakesh Biyani (DIN: 00005806) who retires by rotation and being eligible, offers himself for re-appointment;

### SPECIAL BUSINESS

#### 4. To approve/ authorise to transact with related party/ material entity

To consider and if thought fit, to pass with or without modification, as an ordinary resolution, the following:

“**RESOLVED THAT** Regulation 23(4) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (including any amendments thereto from time to time or any re-enactment thereof for the time being in force) (the “**Listing Regulations**”), applicable provisions of the Companies Act, 2013 including any rules framed thereunder (the “**Act**”), in terms of the policy approved by the Board for dealing/ transacting with related parties for the time being in force (“**Policy**”) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors (including any empowered committee thereof or any director or official of the Company authorised in this behalf) to enter into transactions, either individual or taken together with previous transactions, on arms’ length basis and in ordinary course of business activities with Future Retail Limited, considered to be related to the Company pursuant to the Act and/ or the Listing Regulations or the Policy (“**Related Party**”) for an aggregate amount up to ₹ 800,00,00,000/- (Rupees Eight Hundred crore only) during the financial year 2019-20.

**RESOLVED FURTHER THAT** the Board (which term shall include its duly authorised committee or directors or officials of the Company), be and is hereby authorised to do or cause to be done all such acts, matters, deeds and things and to settle any questions, difficulties or doubts that may arise with regard to any transactions with Related Party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution.”

#### 5. To appoint Malini Chopra as an Independent Director

To consider and if thought fit, to pass with or without modifications, as an ordinary resolution, the following:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, 161 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors)

Rules, 2014, provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) thereto from time to time or any re-enactment thereof for the time being in force), provisions of Articles of Association of the Company, approval of the members be and is hereby accorded to the appointment of Malini Chopra (DIN:08195364) made by the Board of Directors, as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years with effect from February 7, 2019.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution including submitting necessary return/ form with the requisite regulatory authorities.”

By order of the Board of Directors of  
**Future Supply Chain Solutions Limited**

**Vimal K Dhruve**  
Company Secretary

Mumbai, May 13, 2019

**Registered Office:**

Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road,  
Jogeshwari (East), Mumbai 400060

CIN: L63030MH2006PLC160376

Email: investorrelations@futuresupplychains.com

Tel.: +91 22 66442200 Fax: +91 22 66442201

**Notes:**

1. A statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under item No. 4 & 5 of the Notice is annexed herewith.
2. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Proxy in the prescribed Form No. MGT – 11 is enclosed with this Notice. The form of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, signed and stamped, not less than 48 (Forty-Eight) hours before the commencement of the Meeting. Proxies submitted on behalf of bodies corporate, societies, etc. must be supported by resolution of appropriate authority, as applicable.
4. Institutional shareholders intending to be present through their authorised representatives to attend the AGM are requested to send a certified copy of the resolution of appropriate authority to the Scrutiniser by email to kbindudshah@gmail.com with a copy to be marked to evoting@nsdl.co.in, authorising them to attend and vote on their behalf at the AGM.
5. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail themselves of this facility may send their nominations duly filled in the prescribed Form No. SH-13 to the Company's RTA. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
6. All resolution would be voted, by electronic voting or voting by ballot form at meeting for the members who have



not exercised electronic voting. Each Equity shareholder shall be entitled to one vote for every equity share held.

7. The Register of Directors, Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
8. All documents referred to in the accompanying Notice dated May 13, 2019 including MOA & AOA are kept open for inspection at the Registered Office of the Company between 10:00 am and 5:00 pm on all working days except Saturdays, Sundays and National holidays till the date of AGM.
9. The Company has fixed July 26, 2019 as the record date for determining entitlement of members to final dividend for the financial year 2018-19.
10. The Board of Directors has recommended a dividend of ₹ 1.25 i.e. 12.50% per Equity share for the year ended March 31, 2019 subject to the approval of the shareholders at the AGM. The dividend, if approved, will be paid within a period of 30 days from the date of declaration, to those shareholders whose names appear on the Company's Register of Members and to the beneficial owners as per the particulars to be furnished by the Depositories as on July 26, 2019.
11. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios are requested to write to the Registrar/Company.
12. Members are requested to send all communications relating to shares to the Registrar & Share Transfer Agent at the following address:  
**LINK INTIME INDIA PRIVATE LIMITED**  
C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083  
Phone No. (022) 49186000; Fax No. (022) 49186060; E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
13. Members seeking any information regarding the Financial Statements are requested to write to the Company at its Registered Office at least 7 (Seven) days in advance from the date of the meeting.
14. The Company has provided a facility to the members for payment of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Share Transfer Agent.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit the PAN details to the Registrar and Share Transfer Agents/Company.
16. Details under Regulation 26(4) and 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/re-appointment at the AGM are given as an Annexure and forms integral part of this notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
17. Electronic copy of the Annual Report for the financial year 2018-19, Notice of AGM indicating the process and manner of e-voting along with the form of proxy, are being sent to all the members, who's e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the said documents are being sent in the permitted mode. Further, copies of the Annual Report will not be distributed at the AGM and hence, members are requested to bring their copies to the meeting. Members/Proxies are also requested to bring duly filled attendance slips at the meeting.

18. Notice of the AGM and the Annual Report for the financial year 2018-19 will also be available on the Company's website [www.futuresupplychains.com](http://www.futuresupplychains.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours between 11.00 a.m. to 1.00 p.m. on all working days up to and including the date of the AGM. A member is also entitled to receive such communication in physical form free of any cost, upon making a request for the same. For any communication, the members may also send requests to the Company's investor relations e-mail id: [investorrelations@futuresupplychains.com](mailto:investorrelations@futuresupplychains.com).

**19. Voting through electronic means:**

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be entitled to exercise their right at the AGM through ballot paper.
- iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. In case a member vote by both the modes then votes cast through remote e-voting shall prevail and the vote cast at the AGM shall be considered invalid.
- iv. The remote e-voting period commences on July 28, 2019 at 9:00 a.m. and ends on July 30, 2019 at 5:00 p.m. During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of July 26, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once any vote on a resolution is cast by a member, he/ she shall not be allowed to change it subsequently.
- v. The details of the process and manner for remote e-voting are explained herein below:  
Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>  
Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-Voting website?

- A. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com) either on a personal computer or on a mobile phone.
- B. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- C. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at [www.eservices.nsdl.com](http://www.eservices.nsdl.com) with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

D. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company

E. Your password details are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address
- F. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- G. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- H. Now, you will have to click on "Login" button.
- I. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-voting system?

- A. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- B. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- C. Select "EVEN" of the Company.
- D. Now you are ready for e-Voting as the Voting page opens.
- E. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

- F. Upon confirmation, the message “Vote cast successfully” will be displayed
- G. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- H. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines to Shareholders**







- A. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by email to kbindudshah@gmail.com with a copy marked to evoting@nsdl.co.in
  - B. You are advised not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
  - C. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact Ms. Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email address: (pallavid@nsdl.co.in/evoting@nsdl.co.in) or at telephone no. +91 22 2499 4545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email address: investorrelations@futuresupplychains.com
  - D. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e July 26, 2019.
20. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. July 26, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/ R & T Agent. However, if you are already registered with NSDL for e-voting, then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details / Password” option available on www.evoting.nsdl.com or contact NSDL at the toll-free number: 1800-222-990.
21. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the AGM through ballot paper.
22. Bindu D. Shah, Company Secretary in Wholetime Practice (Membership No. 20066, Certificate of Practice No. 7378) has been appointed as the Scrutiniser to scrutinise the remote e-voting process and votes cast through ballot paper at the AGM in a fair and transparent manner.
23. The Chairperson shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutiniser, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
24. The Scrutiniser shall after conclusion of voting at the AGM will first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence at least 2 (Two) witnesses who are not in the employment of the Company and shall make, not later than 2 (Two) working days from the conclusion of the AGM, a consolidated Scrutiniser’s Report of the votes cast in favour or against, if any, forthwith to the Chairman/ Director of the Company, who had been authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
25. The results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.futuresupplychains.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman/Director of the meeting. The result shall also be submitted to the BSE Limited and National Stock Exchange of India Limited.

## Statement Pursuant To Section 102(1) Of The Companies Act, 2013

### ITEM NO.4

The Company is engaged in the business of providing logistics, warehousing, distribution and supply chain services mainly to the corporate clients. The Company is a part of Future Group having its core competencies in organised retail through various formats located across the country. The Company derives its substantial portion of the revenues from Future Retail Limited in ordinary course of its business. The Audit Committee, wholly comprising of Independent Directors, has also approved to enter into transactions with the said entity. However, it is expected that the value of transaction(s) entered / to be entered into with Future Retail Limited, whether considered individually and/or taken together with previous transactions during the current financial year, would exceed the stipulated threshold of ten percent of the consolidated turnover of the Company as per the latest audited financial statements i.e. F.Y. 2018-19 ("Material Transactions"). Pursuant to the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Material Transactions require approval of the shareholders through a resolution. Further, as required under regulation 23(4) of the Listing Regulations, no related party shall vote to approve the proposed resolution.

The transactions covered under the proposed resolution are repetitive in nature and being conducted on arms' length basis. Accordingly, provisions of section 188(1) of the Companies Act, 2013 do not apply. However, as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, members are requested to take note of the below information:

-  **Nature of Transactions:** Providing logistics, warehousing and distribution services including sale/ purchase of fixed assets therefor;
-  **Name of the entity:** Future Retail Limited;
-  **Name of the Director or Key Management Personnel who is related, if any:** None
-  **Nature of Relationship:** Material entity/ Related Party;
-  **Nature, Material Terms, Monetary value and particulars of the contract or arrangement:** Providing logistics and warehousing services and other supply chain management services including sale/purchase of the assets up to ₹ 800 crore on such terms and conditions as may be agreed between the Company and said Related Party subject to the provisions of the applicable laws;
-  **Any other relevant or important Information:** Future Retail Limited is the single largest customer of the Company contributing the significant amount of revenues of the Company. The transactions covered under the resolution have been reviewed and approved by the Audit Committee wholly comprising of the Independent Directors.

Your Directors commend the resolution set out at Sr. No. 4 in the accompanying Notice of the AGM for your approval as an ordinary resolution.

None of the Directors, Key Management Personnel of the Company and their respective relatives shall be considered to be interested in the proposed resolution except, if so, as a member of any of the entities covered in the proposed resolution.

### ITEM NO.5

The Board of Directors of the Company at its meeting held on February 7, 2019 appointed Malini Chopra as an Additional Director (termed as an Independent Director) pursuant to the provisions of section 149, 161 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the "Act") and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) thereto from time to time or any re-enactment thereof for the time being in force).

In the opinion of the Board, Malini Chopra fulfil the conditions specified in the Act and the Listing Regulations for the appointment as an Independent Director. In view of the qualification, vast experience and recognition she holds, her appointment is justified in view of the Board. Further, the Company has received necessary declarations and/ or certificates from Malini Chopra confirming the provisions and requirements in order to be appointed as an Independent Director.

Pursuant to the provisions of section 150 of the Act, the said appointment is required to be approved by the members in general meeting. The Company has received a notice in writing from a member under section 160 of the Act proposing the candidature of Malini Chopra for the appointment as a Director. A brief profile of Malini Chopra and other requisite details are given in Annexure.

Your Directors commend the resolution set out at Sr. No. 5 in the accompanying Notice of the AGM for your approval as an Ordinary resolution.

None of the Directors, Key Management Personnel of the Company and the holding company including their respective relatives shall be considered to be interested in the proposed resolution. The appointee director shall be deemed to be concerned or interested to the extent of remuneration and fees, if any, payable to her as permitted under the applicable law and approved by the Board.

By order of the Board of Directors of  
**Future Supply Chain Solutions Limited**

**Vimal K Dhruve**  
Company Secretary

Mumbai, May 13, 2019

## Annexure to the Notice of the 14th Annual General Meeting

Information as required pursuant to Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Directors seeking re-appointment at the AGM

Particulars	Rakesh Biyani	Malini Chopra								
Brief resume	Rakesh Biyani is Non-executive director and Chairman of the Company. He has over 25 years of experience in the retail, supply chain and logistics, and fashion industries. He has been awarded (i) an appreciation award by Datamatics Global Services Limited for outstanding contribution to leadership development initiative of Datamatics Global Services Limited; and (ii) an appreciation award by the Clothing Manufacturers Association of India ("CMAI") at the CMAI Fashion Retail Summit.	Ms Malini Chopra is an Additional Director (Independent) of the Company. She is a senior business professional with an illustrious career of over 30 years in leading Indian and multinational organisations. She is a corporate profit-center head and policy maker specialising in Governance, Financial controls, Risk management & Digital transformation. She is a Certified Corporate Director from Institute of Directors - New Delhi. She is also a Certified Corporate Governance Professional from Indian Institute of Corporate Affairs, Ministry of Corporate Affairs.								
Date of Birth	April 5, 1972	September 15, 1964								
Date of first appointment	July 13, 2007	February 7, 2019								
Qualification	Bachelor's degree in Commerce from University of Bombay and has attended the Advanced Management Program from Harvard Business School	BA (Hon.) in Economics from Miranda House, Delhi University and Masters in Business from Delhi University								
Expertise in specific functional areas	Wide and extensive experience in Strategies & planning, technology development & other commercials	Wide experience in Financial controls, risk & compliances and business development								
Disclosure of relationships between directors inter-se	None	None								
Directorship in other Companies (excluding foreign companies, private companies & Section 8 companies)	<ul style="list-style-type: none"> <li>- Future Retail Limited;</li> <li>- Future Lifestyle Fashions Limited.;</li> <li>- Futurebazaar India Limited;</li> <li>- Turtle Limited;</li> <li>- Dollar Industries Limited;</li> <li>- Indian Football Coaching Pvt. Limited;</li> <li>- Shree Balaji Umber Properties Pvt. Limited;</li> <li>- Shree Balaji Parbat view Properties Pvt. Limited;</li> <li>- Celio Future Fashion Pvt. Limited;</li> <li>- Ryka Commercial Ventures Pvt. Limited;</li> </ul>	None								
Chairmanship / Membership of Committees of the Board of Directors of other Listed Companies*	<b>Audit Committee:</b> <ul style="list-style-type: none"> <li>- Future Retail Limited (Member);</li> <li>- Futurebazaar India Limited (Member)</li> </ul> <b>Stakeholder Relationship Committee:</b> <ul style="list-style-type: none"> <li>- Future Lifestyle Fashions Limited (Member)</li> </ul>	None								
No. of Board meeting attended during the year 2018-19	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Entitled to attend</th> <th>Attended</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">5</td> </tr> </tbody> </table>	Entitled to attend	Attended	5	5	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Entitled to attend</th> <th>Attended</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>	Entitled to attend	Attended	1	1
Entitled to attend	Attended									
5	5									
Entitled to attend	Attended									
1	1									
Shareholding in the Company	Nil	Nil								
Remuneration	Please refer to report on Corporate Governance									

\* Includes only Audit Committee and Stakeholders Relationship Committee.

The route map of the venue of the 14th AGM is given herein below. Although the AGM venue itself a well-known place, it is near Worli Naka.

### ROUTE MAP OF THE AGM VENUE





**PROXY – FORM NO. MGT-11**

Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014



**Future Supply Chain Solutions Limited**

CIN: L63030MH2006PLC160376

Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400060.

**14th Annual General Meeting – July 31, 2019**

Name of the member(s)								
Registered address								
Registered e-mail address								
Folio No./ Client ID								
Depository Participant ID								

I/ we, being the member(s) of ..... shares of the above named company, hereby appoint:

- (1) Name: Address: ..... Address: .....  
E-mail id: ..... Signature ..... Or failing him;
- (2) Name: ..... Address: .....  
E-mail id: ..... Signature ..... Or failing him
- (3) Name: ..... Address: .....  
E-mail id: ..... Signature .....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 14th Annual General Meeting of the Company, to be held on Wednesday, the July 31, 2019 at 3:00 p.m. at Sunville Banquets, 9 - Dr. Annie Besant Road, Siddharth Nagar, Worli, Mumbai – 400018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Matter of resolution
1(a)	Adoption of Audited Financial Statements for the financial year ended March 31, 2019 together with the reports of Auditors and Directors thereon;
1(b)	Adoption of Audited Consolidated Financial Statements for the financial year ended March 31, 2019;
2	Declaration of a dividend on equity shares;
3	Reappointment of Rakesh Biyani as a Director liable to retire by rotation;
4	Approval of material transactions with Related Party;
5	Appointment of Malini Chopra as an Independent Director;

Signed this ..... day of ..... 2019

\_\_\_\_\_  
Signature of Proxy holder(s)

\_\_\_\_\_  
Signature of member(s)



**Notes:**

This form, in order to be effective, must be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting (at or earlier than 3:00 p.m. on July 29, 2019)



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**Future Supply Chain Solutions Limited**

**Regd. Office:** Knowledge House, Shyam Nagar, Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060

**Tel No.:**+91 22 6644 2200, Fax No.: +9122 6644 2201.

**Website:**www.futuresupplychains.com; **E-mail:** investorrelations@futuresupplychains.com

**CIN:**L63030MH2006PLC160376

**ATTENDANCE SLIP**

**Sr. No.**

Regd. Folio/DPID No. & Client ID No.	
Name and Address of the Shareholder(s)	
Joint Holder(s)	
No. of Equity Shares held	

I / We hereby record my / our presence at the Fourteenth (14th) Annual General Meeting of the Company held on Wednesday, July 31, 2019 at 3:00 PM at Sunville Banquets Hall, 9, Dr. Annie Besant Road, Siddharth Nagar, Worli, Mumbai - 400 018.

\_\_\_\_\_  
SIGNATURE OF THE MEMBER /  
JOINT MEMBER(S) / PROXY /  
AUTHORISED SIGNATORY

Note: Shareholder / Proxy holder wish to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance of the meeting hall duly signed.

**NOTE: PLEASE TEAR HERE AND BRING THE ABOVE THE ATTENDANCE SLIP TO THE MEETING.**

**ELECTRONIC VOTING PARTICULARS**

<b>EVEN (E-Voting Event Number)</b>	<b>User ID</b>	<b>Password</b>
<b>110912</b>		

**Note:** Please read the instructions printed under the Note No. 19 of the Notice dated May 13, 2019 of Fourteenth Annual General Meeting. The e-voting shall start from 9:00 AM on Sunday, July 28, 2019 and ends at 5:00 PM on Tuesday, July 30, 2019. The e-voting module shall be disabled by NSDL for voting thereafter.



AGILITY.  
AUTHENTICITY.  
CUSTOMER-CENTRICITY.



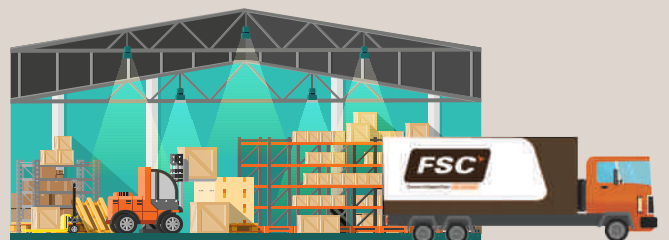
FULFILLING CUSTOMERS' ASPIRATIONS



Science of Supply Chain. **DELIVERED**

FUTURE SUPPLY CHAIN  
SOLUTIONS LIMITED

ANNUAL REPORT 2018-19







**WHEN IT COMES  
TO FULFILLING  
CUSTOMERS'  
ASPIRATIONS,  
FUTURE  
SUPPLY CHAIN  
SOLUTIONS  
LIMITED (FSC)  
IS THE NAME TO  
RECKON WITH**

FSC is amongst the fastest growing supply chain companies in India. Its purpose is to add velocity to the customers' aspirations by leading the change in the dynamic and fast paced logistics industry through its customer centric approach and focus on technology. FSC remains at the forefront in adopting cutting edge technologies at the warehouses, thereby enabling faster time to market and increased reliability of the supply chain for its customers. Driven by three core values of agility, authenticity and customer centricity, FSC today has come a long way in the third-party logistics (3PL) sector. Be it smart and integrated warehouses, an efficient and wide transportation and distribution network or temperature-controlled logistics, FSC has been successfully catering to the supply chain needs of its customers, primarily in the consumption-focussed sectors.

# CORPORATE INFORMATION

## Statutory Auditors

GMJ & Co.

## Chief Executive Officer

P V Sheshadri

## Chief Financial Officer

Samir Kedia

## Company Secretary and Compliance Officer

Vimal K Dhruve

## Share Transfer Agents

Link Intime India Private Limited

C 101, 247 Park, LBS Marg

Vikhroli (West)

Mumbai: 400083

**Tel:** +91 22 49186270

**Web:** [www.linkintime.co.in](http://www.linkintime.co.in)

## Bankers

State Bank of India

Yes Bank

IDFC Bank

Kotak Mahindra Bank

## Registered Office

Knowledge House, Shyam Nagar,

Jogeshwari Vikhroli Link Road,

Jogeshwari (East), Mumbai: 400060

**Tel:** +91 22 66442200

**Fax:** +91 22 66442201

## Corporate Office

7th floor, 349 Business Point, Western

Express Highway, Andheri (East)

Mumbai: 400069

**Tel:** +91 22 71429100

**Web:** [www.futuresupplychains.com](http://www.futuresupplychains.com)





## Board of Directors



**RAKESH BIYANI**



**MAYUR TOSHNIWAL**



**BALA DESHPANDE**



**C P TOSHNIWAL**



**JANAT SHAH**



**AMAR SAPRA**



**MALINI CHOPRA**

**RAKESH BIYANI**

Chairman and Non-Executive Director

DIN: 00005806

Belonging to the Promoter Group

**MAYUR TOSHNIWAL**

Managing Director

DIN: 01655776

Professional from India's Top Management Institute with prior experience with reputed brands

**BALA DESHPANDE**

Independent Director

DIN: 00020130

Head of a Venture Capital Fund

**C P TOSHNIWAL**

Non-Executive Director

DIN: 00036303

Seasoned Finance Professional

**JANAT SHAH**

Independent Director

DIN: 01625535

Academician; Professor at India's Top Management Institute

**AMAR SAPRA**

Independent Director

DIN: 05178849

Academician; Professor at India's Top Management Institute

**MALINI CHOPRA**

Additional Director (Independent)

DIN: 08195364

Vast Business Experience; Certified Corporate Governance Professional



## 02-21 Corporate Overview



Purpose, Vision and Core Values

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Financial Performance Snapshot (Standalone)

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Our Value Creation Model

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Chairman's Message

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# ACROSS THE



Integrated Logistics Service Offering



Fulfilling Indian Consumer's Aspirations



Re-defining Food & FMCG Supply Chain in India



Technology & Automation: A Key Differentiator



## 99-188 Financial Section

99 Standalone

145 Consolidated

# PAGES



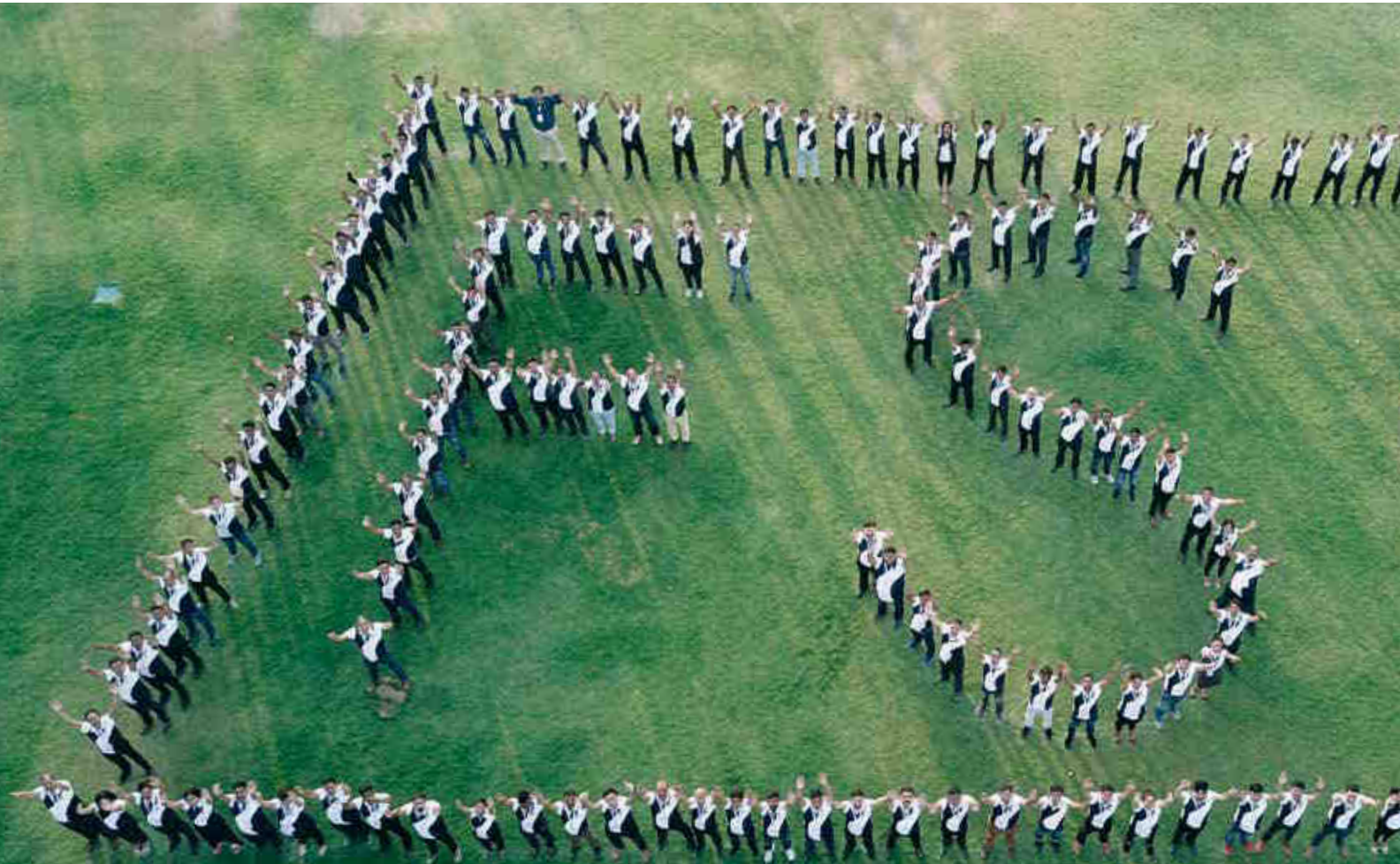
Scan to download the PDF version of the report

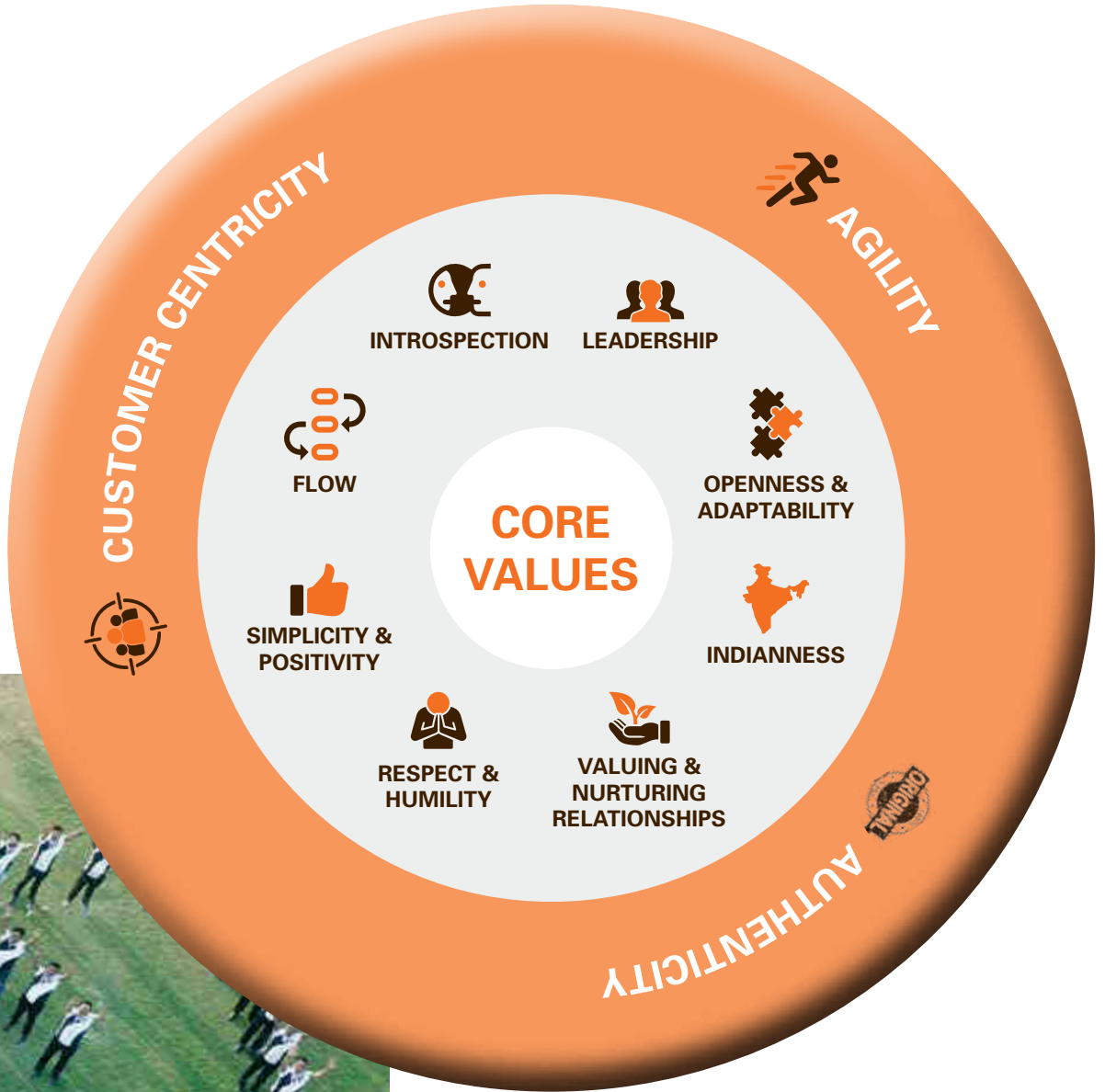
# PURPOSE

We **add velocity** to our customers' aspirations.

# VISION

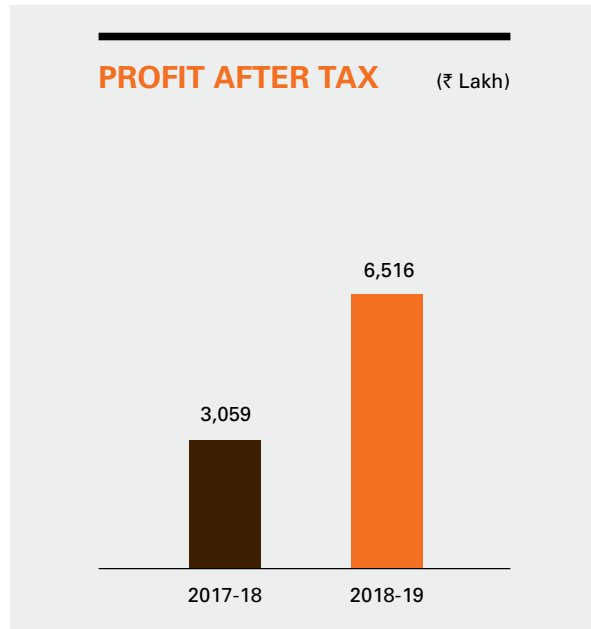
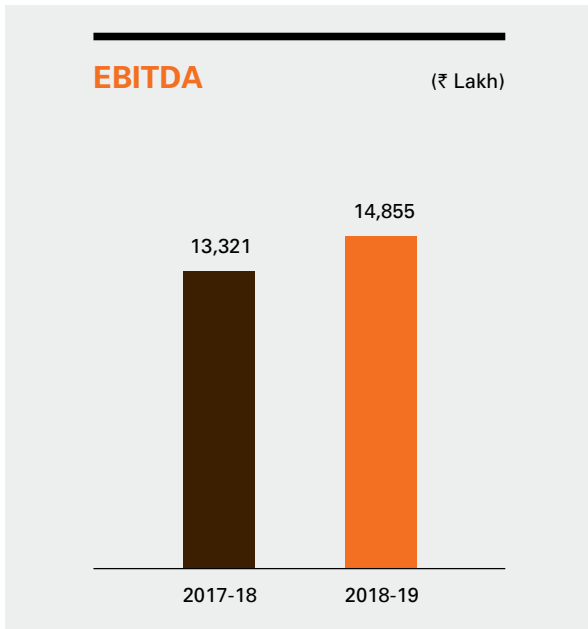
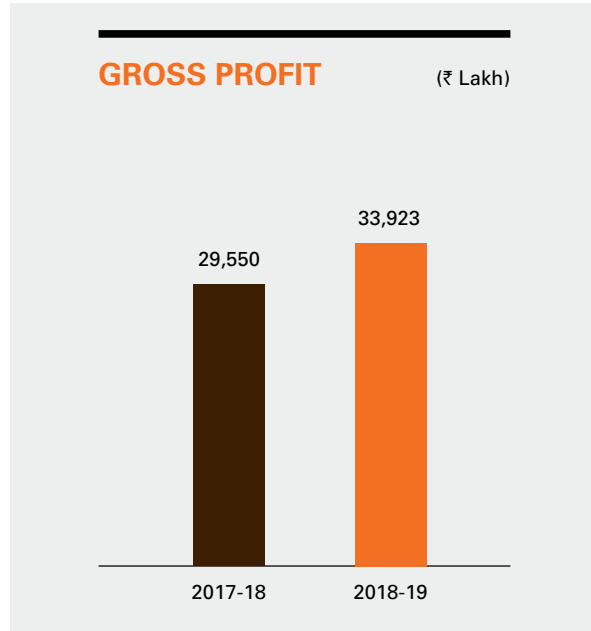
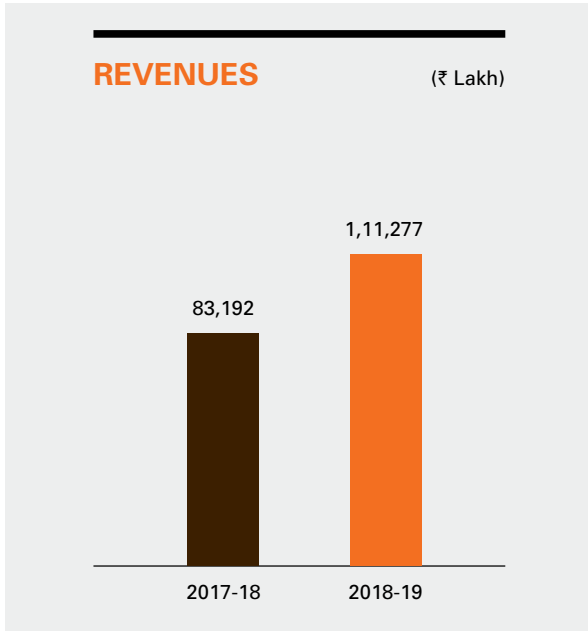
To be a **₹10,000 crore** company by partnering with **consumer-facing businesses** offering them **agile, reliable and integrated** supply chain solutions through our **world-class, technology-enabled** infrastructure.





# FINANCIAL PERFORMANCE SNAPSHOT

(STANDALONE)



NOTE- EBITDA: Earnings before interest taxes depreciation and amortisation



# OPERATIONAL KPIs

7.66

million sq ft



Warehouse Space <sup>1\*</sup>

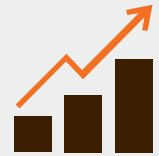
96



Number of Distribution Centres

113

₹



Revenue per Square Feet

195<sub>k</sub>

tonnes



Weight Handled under Express Logistics

14



Number of Hubs

134



Number of Operational Branches

768



Containerised Vehicles <sup>2\*</sup>

4



Temperature-controlled Distribution Centres

8,439



Owned Pallets

KPIs: Key performance indicators

1\* Includes one distribution centre of customer operated by FSC with area of 0.29 mn.sq. feet of warehouse space

2\* For Contract Logistics and Express Logistics as of March 2019

# OUR VALUE CREATION MODEL

Each day and each year, we set out to create value, guided by our strategy and business model. This year, at FSC, we have explored our business model further around the six value creation capital that drive our business. The representation further reflects our deep commitment to our stakeholders by depicting the output and outcomes led by competitiveness and process excellence.

## Input Capital



### FINANCIAL CAPITAL

Refers to the financial input in the form of equity and debt. FSC has capital employed of ₹ 70,047 Lakh as of March 31, 2019.



### KNOWLEDGE CAPITAL

Refers to the domain expertise and FSC's past experience in consumption-driven sectors that has helped the Company build supply chain capabilities and technological prowess in managing complex supply chain operations.



### HUMAN CAPITAL

Refers to the human resources that are engaged across business processes for seamless execution. FSC has 1,905 employees & over 11,400 contract workers as of March 31, 2019.



### MANUFACTURING CAPITAL

Refers to the state-of-the-art, multi-user warehouses and other supply chain infrastructure.



### SOCIAL AND RELATIONSHIP CAPITAL

Refers to FSC's relationship with the key stakeholders that ensure smooth business operations with the external environment.



### NATURAL CAPITAL

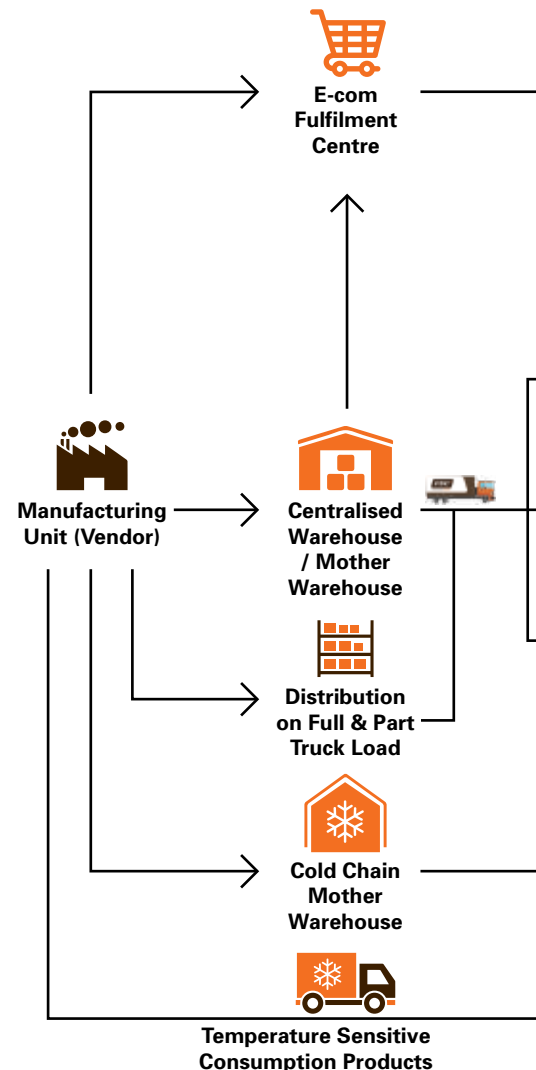
Refers to FSC's initiatives towards health, safety and environment compliances and conserving resources through stronger throughput across operations. For example, FSC has begun to replace cardboard boxes with reusable crates.

## Process

FSC customises supply chain solutions for its customers through an integrated network that covers the entire gamut of supply chain capabilities.

Ref Pg 77

CORPORATE GOVERNANCE



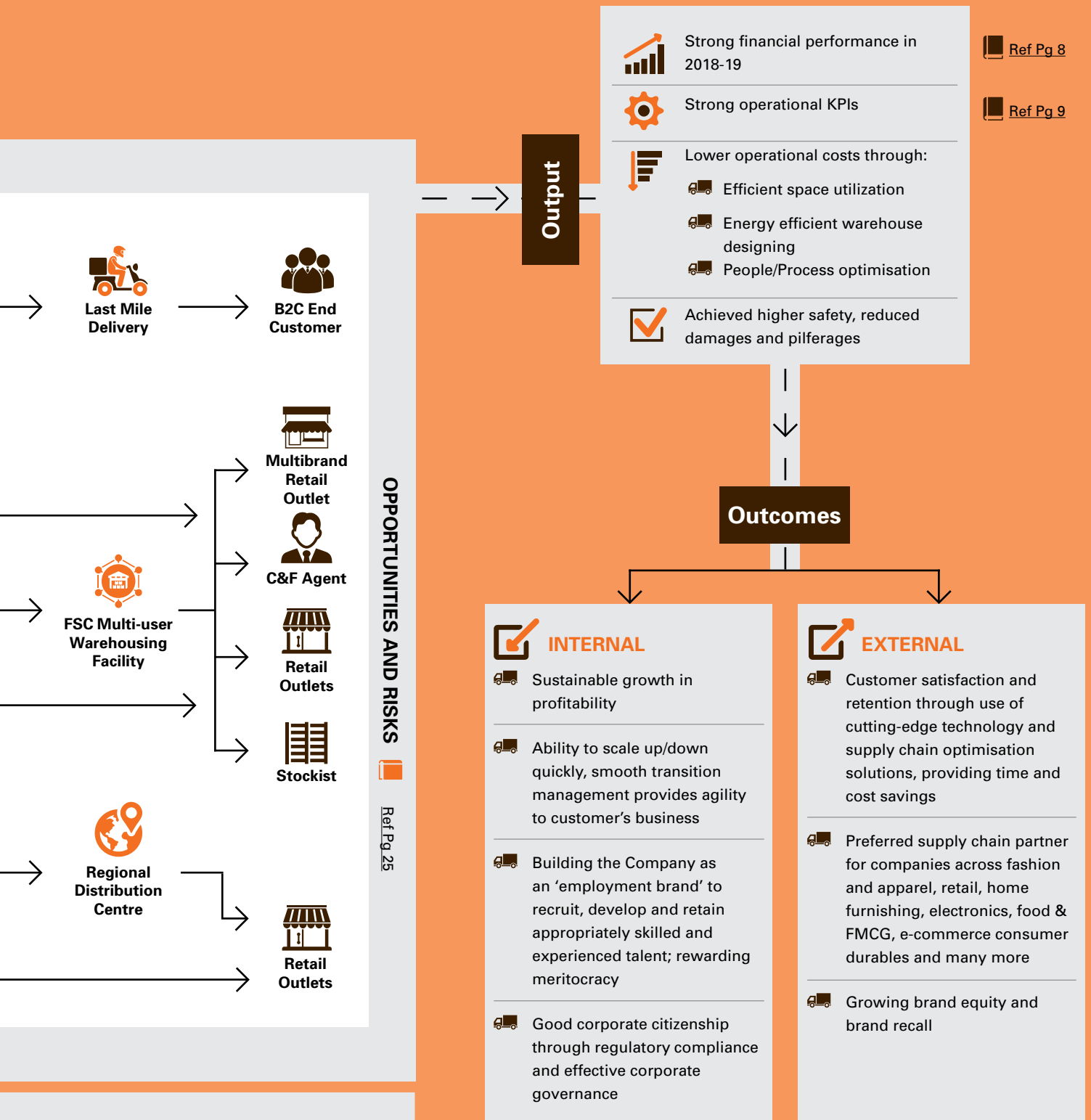
## OUR KEY SERVICES



**CONTRACT LOGISTICS - Warehousing Solutions**



**EXPRESS LOGISTICS**



Ref Pg 8

Ref Pg 9

OPPORTUNITIES AND RISKS

Ref Pg 25

Output

Outcomes

INTERNAL

- Icon: Truck with checkmark. Sustainable growth in profitability
- Icon: Truck with checkmark. Ability to scale up/down quickly, smooth transition management provides agility to customer's business
- Icon: Truck with checkmark. Building the Company as an 'employment brand' to recruit, develop and retain appropriately skilled and experienced talent; rewarding meritocracy
- Icon: Truck with checkmark. Good corporate citizenship through regulatory compliance and effective corporate governance

EXTERNAL

- Icon: Truck with checkmark. Customer satisfaction and retention through use of cutting-edge technology and supply chain optimisation solutions, providing time and cost savings
- Icon: Truck with checkmark. Preferred supply chain partner for companies across fashion and apparel, retail, home furnishing, electronics, food & FMCG, e-commerce consumer durables and many more
- Icon: Truck with checkmark. Growing brand equity and brand recall

TEMPERATURE CONTROLLED LOGISTICS

LAST MILE SOLUTIONS



# CHAIRMAN'S MESSAGE



**During the year, we re-defined our vision to become ₹ 10,000 crore company by partnering with consumer-facing businesses offering them agile, reliable and integrated supply chain solutions through our world-class, technology-enabled infrastructure.**”

## Dear Stakeholders,

It is an honour to present to you our Annual Report for 2018-19. During the year, we undertook several strategic initiatives to maintain a sustainable growth and create further value for our shareholders. In doing so, we have continued to add velocity to our customers' aspirations. This led us to re-define our vision of becoming a ₹10,000 crore company by partnering with consumer-facing businesses offering them agile, reliable and integrated supply chain solutions through our world-class, technology-enabled infrastructure.

The Indian Logistics Industry was valued at around US\$ 160 billion in 2016-17. The sector is witnessing a turnaround after having historically fraught with inefficiencies, suboptimal modal mix, inadequate supply chain networks and the dominance of unorganised players. With the implementation of strong reforms like Goods and Service Taxes (GST) coupled with the Government's infrastructure push by way of several initiatives and projects, a level playing field has been set

for the organised players. Consumer product companies are also beginning to consolidate smaller warehouses across multiple states, after India became a single tax economy.

Logistics is gaining strategic importance for the manufacturers as well. The supply chain requirements have been evolving from a plain-vanilla transportation and warehousing of cargo to technology-led value-added services, thus facilitating the emergence of new-age business models. This has built up a strong doorway of opportunity for integrated logistics companies, such as FSC, that offers value-addition in the form of modern warehousing, technology enabled solutions resulting in greater efficiencies.

Our revolutionary 'India Food Grid' project has given us an opportunity to connect the entire nation through a seamless network. It can manage distribution right from the manufacturing hubs up till the final point of consumption. FMCG and Food brands can enter the grid from anywhere in the country and benefit from improved supply chain efficiencies, reduced wastages, better inventory management and increased availability of consumer products at locations where the demand is.

We are known for breaking barriers in our industry. We have driven women empowerment in the rural and semi-urban areas through our expanding warehouse footprint and distribution centres. During the year, we established an all-women run distribution centre 'Shakti' in Nimji, Nagpur. I am pleased to share that we have been positively surprised by their high productivity, low absenteeism and low attrition ratio. While it was a well-thought move to run Shakti, the success wouldn't have been possible without the passion of the women in the facility. We look forward to inducting more women in our warehousing facilities and be the flag bearer of this change.

With round-the-clock operations slowly becoming a norm, implementing sustainability initiatives is now a must in warehouse management. Warehouses typically have large areas of unutilised rooftop space and feature extensive lighting and refrigeration installations. We will be implementing rooftop solar panels across our 15 warehouses in the coming year, as our endeavour towards reducing carbon footprint.

We look at the year ahead with confidence and anticipation. We are set on our journey to achieve our objectives through dedication, hard work, capabilities and organisational strengths. We will continue to maintain high standards in good governance practices, uphold integrity and trust, and create sustainable value for our stakeholders going ahead.

With warm regards,

**Rakesh Biyani**



# FROM THE MD'S DESK



**We believe the India Food Grid Project will redefine the Food & FMCG Supply Chain in India and are excited about the growth opportunities that it will create for FSC in the near to medium term.”**

## Dear Shareholders,

We are a relatively young company and are building one that we believe is both, unique and distinct. We have consistently evolved to become a transparent, consistent, tech-driven and reliable supply chain solution partner for our customers. The business of logistics is changing fast and speed is of utmost importance for any company to be successful. With strong aspirations for the dynamic future, FSC is now adopting three new values – agility, authenticity and customer centricity.

We have achieved another year of strong results, putting our business in a better position for the future. Our standalone operational revenues increased 33.8%, from ₹ 83,192 Lakh in 2017-18 to ₹ 1,11,277 Lakh in 2018-19. We also posted a 113.0% growth in net profit, from ₹ 3,059 Lakh in 2017-18 to ₹ 6,516 Lakh in 2018-19.

India's Food & FMCG supply chain is highly inefficient and complex. It faces formidable challenges in terms of inventory management, availability issues, freshness of the product, distribution cost and time to market. As

a supply chain specialist, we understood this gap and embarked on a journey to set up the India Food Grid (IFG). It is a network of 38 distribution centres, which will provide a pan-India distribution coverage for Food and FMCG products. The manufacturers will get a clear visibility in terms of stock availability and consumers will get quicker delivery of the products. We believe this will redefine the food & FMCG Supply Chain in India and are excited about the growth opportunities that it will create for FSC in the near to medium term.

During the year we added around 3.08 mn square feet of warehousing capacity on a base of 4.58 mn square feet, taking the total capacity to over 7.66 mn square feet. The expansion was supported by strong revenue visibility through addition of several prestigious clients, such as Benetton India Private Limited, Universal Sportsbiz Private Limited (Wrogn), Voltbek Home Appliances Private Limited (a Voltas JV), JK Helene Curtis Limited, Tilda Limited, among others. We also continued to serve our existing clients, such as PepCart Logistics Private Limited (Pepperfry), TTK Prestige Limited, Reckitt Benckiser (India) Private Limited, Jasper Infotech Private Limited (Snapdeal), Kellogg India Private Limited, Mondelez India Foods Private Limited, Wildcraft India Private Limited, Pepe Jeans India Limited and many more.

Technology continued to remain at the forefront of our operations. During 2018-19, we implemented several new technologies in the form of voice pick and inbound automation that would lead to notable productivity improvements. For the coming year, we are also evaluating robotic arms and additional automation that will enhance our productivity levels. We are in the process of launching an integrated real-time logistics platform that would bring all stakeholders in the value chain on to a common platform, a move that will provide us with a strong competitive advantage in future.

Looking ahead, while having the right vision and strategy are important, I believe what will make an impact is the right culture. In the coming year, we will focus on embedding our strategic vision and operating culture into the organisation across levels. We are building on a strong foundation and are fully focused on successfully delivering sustainable long-term value. Just as important, our Leadership Team is supported by having the right people in place throughout the organisation. I would like to end by thanking all our talented and committed colleagues for their unstinting hard work and dedication round the year. I would also like to thank the Board members for their continuous guidance. Finally, I would like to thank you for your support and continued belief.

Best wishes,





**Mayur Toshniwal**

# INTEGRATED LOGISTICS SERVICE OFFERING

## WIDE GAMUT OF LOGISTICS SERVICES

### Value-Creation Journey

#### What we offer:

-  Integrated built-to-suit and state-of-the-art automated warehouses
-  Transportation & Distribution
-  Value-Added Services such as kitting, packaging, bundling
-  Reverse Logistics



₹ **88,848** Lakh  
Revenues in 2018-19

₹ **29,613** Lakh  
Gross Profit in 2018-19

**CONTRACT LOGISTICS:**  
 SMART WAREHOUSING, DISTRIBUTION AND VALUE-ADDED SERVICES.



#### What we offer:

-  Hub & spoke distribution model pan-India
-  Real-time shipment tracking

₹ **17,908** Lakh  
Revenues in 2018-19

₹ **4,028** Lakh  
Gross Profit in 2018-19

**EXPRESS LOGISTICS:**  
 TIME-DEFINITE. FULL AND PART TRUCK-LOAD. POINT TO POINT.





**TEMPERATURE CONTROLLED LOGISTICS:  
COLD STORAGE. REEFER TRANSPORTATION.**



**What we offer:**

- 🚚 Cold-chain warehousing with storage temperature ranging between -25°C to +25°C
- 🚚 Transportation and distribution of temperature-sensitive products
- 🚚 Full cold-chain adherence and FSSAI compliant

₹ **3,282** Lakh  
Revenues in 2018-19

₹ **150** Lakh  
Gross Profit in 2018-19

**LAST MILE DELIVERY & AGILITY SOLUTIONS.**



**What we offer:**

- 🚚 Pan India tertiary distribution for customers
- 🚚 Cash on delivery handling capability at customer's door
- 🚚 Reverse Logistics

₹ **11,271** Lakh  
Revenues in 2018-19

₹ **346** Lakh  
Gross Profit in 2018-19

# FULFILLING INDIAN CONSUMER'S ASPIRATIONS

**CAPITALISING ON THE ROBUST GROWTH OPPORTUNITIES OFFERED BY CONSUMER-FOCUSED BUSINESSES.**

India is a fast growing economy and the growth is mainly led by consumption. We believe that once the GDP per capita crosses US\$2,000, the consumption patterns undergo material changes. For example, the consumption of packaged foods increases.

Consumer-oriented businesses have a distinct set of supply chain needs, characterised by a greater importance attached to efficient outbound delivery to various stores, handling of a large number of Stock Keeping Units (SKUs), high replenishment cycles, and the need for pilferage management. With over a decade's experience in managing the distribution and warehousing requirements for such businesses, FSC has the requisite skills for managing complex consumer-oriented B2C supply chains.

## Through our scale





**85-90%** of the business is driven by the consumption-driven sectors



**Fashion (Apparels & Footwear)**



**Food & FMCG**



**Consumer Durables & Electronics**

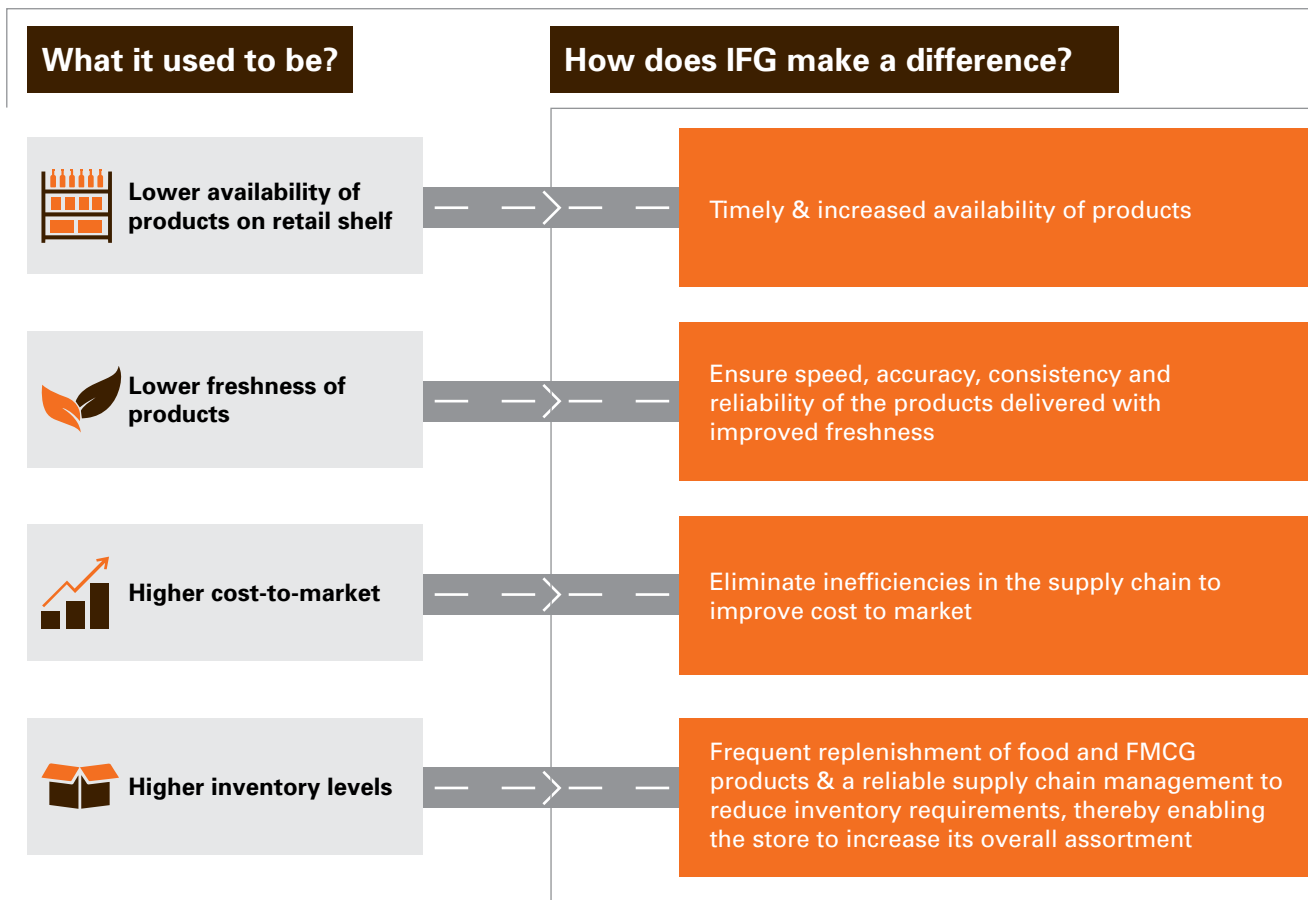


**Home & Furniture**

# RE-DEFINING FOOD & FMCG SUPPLY CHAIN IN INDIA

## IFG: A NETWORK OF INTEGRATED FOOD & FMCG DISTRIBUTION CENTRES (IFDC)

FSC has embarked on a journey to set up the IFG, a network of 38 IFDCs, which will provide pan-India distribution coverage of Food & FMCG products, right from the manufacturing hubs till the point of consumption. Brands can enter the grid from anywhere in the country for consumption anywhere, anytime. It will help improve overall supply chain efficiencies, eliminate wastages, lead to better inventory management and help increase availability of consumer products at locations where the demand is. We believe this will redefine the Food & FMCG supply chain in India and are excited about the growth opportunities that it will create for FSC in the near to medium term.





# ONE NATION. ONE GRID. INDIA FOOD GRID.



\*Locations planned as on March 31, 2019

#### Disclaimer

The map is not to scale. This map is a generalized illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.



# TECHNOLOGY & AUTOMATION: A KEY DIFFERENTIATOR

## AT THE FOREFRONT IN INTRODUCING NEW TECHNOLOGY AND AUTOMATION.

FSC uses technology and automation processes throughout its logistics operations to enable efficient and cost-effective operational management with an aim to build an efficient and an effortless supply chain.

The Company's high-speed cross-belt sorter at its distribution centre in MIHAN, Nagpur is the first of its kind in India, and offers sorting capacity in the distribution centre of approximately 2,000 cases per hour. This gives FSC the ability to handle higher volumes for its customers without the need for setting up additional distribution centres.



### TECHNOLOGY IN THE DAY-TO-DAY BUSINESS

The Company has adopted several technologies and automation in its day-to-day business operations, including a 'Dynamic Put-to-Light' sortation system (a light-directed sortation system), which is an effective sorting technology and provides almost 40% higher speed as compared to manual sortation methods, increases processing capacity of distribution centres and enables higher accuracy of packing and labelling. It enables category-specific segregated packaging prior to shipment in order for inventory to be properly packaged and shelf-ready at its end destination, with no further sortation needed at the retail store level.



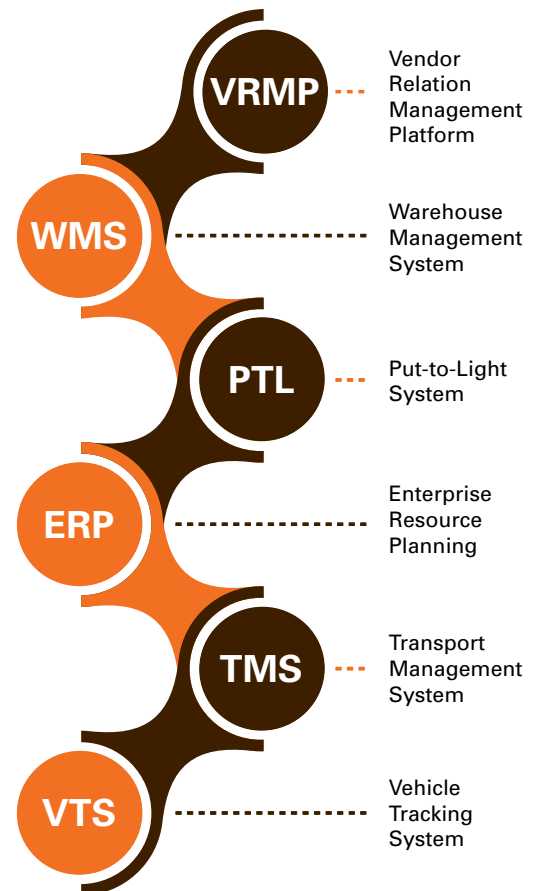
### WAREHOUSE MANAGEMENT SYSTEM

Our warehouse management system facilitates seamless operations across receiving, put away, pick, pack and dispatch processes in the distribution centre. It provides customers with an inventory management tool that can be integrated directly with a customer's enterprise resource planning system, providing visibility of inventory in the distribution centre.



### TRANSPORT MANAGEMENT SYSTEM

The Transport Management System (TMS) provides shipment-level visibility from pick-up, to delivery, to billing as well as routing solutions and is linked to the enterprise resource planning system. The Company also integrates its customers' technologies with its own systems so as to provide the customers with proper visibility into their supply chain and enable real-time tracking.





### Inbound Automation



- ☛ Boom Conveyors
- ☛ Laser Scanners
- ☛ Incline & Decline Conveyors covering 1km in length
- ☛ Dimensioning & Weighing Machine



# A DAY AT MIHAN DC

### Storage



- ☛ 3.8 Lakh Bins connected by conveyors
- ☛ 5,870 Pallet Positions in SPRS

### Picking



- ☛ Batch Pick
- ☛ Order Pick
- ☛ Voice Picking
- ☛ Radio Frequency Terminals



### Sorting



- ☛ High Speed Cross Belt Sorter
- ☛ Put-to-light Sorter
- ☛ 12m high Spiral Conveyor Belt
- ☛ Conveyors covering 4 km in length



### Outbound










- ☛ Telescopic Boom Conveyors
- ☛ Laser Scanning



# Management Discussion and Analysis

The purpose of this discussion is to provide an understanding of the Financial Statements and a composite summary of performance of our business and the eco-system in which these are operating.

Management Discussion and Analysis is structured to comprise:

-  Economy Overview
-  Industry Overview
-  Competitive Landscape
-  Business and Performance Overview
-  Risks and Internal Adequacy
-  Review of Standalone Financial Performance
-  Human Resources

Some statements in discussion may be forward looking. Future performance may, however, differ from those stated in the Management Discussion and Analysis on account of various factors such as changes in the Government regulations, tax regimes, impact of competition, demand-supply constraints, geo-political developments etc.

## ECONOMY OVERVIEW

In February 2019, the Central Statistics Organisation (CSO), Ministry of Statistics and Programme Implementation pegged India's GDP growth at an estimated 7.0% for 2018-19 as opposed to their earlier forecast of 7.2%. At an estimated 7.0% GDP growth for 2018-19, India will still be the fastest growing economy in the world. The CSO expects GDP growth to come in at 7.2% in 2019-20, with higher GDP growth expectations for H2 2019-20 at 7.3-7.4% as compared to H1 2019-20 at 6.8-7.1%.

## INDUSTRY OVERVIEW

India's logistics sector was valued at around US\$ 160 billion in 2016-17 and is expected to grow to US\$ 215 billion by 2019-2020 registering a CAGR of 10.5%, partly driven by GST implementation as per the Economic Survey 2017-18. The Indian logistics industry is highly fragmented and around 85% of the overall industry is dominated by unorganised players.

India ranked 44th in World Banks' Logistics Performance

Index in 2018. The key challenges that the logistics industry faces in India include high cost of logistics at 13-14% of GDP, fragmented warehousing operations, unfavourable modal mix with road contributing to around 60% of the freight volumes, absence of an efficient intermodal transport system, inefficient fleet mix, under-developed material handling infrastructure and lack of sufficient IT infrastructure and technology.

The Government aims to bring down logistics cost to under 10% of GDP by 2022 and has taken many positive steps in that direction. In February 2019, the Logistics Division under the Ministry of Commerce issued a Draft National Logistics Policy with an aim to increase transparency, increase efficiencies and enable an integrated development of the logistics sector in India. It also plans to improve availability of skilled manpower in the country and increase jobs in the logistics sector to 40 million by 2022. The Government is also launching a National Logistics Portal, an integrated IT Platform that will act as a logistics marketplace. This portal will have linkages with the IT systems of Railways, Road Transport & Highways, Shipping, Civil Aviation, CBEC, State Transport Departments etc.

The logistics sector in India has witnessed a series of developments, which are gradually driving formalisation and improving efficiencies in the entire logistics ecosystem. The development of logistics-related infrastructure, such as dedicated freight corridors, logistics parks, free trade warehousing zones and container freight stations are likely to improve overall functioning of this sector.

India's 3PL industry is at a nascent stage but growing rapidly. The implementation of GST in the past couple of years has brought tax uniformity across states in India and triggered consolidation of fragmented warehousing operations into fewer and larger warehouses. As a result, the Indian warehousing segment is witnessing a favourable structural shift with a rise in demand for modern warehousing. The cumulative supply of Grade A and Grade B warehousing space in the top 8 cities has increased from 104 mn sq. ft. in 2015 to 169 mn sq. ft. in 2018, registering a CAGR of 17.6%, as per a study by JLL India Industrial Services. JLL India expects the cumulative supply of Grade A and Grade B warehousing



## Management Discussion and Analysis (Contd.)

to increase at a CAGR of 19.4% to 344 mn sq. ft. by 2022. Apart from the developments in the warehousing infrastructure, there has been a tremendous improvement in the road connectivity network of India. The year 2018-19 was declared as 'the year of construction' by the Ministry of Road Transport & Highways. It constructed around 10,800 kms of national highways in 2018-19 as against 9,829 kms achieved during 2017-18.

### GROWTH DRIVERS

- 🚚 Consumption patterns of the burgeoning population driven by higher disposable income and awareness levels
- 🚚 Increasing demand from manufacturers for value-added and integrated logistics services
- 🚚 Higher need for speed and agility in supply chain operations
- 🚚 Increasing role of automation and technology in supply chain
- 🚚 Favourable Government reforms and actions towards the development of the economy, such as GST implementation

### CHALLENGES

- 🚚 Presence of high percentage of unorganised players
- 🚚 Inadequate and ill-equipped material handling infrastructures
- 🚚 Poor integration of technology in handling large volumes
- 🚚 Unfavourable modal mix and lack of an efficient inter-modal system
- 🚚 Inefficient fleet mix

### COMPETITIVE LANDSCAPE

The Indian logistics industry is highly fragmented in nature with the unorganised participants servicing nearly 85% of the demand. Competitiveness of various industry players is determined by several key factors such as reliability, service quality, price competitiveness and the ability to comprehensively address sector specific needs of the customers. Organised logistics services providers use technology to differentiate

and improve cost competitiveness as compared to unorganised counterparts.

The Company faces competition from various players catering to different business verticals in different geographic locations as well as several regional and unorganised service providers. At present, there are only a few organised players in India who have a nationwide presence. A few industry participants have also focused on specific sectors.

### BUSINESS & PERFORMANCE OVERVIEW

FSC is a leading organised third-party supply chain and logistics service provider, offering warehousing, distribution and other logistics solutions to a wide range of customers. Its integrated service offering, best-in-class warehousing infrastructure, pan-India distribution network, a hub-and-spoke transportation model and automated technology systems give it a competitive advantage. Its customers largely operate in consumption-driven sectors in India, including retail, fashion & apparel, food & beverage, FMCG, e-commerce, consumer durables & electronics and home & furniture. The Company offers services in following key areas:

**Contract Logistics:** The core of contract logistics business involves offering state-of-the-art, technology-enabled distribution centres across India. FSC's distribution centres are generally multi-user, built-to-suit and scalable based on customers' supply chain requirement. The Company has been ahead of the curve by adopting cutting edge technologies and advanced automation systems, especially in its warehousing operations.

**Express Logistics:** FSC's express logistics business offers time-definite, part truck load and full truck load distribution services using hub-and-spoke distribution network and containerised fleet of technology-enabled trucks.

**Temperature-Controlled Logistics:** FSC's temperature-controlled logistics offering provides well-organised product-handling solutions for temperature-sensitive perishable products through its temperature-controlled warehousing as well as transportation in refrigerated trucks.

## Management Discussion and Analysis (Contd.)

**Last Mile Delivery & Agility Solutions:** FSC provides last mile delivery solutions to online retail companies with specific focus on the e-commerce industry in India. It

offers last mile delivery services in the form of end-to-end delivery of shipment to the distributor, retail outlets or customers.

<b>Consolidated Revenue Split (₹ in Lakh)</b>	<b>2018-19</b>	<b>2017-18</b>
Contract Logistics	88,848	63,919
Express Logistics	17,908	15,160
Temperature-Controlled Logistics	3,282	3,084
Last Mile Delivery and Agility Solutions	11,271	9,801

Note: The Contract Logistics business under Vulcan Express (mainly the First Mile Business) has been clubbed under Contract Logistics revenue.

<b>Key Operating Metrics</b>	<b>2018-19</b>	<b>2017-18</b>
<b>Contract Logistics</b>		
Warehouse area (million sq. ft.)	7.66	4.58
Average revenue per sq. ft. (₹ per month)	113	113
<b>Express Logistics</b>		
Total weight handled ('000 tonnes)	195	164
<b>Temperature-Controlled Logistics</b>		
Number of pallets (x)	8,439	9,650

During the year 2018-19, FSC continued to increase its warehousing infrastructure to cater to the strong demand driven by GST implementation and increased outsourcing of supply chain activities by product companies. During the year, FSC added 3.08 million square feet of warehousing space and ended the year at 7.66 million square feet.

During the year, FSC launched IFG, which is a network of 38 IFDCs across the length and breadth of the country that will provide pan-India reach. The IFG will manage distribution right from the manufacturing hubs up till the final point of consumption. Brands can enter the grid from anywhere in the country for consumption anywhere, anytime. It will help improve overall supply chain efficiencies, eliminate wastages, lead to better inventory management and increase availability of consumer products at locations where the demand is. Currently FSC has operationalised five IFDCs, which cater to multiple clients and sub-categories for the Food and FMCG industry enabling higher throughputs, lower inventory, faster refills and cost optimisation for its clients. Each IFDC will be capable of handling both ambient and temperature controlled products.

### BUSINESS OUTLOOK

The business outlook for third party logistics sectors continues to be strong driven by the following factors:

- 1) Product companies increasingly focus on their core competencies and outsource the non-core activities, such as supply chain management.
- 2) Evolving needs of the end consumer, compelling the product companies to focus on enhancing supply chain efficiencies and bring in more sophistication so as to improve freshness of the product, increase reliability of supply chain, ensure product availability at all times, attain faster speed and time to market, etc. This requires specific supply chain domain expertise.
- 3) Product companies re-thinking their supply chain strategy to consolidate their warehousing operations, a change triggered post GST. This will create a need for managing large scale and technology driven warehouses. Hence, the role of 3PL is likely to increase in future.

FSC believes that with its pan Indian warehousing and distribution network, GST ready business



## Management Discussion and Analysis (Contd.)

model, automated technology systems and integrated service offerings, it is well poised to cater to the growth ahead.

### OPPORTUNITIES & THREATS

The trend of outsourcing of supply chain management and other logistics services is expected to rise in future. Third-party logistics service providers, such as FSC, are generally able to conduct supply chain management more efficiently than comparable in-house operations run by customers primarily as a result of domain expertise, higher implementation and adoption of technology, efficient management of operations and lower and flexible employee cost structures. Further, GST is expected to favour growth in outsourced logistics, and in particular, large-scale logistics operations that will be capable of handling multi-industry customers.

FSC has consciously developed supply chain domain expertise in several consumption driven sectors, including fashion, food, FMCG, furniture, consumer durables and electronics. These sectors are less cyclical in nature and continue to witness strong secular growth, unlike many other sectors such as manufacturing or industrials. For example, the organised Food & Grocery market is expected to grow at a CAGR of 32% over 2016-17 to 2024-25. This can be partly attributed to higher share of modern retail, creation of new categories, entry of new players in the market and the launch of premium products.

FSC's business outlook is affected by prevailing economic conditions in India and indirectly affected by changes in consumer spending capacity in the sectors they serve in India. While India is a consumption-driven economy and the probability of a major slowdown scenario could be very low, any moderation in consumer demand could affect the logistics spending and may affect the Company's financial performance and business operations.

While the logistics industry in India is generally fragmented, the Company could face competition from a number of international and domestic third-party logistics service providers, especially as the trend toward larger-scale logistics service providers in India continues.

FSC's operations are dependent on technology and automation and any disruptions in or failure to update such technology or automation could have an adverse effect on the Company's operations.

### STANDALONE PERFORMANCE OVERVIEW

As of March 31, 2019, FSC operations are run through 96 distribution centres across India, covering approximately 7.66 million square feet of warehouse space. The Company also utilises a "hub-and-spoke" distribution model comprising 14 hubs and 134 branches across India, covering 12,345 pin codes across the country. FSC operated four temperature controlled warehouses with total pallet capacity of 8,439. During March 2019, FSC operated approximately 768 containerised vehicles and 101 company-owned refrigerated trucks.

The Company recorded revenue of ₹ 1,11,277 Lakh and EBITDA ₹ 14,855 Lakh during 2018-19 as against revenue of ₹ 83,192 Lakh and EBITDA of ₹ 13,321 Lakh in 2017-18. Profit after Tax was recorded at ₹ 6,516 Lakh in 2018-19 as against ₹ 3,059 Lakh in 2017-18.

### RISKS AND INTERNAL ADEQUACY

The business in which your Company operates has some inherent risks. This requires identifying, monitoring and mitigating risks predominantly in the areas of business, operations, finance and compliance. The Company addresses such risks through mitigating actions on a continuous basis through a system-based approach of risk management. The Internal Control systems of the Company are commensurate with the nature of its business and the size and complexity of its operations. These risks are regularly tested and are certified by the Statutory and Internal Auditors.

The Audit Committee reviews adequacy and effectiveness of the internal control process and systems and monitors the implementation of audit recommendations, with the perspective of strengthening the risk management systems of the Company.

A management assurance team additionally carries out quarterly reviews to assess the internal control environment and their adequacy concerning the business environment and make recommendations.

## Management Discussion and Analysis (Contd.)

A broader system of internal controls and external audits has been defined and deployed in various businesses to effect continuous improvements and protect our businesses and Shareholders from potential risks.

### REVIEW OF STANDALONE FINANCIAL PERFORMANCE

#### Revenue

Total Income comprises (i) revenue from operations and (ii) other income.

#### (i) Revenue from Operations

Revenue from Operations increased 33.8% from ₹ 83,192 Lakh in 2017-18 to ₹ 1,11,277 Lakh in 2018-19.

#### (ii) Other income

Other income decreased from ₹ 1,142 Lakh in 2017-18 to ₹ 561 Lakh in 2018-19.

#### Expenses

Our Expenses consist of

- (i) Cost of Logistics Services,
- (ii) Employee Benefit Expenses,
- (iii) Finance Costs,
- (iv) Depreciation and Amortisation Expenses and
- (v) Other Expenses.

#### Cost of Logistics Services

Cost of Logistics Services comprises warehouse operating charges such as warehouse rent and labour costs, transportation expenses and freight forwarding expenses. Cost of logistics services as percentage of revenue from operations increased from 64.5% in 2017-18 to 69.5% in 2018-19 due to warehousing capacity expansion and change in revenue mix.

#### Employee Benefit Expenses

Employee Benefit Expenses comprise salary and wages to the employees, cost of employee welfare programs, expenses incurred in providing training exercises and other speciality skill building activities and performance bonus and reward programs. Employee benefit expenses as percentage of revenue from operations declined from 10.0% in 2017-18 to 8.8% in 2018-19.

#### Other Expenses

Other Expenses primarily include power and fuel, repairs and maintenance, traveling and conveyance expenses, security expenses, levies & duties and statutory payments etc. Other expenses as percentage of Revenue from Operations declined from 9.5% in 2017-18 to 8.4% in 2018-19.

#### Depreciation and Amortisation Expenses

Depreciation and Amortisation Expenses declined from ₹ 4,563 Lakh in 2017-18 to ₹ 4,170 Lakh in 2018-19.

#### Finance Costs

Finance Costs increased from ₹ 870 Lakh in 2017-18 to ₹ 1,608 Lakh in 2018-19 due to increase in Gross Debt from ₹ 3,296 Lakh in 2017-18 to ₹ 21,781 Lakh in 2018-19. During the year 2018-19, the Company raised Secured, Listed, Rated, Redeemable and Non-Convertible Debentures (NCDs) aggregating to ₹ 19,900 Lakh on a private placement basis.

#### Profit before Tax

As a result of the foregoing factors, profit before tax increased 113.0% from ₹ 3,059 Lakh in 2017-18 to ₹ 6,516 Lakh in 2018-19.

#### Income Tax Expense

Income tax expense was nil for 2017-18 and 2018-19.

#### Profit for the Year

As a result of the foregoing factors, profit after tax increased 113.0% from ₹ 3,059 Lakh in 2017-18 to ₹ 6,516 Lakh in 2018-19. Net Profit Margin increased from 3.7% in 2017-18 to 5.9% in 2018-19.

#### Earnings Per Share (EPS)

Basic EPS was ₹ 7.75 for 2017-18 and ₹ 16.27 for 2018-19. Diluted EPS was ₹ 7.75 for 2017-18 and ₹ 16.24 for 2018-19.

#### Net Profit Margin

Net Profit Margin increased from 3.7% in 2017-18 to 5.9% in 2018-19, mainly due decline in loss from discontinued operations (LMD).

#### Return on Net Worth

Return on Net Worth increased from 8.1% in 2017-18 to 11.5% in 2018-19, primarily due to expansion in net profit margin from 3.7% in 2017-18 to 5.9% in 2018-19.



## Management Discussion and Analysis (Contd.)

### Interest Coverage Ratio

The Interest Coverage Ratio declined from 15.4x in 2017-18 to 6.5x in 2018-19. During the year, finance costs increased from ₹ 870 Lakh in 2017-18 to ₹ 1,608 Lakh in 2018-19 due to increase in Gross Debt from ₹ 3,296 Lakh in 2017-18 to ₹ 21,781 Lakh in 2018-19. The Company raised NCDs aggregating to ₹ 19,900 Lakh on a private placement basis during 2018-19.

### Debt Equity Ratio

The debt equity ratio increased from 0.06x in 2017-18 to 0.36x in 2018-19 due to increase in gross debt from ₹ 3,296 Lakh in 2017-18 to ₹ 21,781 Lakh in 2018-19. The Company raised NCDs aggregating to ₹ 19,900 Lakh on a private placement basis during 2018-19.

### HUMAN RESOURCES

Being a progressive organisation, FSC firmly believes in its vital assets – The People. The Human Resource (HR) team of the Company plays a vital role to attract and retain leading talents in the logistics industry. The HR team conducts both technical as well as soft skill trainings for employees to sharpen their skill sets. Key training programs include functional training programs,

IT training programs such as WMS, SAP, TMS etc. and various behavioural training programs. These programs are essential to achieve better performance, improve productivity, self-development of employees and better team work and bonding across various teams. FSC has built its leadership team from within the organization and most of their senior management team has been long associated with the Company. FSC gears its training efforts towards developing their personnel to allow for advancement and success within the organisation. The training programs are aimed at holistic development of the employees to facilitate their career progression within the Company. FSC takes pride in building a culture of rewarding the merits within the organisation. FSC also places a strong emphasis on building a healthy and rewarding work environment. The Company also undertakes number of initiatives to ensure a healthy balance between business needs and individual aspirations. FSC has in place a variety of measures to improve employee engagement and enable their career progression in right direction.

FSC's employee strength at the end of 2018-19 stood at 1,905.



# Directors' report

To,  
The Members  
Future Supply Chain Solutions Limited

The Directors of your Company are pleased to present the 14th Annual Report of the Company for the financial year ended March 31, 2019.

## STANDALONE FINANCIALS HIGHLIGHTS

	(₹ in Lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Total Income	1,11,838.44	84,334.62
Profit before tax	6,515.72	3,059.48
Profit after tax	6,515.72	3,059.48
Earnings Per Share-Basic (₹)	16.27	7.75
Earnings Per Share-Diluted (₹)	16.24	7.75

## OPERATIONAL PERFORMANCE

During the financial year under review, your Company's revenue increased 33.8% as compared to previous year, primarily on account of higher volumes supported by warehouse expansion, increase in throughput led by existing clients and addition of new clientele. Net profit of the Company increased 113% as compared to previous year, led by increased revenues, operational efficiencies, reduction in losses from last mile delivery operations and several initiatives taken by the management to improve the overall service delivery and internal consistency.

During the year 2018-19, the Company continued to increase its warehousing infrastructure to cater to the strong demand driven by GST implementation and increased outsourcing of supply chain activities by product companies. During the year, the Company added 3.08 million square feet of warehousing space. As of March 31, 2019, FSC operations are run through 96 distribution centres across India, covering approximately 7.66 million square feet of warehouse space. The Company also utilises a "hub-and-spoke" distribution model comprising 14 hubs and 134 operational branches across India, covering 12,345 pin codes across the country. The Company operated four temperature controlled warehouses with total pallet capacity of 8,439. During March 2019, the Company operated approximately 768 containerised vehicles, and 101 company-owned refrigerated trucks.

## FUTURE OUTLOOK

The business outlook for third party logistics companies continues to be strong driven by product companies

increasing focus on their core competencies leading to outsourcing of the non-core activities, such as supply chain management. The needs of the end consumer are evolving, thus requiring the product companies to focus on enhancing supply chain efficiencies, increase reliability of supply chain, ensure product availability at all times, attain faster speed and time to market, all of which requires specific supply chain domain expertise. Product companies are re-thinking their supply chain strategy and are likely to consolidate their warehousing operations, which all together triggered post implementation of GST. This will create a need for managing large scale and technology driven warehouses to optimise the cost of overall supply chains. Your directors are very confident to achieve higher growth in future - both in terms of revenues and margins, due to your Company's proven abilities to manage supply chain in cost effective and most efficient manner supported by automation, gradual inclination of product companies towards cost effective supply chain activities for their products and further simplification of GST structure.

## SCHEME OF ARRANGEMENT

During the year under review, a Scheme of Arrangement with wholly owned subsidiary of the Company, Vulcan Express Private Limited ("Vulcan"), was completed and given effect on December 14, 2018 pursuant to the provisions of the Companies Act, 2013. Pursuant to the said Scheme, the Fulfilment Business and Last Mile Delivery Business Undertakings of Vulcan vested into the Company.



## Directors' report (Contd.)

### DIVIDEND & RESERVES

Your Directors are pleased to recommend a dividend of ₹ 1.25 per equity share (12.50% of face value of ₹ 10/-) out of the profits of the financial year ended March 31, 2019, subject to approval by the shareholders in the ensuing Annual General Meeting. The total dividend outflow would be ₹ 603.01 Lakh inclusive of applicable taxes. No amount is proposed to be transferred to the General Reserves. As required under the provisions of Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of Companies (Share Capital and Debentures) Rules, 2014, the Company has created requisite Debenture Redemption Reserves out of the Profits for the financial year ended March 31, 2019.

### SHARE CAPITAL

During the year under review, the Company allotted 24,875 equity shares of ₹ 10/- at a premium of ₹ 340/- per equity share upon exercise of stock options granted to the employees of the Company. After such allotment, the paid-up share capital increased to ₹ 40,08,11,130/- as at March 31, 2019.

### DEBENTURES

During the year under review, the Company issued and allotted 19,900 secured, rated, redeemable and non convertible debentures of ₹ 1 Lakh each on private placement basis aggregating to ₹ 19,900 Lakh (NCDs). The said NCDs are listed on Wholesale Debt Market segment of BSE Limited.

### HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

During the year under review, Future Enterprises Limited – the ultimate holding company ("FEL"), transferred majority of its holding to Ritvika Trading Private Limited ("Ritvika") – a wholly owned subsidiary of FEL. Subsequent to such transfer, Ritvika became the holding company of your Company.

Vulcan Express Private Limited ("Vulcan") is a wholly owned subsidiary of the Company. In accordance with the provisions of Section 129(3) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, a statement in Form AOC-1 containing the salient features of the financial statements of the subsidiary company is appended hereto as Annexure 1. After close of the financial year under review, the Board has approved and authorised to divest the entire stake held by the Company in the said subsidiary. The sale of investment is expected to be completed in the current financial year.

Leanbox Logistics Solutions Private Limited ("Leanbox") is an associate of the Company, which uses technology to improve delivery capabilities for general trade and small retail stores. During the financial year under review, the Board approved the transfer of last mile delivery (LMD) business to Leanbox with a view to consolidate the LMD business to increase focus and simplify structure along with higher operational efficiencies. Pursuant to such transfer, the Company shall be issued new equity shares in Leanbox, thereby making it a subsidiary of the Company. The transfer of said business is expected to be completed in the current financial year.

### PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT

The particulars of investments, loans, and guarantees covered under the provisions of Section 186 of the Companies Act, 2013 read with rules made thereunder are given in the Notes to the Standalone Financial Statements of the Company.

The Investment and loans made by the Company were to be utilised by the investee/ loanee to meet their fund requirements in their respective business.

### PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES

Transactions entered into with related parties (as defined under Section 188 (1) of the Companies Act, 2013) during the financial year under review were in the ordinary course of business and on arm's length basis. The Audit Committee also reviews and authenticates / approves, wherever applicable, transactions with the related parties. Further, requisite information in Form AOC-2 are given in Annexure 2 as required under the provisions of Section 188 (2) read with Section 188(1) of the Companies Act, 2013.

### DISCLOSURES OF TRANSACTIONS WITH ANY PERSON OR ENTITY BELONGING TO THE PROMOTER/ PROMOTER GROUP WHICH HOLD(S) 10% OR MORE SHAREHOLDING IN THE COMPANY

During the year under review, Future Enterprises Limited – holding company and Promoter of the Company, held more than 10% of paid up share capital of the Company. Requisite details of transactions with the said related party is given under Note 32 to the Financial Statements for the financial year ended March 31, 2019. There were no other transactions with any entity forming part of Promoter Group and holding more than 10% of the shareholding in the Company.

## Directors' report (Contd.)

### DIRECTORS & KEY MANAGEMENT PERSONNEL

In terms of Section 152 of the Companies Act, 2013, Rakesh Biyani - Director of the Company, would retire at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

#### Changes amongst Directors & KMPs during the year under review

Pursuant to Section 149 of the Companies Act, 2013, the Board appointed Malini Chopra as an Additional Director (termed as an Independent Director) with effect from February 7, 2019 subject to the approval of the shareholders. A resolution proposing her for the appointment as an Independent Director is embodied in the Notice convening the ensuing Annual General Meeting.

Additional information on appointment / re-appointment of Directors as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the Notice convening the Annual General Meeting.

The Company has received requisite declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming the criteria of independence met by them as laid down in Section 149(6) of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, Shyam Maheshwari – Non-Executive Director and Rahul Garg – Independent Director of the Company, resigned on November 2, 2018 and February 7, 2019 respectively. The Board places on record its sincere appreciation for the contribution made by them during their tenure.

During the year under review, P V Sheshadri was appointed as a Chief Executive Officer of the Company w.e.f. April 25, 2018.

### MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company's business policies and strategies. The Board met five times during the year, details of which are given in the report on Corporate Governance forming part of this Annual Report.

### COMMITTEES OF THE BOARD

The following Committees have been constituted by the Board:

1. Audit Committee
2. Nomination and Remuneration Committee (NRC)
3. Stakeholders Relationship Committee (SRC)
4. Corporate Social Responsibility Committee (CSR)
5. Risk Management Committee <sup>1</sup>
6. Committee of Directors

The details of the Committees along with the composition, number of meetings and attendance at the meetings are provided in the report on the Corporate Governance, which forms part of this Annual Report.

### PERFORMANCE EVALUATION OF DIRECTORS

Pursuant to Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, evaluation of performance of individual Directors, Board and Committees thereof were carried out in following manner:

Performer(s)	Evaluator
Non-Executive Directors	NRC except a Director being evaluated; Independent Directors
Executive Director	Members of NRC; All Independent Directors
Independent Directors	All Directors except a Director being evaluated; NRC
Board as a whole	Independent Directors
Committees of the Board	All Directors
Chairman of the Board	Independent Directors

<sup>1</sup> Constituted after close of the financial year under review.



## Directors' report (Contd.)

The NRC has laid down various criteria for evaluating the performance of Executive, Non-Executive, Independent Directors, Committees and the Board as a whole and approved specific evaluation templates. These templates were circulated to each Director to provide feedback and further submission to the Chairman of the Board and meeting of Independent Directors.

Apart from various parameters such as composition, profile, meetings details, participation/ attendance etc., the said templates also contained, inter alia, pre-defined questionnaire with respect to role and functioning of the Director/ Committee under evaluation, various dynamics for each of the Directors evaluating the performance and the evaluator was required to provide feedback and suggestions on the overall functioning of the Board, its Committees and various Board members. The evaluator was also requested to provide any suggestion on areas of improvement, if any, required for the Board and any member or Committee thereof.

At the respective meetings of Independent Directors and NRC held on May 13, 2019, performance was reviewed and evaluated on various parameters such as level of engagement during the discussions, analysis of any matters and any consensus thereon, interactions, integrity, responsibility towards stakeholders, attendance, quality and effectiveness of any suggestions/ recommendations etc.

Further, the Independent Directors also assessed the quality, independence, relevance and timeliness of the flow of the information to the Board of Directors and were satisfied with the overall functioning of the Board, its Chairman, members and Committees.

All the Directors expressed their satisfaction with the evaluation process. Suggestions of Independent Directors were also received and considered for their implementation, wherever feasible.

### CORPORATE GOVERNANCE

A report on Corporate Governance as required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with a certificate from Statutory Auditors of the Company regarding the compliance with the

conditions of Corporate Governance, are enclosed herewith and forms part of this Annual Report.

### MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on the Management's Discussion and Analysis is appended hereto and forms part of this Annual Report.

### BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report is appended hereto and forms part of this Annual Report.

### DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of section 73 of the Companies Act, 2013.

### RISK MANAGEMENT & ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Internal control systems are commensurate with the nature of the business, size and complexity of the business operations. These controls are routinely tested by the auditors and are discussed at regular intervals. All locations are subject to regular audit on risk-based methodology and are in sync with the business verticals, operational design, financial model, systems & process and other relevant subjects. Risks, if any, are systematically addressed through mitigating actions. The audit reports detailing the efficacy of the internal controls are brought to the notice of the members of the Audit Committee and the Board of Directors for their review. Suggestions and recommendations, if any, are also implemented as may be recommended by the Audit Committee. In the opinion of the Board, there is no element of risk, which threatens the existence of the Company.

## Directors' report (Contd.)

### AUDIT COMMITTEE

The Audit Committee of the Company comprises Independent Directors only. Bala Despande is the Chairperson, Malini Chopra and Janat Shah are the other members of the Audit Committee. There were no instances where the Board did not accept the recommendations and suggestions, if any, of the Audit Committee. The terms of reference, powers and roles of the Audit Committee are disclosed in the report of Corporate Governance forming part of this Annual Report.

### VIGIL MECHANISM

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

### AUDITORS & AUDITORS' REPORT

GMJ & Co., Statutory Auditors of the Company, are eligible to hold office as such for the financial year 2019-20 and have issued a certificate to that effect.

The Auditors have issued their report on the Financial Statements for the financial year ended March 31, 2019 with an unmodified opinion and does not contain any qualification, observation or adverse remarks.

### SECRETARIAL AUDIT

K Bindu & Associates, Company Secretaries in Wholetime Practise, has carried out Secretarial Audit of the Company for the financial year 2018-19 in terms of provisions of section 204 of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Report for the financial year under review is appended hereto as Annexure 3.

### SECRETARIAL STANDARDS

The Company has devised a system to ensure compliance with the provisions of applicable Secretarial Standards.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREX EARNINGS AND OUTGO

The particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to energy conservation, technology absorption and foreign exchange earnings and outgo, are provided in Annexure 4 appended hereto. The Company being focused on operations within the country and does not render any services outside India, hence, there are no particulars that need to be given on export initiative.

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on appointment of and payment of remuneration to Directors and other matters provided in Section 178(3) of the Companies Act, 2013 is given in the report of Corporate Governance.

### DISCLOSURES ON POLICIES & OTHER STATUTORY DOCUMENTS

Details of programs for familiarisation of Independent Directors are available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

Policy for determining material subsidiaries of the Company is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

Policy for determining Materiality of Events and the Information is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

Archival policy of the Company is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

Code of Conduct of Board of Directors and Senior Management Personnel of the Company is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

Policy for dealing with related party transactions is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>



## Directors' report (Contd.)

The Dividend Distribution Policy is given as Annexure 5 to this report. The same is also available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

Remuneration Policy of the Company is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

The Company has formulated and disseminated a Whistle Blower Policy to provide vigil mechanism for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of the Companies Act, 2013 and the regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

A draft of the Annual Return as specified under Section 92 of the Companies Act, 2013 for the financial year ended March 31, 2019 is hosted on the website of the Company at <http://www.futuresupplychains.com/annual-reports.html>

### CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors of the Company, based on recommendation made by CSR Committee, has formulated and approved a CSR Policy for the Company. The CSR Committee is chaired by C P Toshniwal - Non-Executive Director. Amar Sapra - Independent Director and Rakesh Biyani - Non-Executive Director are other members of the CSR Committee. At its meeting held on November 2, 2018, CSR Committee identified the program(s) to be undertaken for spending the CSR amount and recommended to the Board. The disclosures according to the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in prescribed form which is appended hereto as Annexure 6.

### SIGNIFICANT AND MATERIAL ORDERS

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

### MATERIAL CHANGES AND COMMITMENTS

Except as disclosed in this report, there are no material changes, commitments or events affecting the financial position of the Company, which have occurred after the closure of financial year under review till the date of this report.

### PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure 7 appended hereto.

In terms of the provisions of 134 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules are provided in Annual Report. However, in terms of the first proviso to Section 136(1) of the Companies Act, 2013, information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is excluded from the Annual Report being sent to the members of the Company but available for inspection by the members at the Registered Office of the Company during business hours on all working days up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy thereof, may write to the Company Secretary and the same will be furnished on request. The complete Annual Report including aforesaid information is being sent electronically to all those members who have registered their e-mail addresses and is also available on the websites of the Company and Stock Exchanges.

### EMPLOYEE STOCK OPTION PLAN

Details required to be provided under Section 62 of the Companies Act, 2013 and Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014) and SEBI (Share Based Employee Benefits) Regulations, 2014 are given in Annexure 8 appended hereto.

## Directors' report (Contd.)

### EXTRACT OF ANNUAL RETURN



In terms of the provisions of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of your Company for the financial year ended March 31, 2019 is given in Annexure 9 appended hereto.





### CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India are given in this Annual Report. In accordance with the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein Standalone and Consolidated Financial Statements of the Company and the Audited Financial Statements of the subsidiary company have been placed on the website of the Company – [www.futuresupplychains.com](http://www.futuresupplychains.com). The Audited Financial Statements of the subsidiary company shall also be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of ensuing Annual General Meeting. The aforesaid documents relating to subsidiary company can be made available to any member interested in obtaining the same upon a request in that regard made to the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, Directors of the Company state that –

-  in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
-  they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that year;

-  they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
-  they had prepared the annual accounts for the financial year ended March 31, 2019 on a going concern basis;
-  they had laid down internal financial controls to be followed by the Company and such financial controls are adequate were operating effectively; and
-  they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### AWARDS AND RECOGNITION

During the year under review, your Company was awarded with the following recognitions:

-  **Brand of the Decade** - Logistics, Supply Chain & Warehousing;
-  **Best Cold chain 3PL Service Provider** at Global Award for Excellence in Logistics & Supply Chain;
-  **Overall Excellence in Logistics and Supply Chain** at Global Award for Excellence in Logistics & Supply Chain;
-  **Best 3PL company of the year** at ELSC 2018; and
-  **Supply Chain Excellence in Apparel Distribution** at Global Logistics show.

### SEXUAL HARASSMENT POLICY

The Company is committed to foster a healthy working environment that enables the employees to work without fear of prejudice, gender bias and sexual harassment. The Company seeks to ensure that every gender should have equal opportunity and no preferential or discriminatory treatment is meted out to anyone on grounds of sex alone. The Company has in place a strong policy on prevention of sexual harassment at workplace,



## Directors' report (Contd.)

which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company conducts programs to spread awareness to prevent gender related harassment or discrimination, and in the event of such an occurrence, provides recourse to the concerned individual. This policy extends to all employees and is incorporated in the service conditions code of conduct of all employees. This policy is consistent and designed to comply with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has formed Internal Complaints Committee (ICC) across all zones in India, which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. The ICC is chaired by Nupur Singh and has representation from Sheetal Niwalkar who is empanelled with other renowned corporates and is a subject matter expert. The Committee works towards creating an atmosphere that promotes equality, non-discrimination and gender justice. It facilitates measures to ensure there is no hostile environment towards employees at the workplace. It also monitors and reviews the implementation and effectiveness of sexual harassment policy acting as highest point of escalation in case of complaint in the Company.

### ACKNOWLEDGEMENT

Your Directors desire to place on record, their appreciation to all employees at all levels, who during the year under review, with sustained dedicated effort, enabled the Company to deliver a remarkable performance.

Your Directors also wish to place on record their appreciation and acknowledge with gratitude for the support and co-operation extended by the Government, clients, bankers, investors and other government agencies and look forward to their continued patronage in future.

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

**Mayur Toshniwal**  
Managing Director

**C P Toshniwal**  
Director

Mumbai, May 13, 2019



# Annexure 1

## FORM AOC-1

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

#### PART A: SUBSIDIARY

(₹ in Lakh)	
<b>Name of the Subsidiary Company</b>	<b>Vulcan Express Private Limited</b>
Date of Acquisition	February 2, 2018
Reporting period for the subsidiary	March 31, 2019
Reporting currency	INR
Share Capital	1,506.01
Reserves & Surplus	(1,753.42)
Total Assets	218.16
Total Liabilities	465.57
Investments	Nil
Turnover	294.23
Profit before Taxation	(164.32)
Provision for Taxation	Nil
Profit after Taxation	(164.32)
Proposed Dividend	Nil
% of Shareholding	100.00

#### PART B: ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of Companies Act, 2013 related to Associate & Joint Ventures

<b>Leanbox Logistics Solutions Private Limited</b>	
<b>Name of Associate</b>	<b>Leanbox Logistics Solutions Private Limited</b>
Latest audited Balance Sheet Date	March 31, 2019
No. of shares of Associate held by the Company on the year end	1,78,500
Amount of investment in Associate	899.99
Extend of Holding (%)	50.00
Description of how there is significant influence	Shareholding more than 20%
Reason why the associate is not consolidated	Not Applicable
Networth attributable to shareholding as per latest audited Balance Sheet (₹ in Lakh)	229.65
Profit/(Loss) for the year (₹ in Lakh)	
- Considered in consolidation	(209.86)
- Not considered in consolidation	

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

**Mayur Toshniwal**      **C P Toshniwal**  
Managing Director      Director

Mumbai, May 13, 2019



## Annexure 2

### FORM AOC-2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

#### PART A - DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

Sl. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	None
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

#### PART B - DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS

Sl. No.	Particulars	Details
1	Name of the related party & nature of relationship	Leanbox Logistics Solutions Pvt Ltd. (" <b>Leanbox</b> "). Leanbox is an Associate of the Company.
2	Nature of contracts/ arrangements/ transaction	Business Transfer Agreement/ Slump Sale Agreement <sup>2</sup>
3	Duration of the contracts/ arrangements/ transaction	N.A.
4	Salient terms of the contracts or arrangements or transaction including the value, if any	The Agreement provides for transfer of Last Mile Delivery Business Undertaking of the Company on a going concern and as a Slump Sale basis, in exchange of 4,71,235 equity shares of ₹ 10/- to be issued to the Company by Leanbox.
5	Date of approval by the Board	February 7, 2019
6	Amount paid as advances, if any	Nil

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

**Mayur Toshniwal**  
Managing Director

**C P Toshniwal**  
Director

Mumbai, May 13, 2019

<sup>2</sup> Yet to be entered into.

## Annexure 3

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,  
The Members  
Future Supply Chain Solutions Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Supply Chain Solutions Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the



extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings  
The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act): -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as applicable;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable.**
- (v) Based on the representation given by the Management of the Company and as verified by me, it is stated that there are no such laws which are specifically applicable to the industry in which the Company operates.








## Annexure 3 (Contd.)

We have also examined compliance with the applicable clauses of the following:

-  Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
-  SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

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

We further report that:

-  The Board of Directors of the Company was duly constituted with proper balance of Executive Directors and Independent Directors. The changes, if any, in the composition of the Board of Directors / Committees thereof that took place during the year under review were carried out in compliance with the provisions of the Act;
-  Based on the representation given by the management of the Company and as verified by us, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates;
-  Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
-  Decisions of the Board were carried out unanimously/ requisite majority as recorded in the minutes of the meetings of the Board of Directors and no dissenting views were carried out.
-  We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further Report that** during the audit period of the Company there was an instance of

1. Scheme of Arrangement with the wholly owned subsidiary of the Company;
2. There were no instances of:
  - a. Demerger/ Restructuring
  - b. Redemption/ Buy-Back of Securities
  - c. Foreign Technical Collaborations

This Report is to be read with my letter of date which is annexed as Annexure-I and forms an integral part of this Report.

# Annexure I to Secretarial Audit Report

To,  
The Members  
Future Supply Chain Solutions Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis, wherever considered necessary, to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and occurrence of events.
5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **K Bindu & Associates**  
Company Secretaries

**Bindu Darshan Shah**  
Proprietor

Membership No. A20066  
CP No. 7378

Date: May 10, 2019  
Place: Mumbai



## Annexure 4

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

#### A. CONSERVATION OF ENERGY:

(I) **The steps taken or impact on conservation of energy:**

Adequate measures have been taken to reduce energy consumption. The Company, to the extent possible, uses the energy saver electronic equipment to conserve the energy.

(II) **The steps taken by the Company for utilising alternate source of energy:**

All efforts are made to use more natural lights at office/ warehouse locations to optimise the consumption of energy.

(III) **The capital investment on energy conservation equipment:**

Nil

#### B. TECHNOLOGY ABSORPTION:

The Company has installed high speed cross belt sorter system at MIHAN distribution centre in Nagpur, which is the first of its kind in India, with a sorting capacity of approximately 2,000 cases per hour. The cross-belt sorter was developed by Germany-headquartered Beumer Group, Germany and became operational in July 2017. The said sorter system has continued to result in higher efficiency, reduced costs and minimal operational shortcomings. No further expenses were incurred on research and development on sorter system.

#### C. FOREIGN EXCHANGE EARNINGS & OUTGO:

There is no expenditure on R&D, Technology Absorption, adoption & innovation during the financial year under report. The Company being catering to retail sector & being in service industry, does not have any specific exports initiatives to report to members.

	(₹ in Lakh)	
<b>Foreign Exchange Earnings &amp; Outgo</b>	<b>2018-19</b>	<b>2017-18</b>
<b>Foreign Exchange Earnings</b>	Nil	Nil
<b>Foreign Exchange Outgo:</b>		
Travel	5.41	3.82
Freight Forwarding	24.31	37.07
Software License	Nil	30.37
Professional Fees	1.72	215.97
Spare Part	4.85	9.24
Fixed Asset Purchase	241.18	162.63

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

**Mayur Toshniwal**  
Managing Director

**C P Toshniwal**  
Director

Mumbai, May 13, 2019

# Annexure 5

## DIVIDEND POLICY

### COMPANY'S PHILOSOPHY:

Future Supply Chain Solutions Limited ('FSC') strives to ensure and preserve stakeholders' value and work towards enhancing net worth of the Company as well as overall stakeholders' value. While achieving the above objective, the Company also ensures protecting the interest of all stakeholders, including the society at large. FSC looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long term stakeholder value creation. Good Corporate Governance Practices enable a Company to attract high quality financial and human capital. In turn, these resources are leveraged to maximise long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large. Our Dividend philosophy is in line with the above principles. Our Dividend payout ratio would be ranging from 25% to 60% of the earned profits for the year, after adjusting any carried forward losses. Dividend Payout ratio would be reviewed every three year and would be based upon profitability and retained earnings and would be further subject to business requirements and general economic conditions. The Company will attempt to maintain a consistent dividend record to reward shareholders.

### DECLARATION OF DIVIDEND:

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

### PER SHARE BASIS:

The dividend will be declared on per share basis only.

### CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE LISTED ENTITIES MAY NOT EXPECT DIVIDEND:

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








### FINANCIAL PARAMETERS CONSIDERED WHILE DECLARING DIVIDEND:

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



### INTERNAL AND EXTERNAL FACTORS CONSIDERED WHILE DECLARING DIVIDEND:

The Board leads the strategic management of the Company on behalf of the Shareholders, exercise supervision through direction and control and appoints various committees to handle specific areas of responsibilities. In this endeavor, the Board reviews various types of information provided to it which has a bearing on declaring dividend. Key internal and external factors are listed below (not exhaustive):

#### Internal:






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

#### External

-  Macro-economic environment
-  Competition



## Annexure 5 (Contd.)

-  Legislations impacting business
-  Statutory restrictions
-  Changes in accounting policies and applicable standards
-  Client related risks
-  Any other matter / risks apprehended by the Board

### USAGE OF RETAINED EARNINGS:

Retained earnings would be used to further the company's business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to shareholders

via Dividends or other means as permitted by applicable regulations.

### PARAMETERS THAT ARE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:

Currently, the Company has only one class of shares. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares. To the extent permitted, the Company would aim for highest level of transparency and equitable treatment of all investors.



## Annexure 6

### Statement on Corporate Social Responsibility

Pursuant to section 134(O) of the Act and Rule 9 of the Corporate Social Responsibility Rules, 2014

#### I. A Brief outline on Company's CSR Policy:

We believe that our business is built around strong social relevance of inclusive growth by supporting the common people in meeting their social needs. We equally believe that creation of large societal capital is as important as wealth creation for our stakeholders. As a responsible organisation, we are committed towards the above objective and are keen on developing a sustainable business model to ensure and activate our future growth drivers. In line with the regulatory expectations, the CSR Committee is working towards identification of CSR projects, which may be undertaken by the Company.

#### II. The composition of the CSR Committee as at March 31, 2019 is as under:

- C P Toshniwal (Chairman & Non-Executive Director)
- Amar Sapra (Independent Director)
- Rakesh Biyani (Non-Executive Director)

#### III. Average net profit of the Company for last three financial years: ₹ 6,353.03 Lakh

#### IV. Prescribed CSR expenditure (two per cent of the amount as in item III above): ₹ 127.06 Lakh

#### V. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year: ₹ 127.06 Lakh
- Amount unspent, if any: NIL
- Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in Which the Project is Covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise (₹ in Lakh)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure upto to the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency
1	Program 'Odha do Zindagi' undertaken by NGO 'Goonj'	Measures for reducing inequalities faced by socially and economically backward groups	Wayanad, Idduki, Kannur, Thrissur, Malappuram, Kottayam, Pathanamthitta, Palakkad, Alappuzha and Ernakulam (Kerala)	91.72	91.72	91.72	Implementing Agency



## Annexure 6 (Contd.)

Sl. No.	CSR project or activity identified	Sector in Which the Project is Covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise (₹ in Lakh)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure upto to the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency
2	Creating livelihood opportunities for women self-help groups of Aastha Lok Sanchalit Sandhan Kendra	Employment enhancing vocational skills among differently abled and livelihood enhancement projects	Nagpur (Maharashtra)	22.67	22.67	22.67	Implementing Agency
3	Reducing hunger, poverty and malnutrition by improving the nutritional status of children between the age of 0 to 6 years through All India Institute of Local Self Government	Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare	Bhadwad, Bhiwandi (Maharashtra)	12.66	12.66	12.66	Implementing Agency

\* Excludes the unspent amount of previous year(s)

# Sone Ki Chidiya Foundation ('SKC Foundation') – implementing agency, is set up with objective of empowering communities in various ways by engaging the people around strong social relevance of inclusive growth. SKC Foundation aims towards supporting economically challenged people to meet their social needs. In order to attain the objectives, SKC Foundation aligns its activities and works towards creating livelihood opportunities, supporting nutrition initiatives while reducing inequalities in society.

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

**VII. The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.**

For Future Supply Chain Solutions Limited

**C P Toshniwal**                      **Mayur Toshniwal**  
Chairman-CSR Committee      Managing Director

Mumbai, May 13, 2019

## Annexure 7

### DETAILS AS REQUIRED UNDER S. 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- I. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2018-19:

(₹ in Lakh)

Name of the Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2018-19*	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to MRE for Financial Year 2017-18
	1	2	3 = (1/ MRE)
Mayur Toshniwal – Managing Director	226.26	15%	59
P V Sheshadri – Chief Financial Officer #	132.04	15%	34
Samir Kedia – Chief Financial Officer	72.79	16%	19
Vimal K Dhruve – Company Secretary	34.26	40%	9

\* Does not include perquisite, if any, arising out of the exercise of stock options

# Since April 25, 2018

- II. In the financial year 2018-19, there was a decrease of 12% in the MRE.
- III. There were 1,905 permanent employees on the rolls of Company as on March 31, 2019.
- IV. The average percentage increase made in the remuneration of employees other than the managerial personnel for the financial year 2018-19 was 12% whereas the increase in managerial remuneration for the same financial year was 15%.
- V. There was no variable component in remuneration for any other non-executive directors. The Company has not paid any remuneration to the non-executive directors during the year 2018-19 or during the previous year. The variable component in the remuneration of the executive directors is in line with the remuneration policy of the Company taking into consideration the performance of the Company as well of the concerned director.
- VI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

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

**Mayur Toshniwal**      **C P Toshniwal**  
Managing Director      Director

Mumbai, May 13, 2019



## Annexure 8

### FUTURE SUPPLY CHAIN SOLUTIONS LIMITED EMPLOYEES STOCK OPTION PLAN – 2017

Future Supply Chain Solutions Limited has granted stock options to eligible employees under Employee Stock Option Plan (“FSC ESOP 2017”) with a view to attract and retain key talent working with the Company, by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

#### Disclosure with respect to FSC ESOP 2017 as at March 31, 2019

I	Date of Shareholders’ approval	August 8, 2017 (and ratified on August 22, 2018 pursuant to reg.12 of SEBI (SBE) Regulations, 2014.)
II	Total number of options approved	4,00,000 stock options exercisable into equal number of equity shares of ₹ 10/- each.
III	Vesting requirements	Options granted under FSC ESOP 2017 would vest in accordance with the terms of Grant, subject to maximum period of 3 years from the date of grant of such Options.
IV	Exercise price or pricing formula	₹ 350/-
V	Maximum term of options granted	3 years from the date of vesting
VI	Source of shares (primary, secondary or combination)	Primary
VII	Variation in terms of options	None
VIII	Lock-in period	None
VIII	Method used to account for ESOP	Black Scholes Method

The stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2018-19: ₹ 371.80 Lakh.

#### Option movement during the year ended on March 31, 2019

SL. No.	Particulars	Details of FSC ESOP 2017
1	Details Number of options outstanding at the beginning of the year	2,69,700
2	Number of options revised during the Year during the year	Nil
3	Number of options granted during the year	Nil
4	Number of options forfeited / Cancelled /lapsed during the year	5,625
5	Number of options vested during the year	52,815
6	Number of options exercised during the year	24,875
7	Number of shares arising as a result of exercise of options	24,875
8	Exercise Price (₹)	350
9	Money realised by exercise of options, if scheme is implemented directly by the Company (₹)	87,06,250
10	Loan repaid by the Trust during the year from exercise price received	N.A.
11	Total number of options outstanding (in force) at the end of the year	2,39,200
12	Number of options exercisable at the end of the year	27,940

Weighted average exercise price and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock: Refer Note No.33 in Notes to the Financial Statements.

## Annexure 8 (Contd.)

### Employee-wise details of options granted under FSC ESOP 2017 during three years prior to IPO:

#### I. Senior Managerial Personnel & KMPs

Name and Designation	Options granted <sup>3</sup> under FSC ESOP 2017 at an exercise price of ₹ 350/-
Mayur Toshniwal (Managing Director)	42,000
P V Sheshadri (CEO)	42,000
C P Toshniwal (Non-Executive Director)	35,000
Sougato Shome	21,600
Vimal K Dhruve (Company Secretary)	15,000
ASR Prasad	15,000
Divyansh Rathore	15,000
Sanjeev Mandal	14,400

#### II. Employees who were granted, during any one year, options amounting to 5% or more of the options granted during that year:

Name	No. of options granted <sup>3</sup> under FSC ESOP 2017
Mayur Toshniwal	42,000
P V Sheshadri	42,000
C P Toshniwal	35,000
Sougato Shome	21,600
Vimal K Dhruve	15,000
ASR Prasad	15,000
Divyansh Rathore	15,000
Sanjeev Mandal	14,400

#### III. Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants: - None

### Details regarding allotment of shares made under FSC ESOP 2017:

#### I. Number of shares issued under FSC ESOP 2017 during the financial year 2018-19

24,875

#### II. The price at which such shares were issued

₹ 350/-

#### III. Employee wise details of the shares issued against exercise of stock options:

Senior Management Personnel	Number of shares
- Mayur Toshniwal	8,400
- Vimal K Dhruve	1,850
- A S R Prasad	3,000
- Sanjeev Mandal	2,000
Any other employee who is issued shares in any one year amounting to 5% or more shares issued during that year	None
Identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the Company at the time of issuance	None

<sup>3</sup> Granted during the F.Y.2017-18.



## Annexure 8 (Contd.)

**IV. Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants: - None**

**Method and Assumptions used to estimate the fair value of options granted during the year:** Refer to Note No. 33 in the Notes to Financial Statements.

**Details of the Company's Employees' Welfare Trust:** None

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

**Mayur Toshniwal**  
Managing Director

**C P Toshniwal**  
Director

Mumbai, May 13, 2019

# Annexure 9

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31 MARCH 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

CIN	: L63030MH2006PLC160376
Registration Date	: March 8, 2006
Name of the Company	: Future Supply Chain Solutions Limited
Category / Sub-Category of the Company	: Public Limited Company
Address of the Registered office and contact details	: Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400060 Tel.: +91 22 6644 2200
Whether listed company	: Yes
Name, Address and Contact details of Registrar and Transfer Agent	: Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 Website: www.linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Logistics Services (Warehousing and Storage, Support Service for Transportation)	52101, 52102, 52109, 52219	100.00

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	<b>Future Enterprises Limited</b> Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari East, Mumbai 400060	L52399MH1987PLC044954	Ultimate holding company	0.00	Section 2(46) & 2(87)(ii)
2	<b>Ritvika Trading Private Limited</b> Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari East, Mumbai 400060	U74999MH2017PTC292801	Holding company	51.19	Section 2(46) & 2(87)(ii)
2	<b>Vulcan Express Private Limited</b> 61/1, Block III, Kirti Nagar, WHS New Delhi 110015	U63090DL2013PTC261203	Subsidiary company	100.00	Section 2(87)(ii)
3	<b>Leanbox Logistics Solutions Pvt. Limited</b> C-603, Mangalya Building, Marol Maroshi Road Gamdevi, Near Leafio Hotel, Andheri - East Mumbai 400059	U74999MH2016PTC282290	Associate company	50.00	Section 2(6)



## Annexure 9 (Contd.)

### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual/HUF	200	Nil	200	Nil	200	Nil	200	0.00	Nil
Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	2,10,15,717	Nil	2,10,15,717	52.47	2,10,15,717	Nil	2,10,15,717	52.43	(0.04)
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (1):-</b>	<b>2,10,15,917</b>	<b>Nil</b>	<b>2,10,15,917</b>	<b>52.47</b>	<b>2,10,15,917</b>	<b>Nil</b>	<b>2,10,15,917</b>	<b>52.43</b>	<b>(0.04)</b>
<b>(2) Foreign</b>									
NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2,10,15,917</b>	<b>Nil</b>	<b>2,10,15,917</b>	<b>52.47</b>	<b>2,10,15,917</b>	<b>Nil</b>	<b>2,10,15,917</b>	<b>52.43</b>	<b>(0.04)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
Mutual Funds	52,51,223	Nil	52,51,223	13.11	50,63,468	Nil	50,63,468	12.63	(0.48)
Banks / FI	90,315	Nil	90,315	0.23	73,059	Nil	73,059	0.18	(0.05)
Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Venture Capital Funds/ Alternate Investment Fund	19,81,211	Nil	19,81,211	4.95	22,59,011	Nil	22,59,011	5.64	0.69
Insurance Companies	24,331	Nil	24,331	0.06	24,331	Nil	24,331	0.06	Nil
FIs/ FPIs	22,88,004	Nil	22,88,004	5.71	18,46,999	Nil	18,46,999	4.61	(1.10)
Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	<b>96,35,084</b>	<b>Nil</b>	<b>96,35,084</b>	<b>24.05</b>	<b>92,66,868</b>	<b>Nil</b>	<b>92,66,868</b>	<b>23.12</b>	<b>(0.93)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
- Indian	5,55,071	Nil	5,55,071	1.39	7,26,688	Nil	7,26,688	1.81	0.42
- Overseas	67,81,430	Nil	67,81,430	16.93	67,81,430	Nil	67,81,430	16.92	(0.01)



## Annexure 9 (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
Individual shareholders holding nominal share capital upto ₹ 1 Lakh	10,17,530	5	10,17,535	2.54	8,91,072	5	8,91,077	2.22	(0.32)
Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	9,61,214	Nil	9,61,214	2.40	13,05,575	Nil	13,05,575	3.26	0.86
NBFCs	Nil	Nil	Nil	Nil	46	Nil	46	0.00	0.00
HUF	62,070	Nil	62,070	0.16	50,938	Nil	50,938	0.13	(0.03)
Firm	8,209	Nil	8,209	0.02	Nil	Nil	Nil	Nil	(0.02)
NRI	9,553	Nil	9,553	0.02	20,939	Nil	20,939	0.05	0.03
Clearing members	10,133	Nil	10,133	0.03	11,613	Nil	11,613	0.03	0.00
Director	22	Nil	22	0.00	10,022	Nil	10,022	0.03	0.03
<b>Sub-total (B)(2):-</b>	<b>94,05,232</b>	<b>5</b>	<b>94,05,237</b>	<b>23.48</b>	<b>97,98,323</b>	<b>5</b>	<b>97,98,328</b>	<b>24.45</b>	<b>0.97</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1,90,40,316</b>	<b>5</b>	<b>1,90,40,321</b>	<b>47.53</b>	<b>1,90,65,191</b>	<b>5</b>	<b>1,90,65,196</b>	<b>47.56</b>	<b>0.03</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Grand Total (A+B+C)</b>	<b>4,00,56,233</b>	<b>5</b>	<b>4,00,56,238</b>	<b>100.00</b>	<b>4,00,81,108</b>	<b>5</b>	<b>400,81,113</b>	<b>100.00</b>	

### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Future Enterprises Limited	2,05,15,917	51.22	Nil	100	0.00	Nil	(51.22)
2	Ritvika Trading Private Ltd.	Nil	Nil	Nil	2,05,15,817	51.19	Nil	51.19
3	Suhani Trading & Investment Consultants Pvt Ltd	4,99,700	1.25	Nil	4,99,700	1.25	Nil	(0.00)
4	Future Retail Limited	100	0.00	Nil	100	0.00	Nil	Nil
5	Kishore Biyani	100	0.00	Nil	100	0.00	Nil	Nil
6	Vijay Biyani	100	0.00	Nil	100	0.00	Nil	Nil
7	Retail Trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8	Infra Trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>2,10,15,917</b>	<b>52.47</b>	<b>Nil</b>	<b>2,10,15,917</b>	<b>52.43</b>	<b>Nil</b>	<b>(0.03)</b>



## Annexure 9 (Contd.)

### (iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Future Enterprises Limited</b>	2,05,15,917	51.22		
(Decrease): December 28, 2018	(2,05,15,817)	(51.22)		
<b>At the End of the year</b>			100	0.00
<b>Ritvika Trading Private Limited</b>	Nil	Nil		
Increase: December 28, 2018	2,05,15,817	51.19		
<b>At the End of the year</b>			2,05,15,817	51.19

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Griffin Partners Limited</b>	58,63,475	14.64		
	<b>At the End of the year</b>			<b>58,63,275</b>	<b>14.63</b>
<b>2</b>	<b>L&amp;T Mutual Fund Trustee Limited - L&amp;T Emerging Businesses Fund</b>	<b>23,74,973</b>	<b>5.93</b>		
	Increase: April 6, 2018	15,462	0.04		
	Increase: April 13, 2018	10,538	0.03		
	Increase: April 20, 2018	27,000	0.07		
	Increase: April 27, 2018	1,00,363	0.25		
	Increase: May 4, 2018	5,000	0.01		
	Increase: May 25, 2018	1,721	0.00		
	Increase: June 1, 2018	10,829	0.03		
	Increase: June 8, 2018	7,058	0.02		
	Increase: July 13, 2018	2,000	0.00		
	Increase: March 8, 2019	1,00,000	0.25		
	Increase: March 22, 2019	1,28,428	0.32		
	Increase: March 29, 2019	1,000	0.00		
	<b>At the End of the year</b>			<b>27,84,372</b>	<b>6.95</b>
<b>3</b>	<b>Edelweiss Alternative Investment Opportunities Trust - Edelweiss Crossover Opportunities Fund</b>	<b>15,70,857</b>	<b>3.92</b>		
	Increase: May 13, 2018	3,374	0.01		
	Increase: May 25, 2018	22,575	0.06		
	Increase: July 6, 2018	1,54,000	0.38		
	Increase: July 20, 2018	5,000	0.01		
	Increase: August 3, 2018	5,000	0.01		
	Increase: August 10, 2018	1,00,000	0.25		
	Increase: September 7, 2018	5,500	0.01		
	<b>At the End of the year</b>			<b>18,66,306</b>	<b>4.66</b>

## Annexure 9 (Contd.)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>4</b>	<b>Kotak Funds - India Midcap Fund</b>	<b>13,40,538</b>	<b>3.34</b>		
	(Decrease): October 12, 2018	(10,040)	(0.03)		
	(Decrease): October 26, 2018	(14,513)	(0.04)		
	(Decrease): November 16, 2018	(110)	(0.00)		
	(Decrease): November 23, 2018	(982)	(0.00)		
	(Decrease): November 30, 2018	(7,973)	(0.02)		
	(Decrease): December 7, 2018	(2,973)	(0.01)		
	<b>At the End of the year</b>			<b>13,03,947</b>	<b>3.25</b>
<b>5</b>	<b>GTI Capital Gamma Pvt Ltd.</b>	<b>9,17,955</b>	<b>2.29</b>		
	<b>At the End of the year</b>			<b>9,17,955</b>	<b>2.29</b>
<b>6</b>	<b>Reliance Capital Trustee Co. Ltd - a/c Reliance Small Cap Fund</b>	<b>4,96,825</b>	<b>1.24</b>		
	Increase: April 27, 2018	5,536	0.01		
	Increase: May 18, 2018	10,948	0.03		
	Increase: May 25, 2018	2,25,000	0.56		
	Increase: June 1, 2018	3,292	0.01		
	Increase: June 22, 2018	86,887	0.22		
	Increase: January 25, 2019	1,279	0.00		
	<b>At the End of the year</b>			<b>8,29,767</b>	<b>2.07</b>
<b>7</b>	<b>IDFC Sterling Value Fund</b>	<b>6,14,116</b>	<b>1.53</b>		
	Increase: April 6, 2018	21,688	0.05		
	Increase: April 13, 2018	9,116	0.02		
	Increase: April 20, 2018	1,557	0.01		
	Increase: May 4, 2018	22,970	0.06		
	Increase: May 11, 2018	3,817	0.01		
	Increase: June 22, 2018	11,718	0.02		
	Increase: June 30, 2018	3,282	0.01		
	Increase: July 13, 2018	18,500	0.05		
	Increase: July 20, 2018	9,782	0.02		
	(Decrease): August 31, 2018	(52,907)	(0.13)		
	(Decrease): September 7, 2018	(60,366)	(0.15)		
	(Decrease): September 14, 2018	(23,273)	(0.06)		
	Increase: September 21, 2018	385	0.00		
	Increase: September 29, 2018	4,635	0.01		
	Increase: October 19, 2018	600	0.00		
	Increase: October 26, 2018	4,765	0.01		
	Increase: November 23, 2018	2,000	0.00		
	Increase: January 25, 2019	1,455	0.01		
	(Decrease): February 8, 2019	(1,999)	(0.01)		
	Increase: February 22, 2019	316	0.00		
	Increase: March 1, 2019	1,229	0.01		
	<b>At the End of the year</b>			<b>5,93,386</b>	<b>1.48</b>


**Annexure 9 (Contd.)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>8</b>	<b>Anshuman Singh</b>	<b>5,10,771</b>	<b>1.28</b>		
	Increase / Decrease during the year	Nil	Nil		
	<b>At the End of the year</b>			<b>5,10,771</b>	<b>1.27</b>
<b>9</b>	<b>HDFC Trustee Company Ltd. A/C HDFC Balance Advantage Fund</b>	<b>12,78,123</b>	<b>3.19</b>		
	Increase: April 6, 2018	1,30,000	0.32		
	(Decrease): July 6, 2018	(1,43,449)	(0.36)		
	(Decrease): July 20, 2018	(5,233)	(0.01)		
	(Decrease): August 10, 2018	(1,00,000)	(0.25)		
	(Decrease): September 7, 2018	(3,55,700)	(0.90)		
	(Decrease): September 14, 2018	(10,200)	(0.03)		
	(Decrease): February 15, 2019	(1,53,120)	(0.39)		
	(Decrease): March 1, 2019	(1,00,000)	(0.25)		
	(Decrease): March 22, 2019	(50,000)	(0.12)		
	<b>At the End of the year</b>			<b>4,90,421</b>	<b>1.22</b>
<b>10</b>	<b>India Opportunities Growth Fund Ltd - Pinewood Strategy</b>	<b>Nil</b>	<b>Nil</b>		
	Increase: September 7, 2018	20,000	0.05		
	Increase: September 14, 2018	1,44,489	0.36		
	Increase: September 21, 2018	35,301	0.09		
	Increase: September 29, 2018	57,088	0.14		
	Increase: October 5, 2018	51,652	0.13		
	Increase: October 12, 2018	49,364	0.12		
	Increase: October 19, 2018	15,435	0.04		
	Increase: October 26, 2018	9,492	0.02		
	Increase: November 2, 2018	5,848	0.01		
	Increase: November 9, 2018	4,843	0.01		
	Increase: November 23, 2018	1,000	0.00		
	Increase: November 30, 2018	10,488	0.03		
	Increase: December 7, 2018	1,712	0.00		
	Increase: December 14, 2018	500	0.00		
	Increase: February 8, 2019	5,999	0.02		
	Increase: February 22, 2019	7,500	0.02		
	Increase: March 29, 2018	3,209	0.01		
	<b>At the End of the year</b>			<b>4,23,920</b>	<b>1.06</b>

## Annexure 9 (Contd.)

### (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Director/ KMP For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Mayur Toshniwal</b>	<b>22</b>	<b>Nil</b>		
	Increase: June 8, 2018	1,300	0.00		
	Increase: July 2, 2018	300	0.00		
	Increase: January 24, 2019	4,000	0.01		
	Increase: March 19, 2019	4,400	0.01		
	<b>At the End of the year</b>			<b>10,022</b>	<b>0.02</b>
<b>2</b>	<b>P V Sheshadri</b>	<b>Nil</b>	<b>Nil</b>		
	Increase / Decrease during the year	Nil	Nil		
	<b>At the End of the year</b>			<b>Nil</b>	<b>Nil</b>
<b>3</b>	<b>Samir Kedia</b>	<b>Nil</b>	<b>Nil</b>		
	Increase / Decrease during the year	Nil	Nil		
	<b>At the End of the year</b>			<b>Nil</b>	<b>Nil</b>
<b>4</b>	<b>Vimal K Dhruve</b>	<b>Nil</b>	<b>Nil</b>		
	Increase: July 13, 2018	25	0.00		
	Increase: January 24, 2019	1,250	0.00		
	Increase: March 19, 2019	600	0.00		
	<b>At the End of the year</b>			<b>1,875</b>	<b>0.00</b>

## V. INDEBTEDNESS

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

(₹ in Lakh)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,343.06	Nil	Nil	3,343.06
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
Addition	22,150.67	Nil	Nil	22,150.67
Reduction	3,343.06	Nil	Nil	3,343.06
<b>Net Change</b>	<b>18,807.61</b>			<b>18,807.61</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	21,115.84	Nil	Nil	21,115.84
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	1,034.83	Nil	Nil	1,034.83
<b>Total (i+ii+iii)</b>	<b>22,150.67</b>	<b>Nil</b>	<b>Nil</b>	<b>22,150.67</b>



## Annexure 9 (Contd.)

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Mayur Toshniwal	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	225.95	225.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	22.92	22.92
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option (Nos.)	42,000 <sup>4</sup>	
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- as % of profit		
	- others		
5	Others	Nil	Nil
	<b>Total (A)</b>	<b>248.87</b>	<b>248.87</b>
	Ceiling as per the Act	300.00	300.00

#### B. Remuneration to other Directors

##### Independent Directors

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of the Independent Director					Total Amount
		Bala Despande	Rahul Garg	Janat Shah	Amar Sapra	Malini Chopra	
1	Fees for attending the Board and Committee meetings	3.15	2.85	0.90	1.50	0.30	8.70
2	Commission	Nil	Nil	Nil	Nil	Nil	Nil
3	Any other	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (I)</b>	<b>3.15</b>	<b>2.85</b>	<b>0.90</b>	<b>1.50</b>	<b>0.30</b>	<b>8.70</b>
	Ceiling as per the Act	₹ 1 Lakh to each Director per meeting of the Board of Directors and Committee thereof					

##### Other Non-Executive Directors

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of the Non-Executive Director			Total Amount
		Rakesh Biyani	Shyam Maheshwari	C P Toshniwal	
1	Fees for attending the Board and Committee meetings	1.80	Nil	1.80	3.60
2	Commission	Nil	Nil	Nil	Nil
3	Any other	Nil	Nil	Nil	Nil
	<b>Total (II)</b>	<b>1.80</b>	<b>Nil</b>	<b>1.80</b>	<b>3.60</b>
	Overall ceiling as per the Act	₹ 1 Lakh to each Director per meeting of the Board of Directors and Committee thereof			

<sup>4</sup> Granted during the F.Y.2017-18.

## Annexure 9 (Contd.)

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

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		P V Sheshadri <sup>5</sup>	Vimal Dhruve	Samir Kedia	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	134.52	33.93	72.46	238.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.37	5.77	0.32	6.47
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option (Nos.) <sup>6</sup>	42,000	15,000	Nil	57,000
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit				
	- others				
5	Any other	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>134.89</b>	<b>39.70</b>	<b>72.78</b>	<b>244.53</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/ punishments/ compounding of offenses for breach of any section of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year under review.

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

**Mayur Toshniwal**      **C P Toshniwal**  
Managing Director      Director

Mumbai, May 13, 2019

<sup>5</sup> From April 25, 2018.

<sup>6</sup> Granted during the F.Y.2017-18.



# Business Responsibility Report

## OVERVIEW

Future Supply Chain Solutions Limited (“FSC” or the “Company”) provides smart warehousing, an efficient transportation and distribution system, temperature controlled logistics and last mile delivery logistics. The solution architecture is orchestrated through sophisticated and highly automated state-of-the-art technology systems, pan-India distribution network, integrated warehouse management systems and hub and spoke transportation model enabling innovative service offerings to the customers in an optimised and cost efficient manner.

FSC caters to corporates in Fashion & Apparels, Food & Beverages, Consumer Electronics & High Tech, Automotive & Engineering, Home & Furniture,

Healthcare, General Merchandise and E-Commerce sectors.

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Directors of FSC hereby present the Business Responsibility Report (“BRR”) of the Company for the financial year ended March 31, 2019.

This BRR defines FSC’s endeavours to conduct business with responsibility and accountability towards all its stakeholders keeping in view the nine principles of the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’ released by Ministry of Corporate Affairs. This BRR is in line with the format proposed by Securities and Exchange Board of India (“SEBI”).




## PART A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L63030MH2006PLC160376
2	Name of the Company	Future Supply Chain Solutions Limited
3	Registered address	Knowledge House, Shyam Nagar, Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
4	Website	www.futuresupplychains.com
5	E-mail id	investorrelations@futuresupplychains.com
6	Financial Year reported	2018-19
7	Sectors(s) that the Company is engaged in (industrial activity code-wise)	Logistics Services (Warehousing and Storage, Support Service for Transportation) NIC Codes: 52101, 52102, 52109, 52219
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. Warehousing and Storage; ii. Transportation; and iii. Cold Chain operations
9	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	None
	(b) Number of National Locations	As on March 31, 2019, the Company operations are run through 96 warehouses across India. Its “hub-and-spoke” distribution model comprising 14 hubs and 134 operational branches across India, covering 12,345 pin codes across India.
10	Markets served by the Company - Local/State/ National/International	National



## Business Responsibility Report (Contd.)

### PART B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	₹ 4,008.11 Lakh
2	Total Turnover (INR)	₹ 1,11,838.44 Lakh (Standalone)
3	Total profit after taxes (INR)	₹ 6,515.72 Lakh (Standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	With regard to the year under review, the Company was required to spend ₹ 127.06 Lakhs on CSR activities, since the average net profits of the Company made during the three immediately preceding financial years, as calculated under Section 198 of the Companies Act, 2013 was ₹ 6,353.04 lakhs, which spent by the Company during the year.
5	List of activities in which expenditure in 4 above has been incurred	<p>During the year under review, the Company spent its' CSR contribution through "Sone Ki Chidiya Foundation" ('SKC Foundation'), which in-turn has deployed these funds towards the following avenues for fund disbursement:-</p> <ul style="list-style-type: none"> <li> Measures for reducing inequalities faced by socially and economically backward groups;</li> <li> Promoting livelihood enhancement opportunities;</li> <li> Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare</li> </ul> <p><i>(For further details please see the Corporate Social Responsibility Report forming part of Directors' Report)</i></p>

### PART C: OTHER DETAILS

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	FSC has one subsidiary company for the year ended March 31, 2019
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes, one subsidiary company
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Based on discussion with suppliers and distributors, currently less than 30% of other entities participate in BR initiatives of the Company.



## Business Responsibility Report (Contd.)

### PART D: BR INFORMATION

**1. Details of the Director and BR Head responsible for implementation of the BR policy / policies (DIN, Name, Designation):**

Sr. No.	Particulars	Details
1	Director Identification Number (if applicable)	01655776
2	Name	Mayur Toshniwal
3	Designation	Managing Director
4	Telephone number	022-7142-9100
5	E-mail ID	Mayur.toshniwal@futuregroup.in

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

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

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

**BR Policies and coverage of NVG Nine principles:**

**(a) Details of compliance (Reply in Y/N)**

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

## Business Responsibility Report (Contd.)

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on voluntary sustainability guidelines such as the Global Reporting Initiative (GRI) and also based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes – the policies have been approved by the Board and signed by the Managing Director								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of policy?	Yes, the FSC's officials / respective departments are authorised to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	<a href="http://www.futuresupplychains.com/code-policies.html">http://www.futuresupplychains.com/code-policies.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	In the reporting period, Future Group has instituted a Sustainability Cell, which has developed the Future Group's sustainability vision, framework and policies. Evaluation and deployment of these policies and processes will be in line with the international guidelines. On achieving sufficient robustness, your Company will internally audit or invite a third party to verify performance.								
(b)	If answer to the question at serial number 1 against any principle, is 'No', please explain why	Not Applicable								



## Business Responsibility Report (Contd.)

### 3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company and its Committees shall continue to assess various business responsibility initiatives undertaken by the Company annually.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BRR for the year 2018-19 forms part of the Annual Report, which is published and is also available on the website of the Company: <a href="http://www.futuresupplychains.com/annual-reports.html">http://www.futuresupplychains.com/annual-reports.html</a>

### PART E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Ethics, Transparency & Accountability

#### Business should conduct and govern themselves with ethics, transparency and accountability

##### Governance

The Company conducts its business legally, ethically, with integrity and transparency with all stakeholders. FSC's employees at all levels are expected to comply with the Future Group's internal policy and Code of Conduct. All employees are provided and made conversant with details of policies to be complied with during induction training program.

FSC's Directors and senior management are required to abide by a separate Code of Conduct ('CoC'). Their affirmation to the CoC is communicated to all stakeholders by Managing Director, through a declaration in the Annual Report .

Mitigating key business risks through high level of transparency and accountability, the Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, CSR Committee and Risk Management Committees ensures that business adopts these guidelines and discharge their responsibility on relevant disclosures while catering to the growing needs of the stakeholders.

The reporting period witnessed further strengthening of governance in areas of social, environmental and economic performance within the Future Group by establishing a Group level sustainability cell, developing guidelines and policies (including anti-corruption and stakeholder engagement) in this direction, thus laying down the foundation stones towards improved

transparency and disclosure within business.

'Happiness Matters' is the cornerstone of the Group's sustainability framework. Future Group is committed towards creating a happy ecosystem. The Group's sustainability vision is "Striving to grow responsibly and achieve our dual goal of a happy environment and society, both of which are necessary ingredients for business continuity and growth." The four pillars of the sustainability framework are "Responsible Services", "Resource Efficiency", "Responsible Supply Chain" and "Happy Communities". The coming reporting period will see engagements with different members of the value chain, deployment of these policies on the basis of these four pillars through strengthening of processes, creation of roadmaps, target setting and performance management. The Company will extend the same to its value chain stakeholders and promote adoption of the same.

On achieving sufficient robustness, your Company will internally audit or invite a third party to verify performance.

##### Vigil Mechanism

FSC treats any act of fraud, bribery and corruption very seriously and expects its business partners to adopt the same approach.

FSC's vigil mechanism enables stakeholders having concerns about suspected misconduct, unethical behavior, actual or suspected fraud, or any action that violates the Code of Conduct or any business responsibility policy to express their concerns with confidence to the Anti Bribery and Anti-Corruption (ABAC) officer empowered to enquire into the matter.

## Business Responsibility Report (Contd.)

FSC has deployed the whistle blower protection policy to safeguard the identity of person(s) who has reported the violation.

There were no complaints received by FSC under the Whistle Blower Policy as on March 31, 2019.

### Grievance Redressal Mechanism

FSC has put in place grievance mechanisms that addresses and resolves stakeholder complaints. This enables the Company to mitigate any negative business impacts, address grievances transparently and provide satisfactory feedback to concerned stakeholders.

#### Employees

The Company redresses complaints received on grounds of harassment or any act that is found to be abusive or discriminatory on basis of caste, religion and gender. During the reporting period, there were no complaints received by the Company.

The committee on Prevention of Sexual Harassment (POSH) comprising 25 members addresses all sexual harassment complaints. A POSH policy of the Company is also available on the intranet for easy access to all employees.

Any complaints with regard to sexual harassment can be reported at [poshcommittee@futuresupplychains.com](mailto:poshcommittee@futuresupplychains.com) in order to resolve grievance. The Company has not received any complaint on sexual harassment during the reporting year.

#### Investors

FSC has a mechanism for servicing Investor related queries and grievances, through its Registrar and Transfer Agent, and the Compliance Officer is responsible for the same. On periodic and need basis, the Stakeholders' Relationship Committee addresses, reviews and takes appropriate actions on complaints and grievances received through the investor grievance redressal mechanism.

The Company has a designated e-mail ID – [investorrelations@futuresupplychains.com](mailto:investorrelations@futuresupplychains.com) – for addressing investor complaints.

During the year under review, the Company

received total 6 investor complaints, which have been satisfactorily resolved by the Company and its Registrar and Transfer Agents.

#### Customers

Customers of FSC can raise their concerns regarding service deficiencies vide an escalation matrix mutually understood by both FSC and the Customer through both offline and online interfaces, which includes voice or email and all these concerns are taken up for necessary action by concerned team members. The customer is updated about actions being taken and to ensure the redressal was satisfactory, a confirmation call is made on random basis to resolve the complaint via maker-checker mechanism.


### Principle 2: Stewardship

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

FSC offers automated and IT enabled warehousing, distribution and other logistics solutions to a wide range of customers. The Company's service offerings, warehousing structure, pan-India distribution network, "hub-and spoke" transportation model and automated technology systems including amongst others a "Dynamic Put-to-Light (PTL) sortation system and a high-speed cross-belt sorter at its distribution centre at Nagpur to support its competitive market position.


#### Service Proficiency


The Company's business model enables it to act as a green service provider that can comprehensively cover customers' supply chain needs, which improves performance, reduces wastage, optimises cost, increases efficiencies, shortens lead-time to market, and positively impacts product life cycles.

 **Warehouse Management System (WMS)** - Provides customers with an inventory management tool that can be integrated directly with a customer's enterprise resource planning system, providing visibility of inventory in the distribution centre.



## Business Responsibility Report (Contd.)

 **Transport Management System (TMS)** - Provides shipment level visibility from pick-up to delivery to billing as well as routing solutions, and is linked to the enterprise resource planning system. The Company also integrates its customers' technologies with its own systems so as to provide the customers with proper visibility into their supply chain and enable real-time tracking.

 **Vehicle Tracking System (VTS)**- Provides real-time updates on location of the vehicle.

FSC strives to reduce food waste in supply chain operations through control mechanisms that monitor the threshold limit of the inbound product's remaining shelf life.

### Sustainable sourcing

The Company is in the process of integrating sustainability criteria as per the supply chain CoC. The Company expects that its critical suppliers comply with key parameters, which inter alia includes quality, compliance to applicable regulations, human rights, health & safety and environment. The Company intends to monitor progress periodically and ensure our suppliers adhere to our broad based sustainability targets for responsible supply chain in coming years.

There were no known incidents of non-compliance with regulations or voluntary codes resulting in fine, penalty or notices received concerning emissions, health and safety impacts of the Company's services.

### Truck Driver Safety

Ergonomic risks due to difficult and fixed seating postures, working and sleeping in congested spaces, long term exposure to air pollution, lack of hygiene and nutritious food, alcoholism and narcotics result in health issues.

Understanding the difficulties faced by the Indian truck driver community, FSC organised for a week's training programme and interactive sessions across all operations on the importance of safety, health, physical fitness and hygiene for them, while upholding their dignity and acknowledging their role.

### Local Logistics

FSC has a network of around 700 logistics service providers including small scale transport agencies and fleet owners. This ensures cost optimisation and promotes local entrepreneurship.

The Company in association with the Logistics Skill Council (LSC) intends to induct nearly 1,500 apprentices in the logistics stream across India at operator and supervisory roles through the SHREYAS program and is committed to increase the female participation at workplace. The Company actively participates in the National Apprenticeship Promotion Scheme (NAPS) to create support in skill development and creating local employment opportunities for people living outside metros.

In cases where local procurement is not a viable option due to lack of vendors or lack of alternatives that meet quality requirements, the Company procures services from registered vendors who are geographically more diverse.

### Principle 3: Employee Welfare

#### Business should promote the well-being of all employees

FSC's HR processes are guided by the inherent values of Future Group and are aligned with labour and human rights regulations that is applicable from time to time. It aspires to be an employer of choice in Indian logistics and warehousing solutions – offering new possibilities and encouraging people to rise up to new challenges every day.

FSC's HR policies ensure that there is no child labour, forced labour or any form of involuntary labour, paid or unpaid, at any of its premises.

#### Non-Discrimination in recruitment and employment

FSC follows a streamlined process, to conduct a fair and effective recruitment and career development process free of caste, creed, age, colour or gender bias, which is consistent with employment related legislation. To be an inclusive employer, FSC provides equal opportunities to people with disabilities. In order to build a pro-inclusion mind-set and create a positive environment amongst stakeholders, FSC has designed appropriate communication and training programs.

## Business Responsibility Report (Contd.)

The manpower strength at FSC as on March 31, 2019 was as follows:

Total Employee Strength	
Contractual	Permanent
11,402	1,905

Break-up of manpower at FSC as on March 31, 2019 was as follows:

Level	Offices		Warehouses		Total	
	Female	Male	Female	Male	Female	Male
1	11	27	16	595	27	623
2	21	75	22	697	43	772
3	25	115	5	212	30	327
4	6	37	0	20	6	57
5	0	21	0	0	0	21
	63	275	43	1525	105	1800




### Gender Diversity and Women Empowerment

FSC currently employs around 6% women in their workforce at Company level.

### Recruitment Programmes

#### Parichay

“FSC Parichay” is a comprehensive program due to its unique and inclusive features of robust assessments, regular feedback mechanism, mentoring / buddy program and on-going development through virtual learning platform. Every year FSC hires Engineering Trainees and Management Trainees who undergo a year-long induction program designed to equip them with technical / functional expertise, management techniques, and the corporate way of working. The three important elements of the program include:

-  Class Room Training (CRT) designed to give orientation and insight of organisation, supply chain industry, concepts and functional specifics.
-  Field Induction to acclimatise trainees with their work environment across our various establishments.
-  On-the-Job Training in their respective functions as per their Job Description.

#### FSC Summer Samurai:

FSC engaged with 19 students from premier Business Schools for two months of their Summer Internship. During their internship, they were mentored by various Business Heads and got hands on experience.

#### Promotion and Recognition:

The Company through an internal evaluation process has advanced a number of its employees, providing them with both a higher rate of pay and financial incentives.

### Employee Promotion for 2018-19

Gender	Inter Band Promotions	Intra Band Promotions	Total Promotions
Male	73	52	125
Female	8	4	12



## Business Responsibility Report (Contd.)

### Facilities for employee well-being ('Khushali')

Policies, such as Maternity leave as well as Paternity leave, continue to be in place as required by governing laws. Insurance policies, such as Medclaim, EDLI and Life security plans have been continued at Group level for eligible employees as per their grade. Employees are provided the liberty of a flexi time window that enable employees to achieve a work life balance.

Under FSCs' Khushali Programme, the Company has also partnered with various corporates to provide benefits for various employees such as:

#### Housing Benefits

FSC has partnered with reputed real estate developers to provide discount to employees while buying a house and other benefits such as buy back offerings and flexi-payment plan for houses at their desired location.

#### Healthcare Benefits

The Company provides health insurance to employees and their dependents, free ambulance and health check-up service at leading hospitals / medical check-up centres, and further discounts for other services. Through the Company's initiative, employees of the Company are benefitted with medical test and nutritionist support.

#### Cash discounts to the Employees:

The employees of the Company are provided benefits in the form of cash discount that can be availed on purchase of any merchandise, food products or any other products available at

various stores operated within Future Group. Cash discounts offered to the employees are over and above their remuneration/ salary.

#### Facilities for employees with special needs

The Company makes its facilities accessible to persons with disability (PWD) through ramps and wheelchairs, thereby creating opportunities for the disadvantaged community for employment and economic development.

#### Employee Retention

Overall development of the employee at Group level, including customised growth plans, is integrated to make employees journey at FSC fruitful. Along with this, an employee assistance plan is intended to help employees deal with personal and professional problems that might adversely impact work performance, health and overall well-being. The Company encourages employees to apply for Internal Job Postings so as to explore other formats and verticals.

### Employee growth, training and development and overall well-being

The Company ensures continuous skill and competence up-gradation of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. At FSC, an assessment of training needs is conducted at the warehouse, Head offices, branches and satellite offices for all employees. The training needs are mapped and such trainings are imparted accordingly.

Some of the training programs conducted this reporting year are as follows:

Training Name	Training Description	Employees Trained	Training hrs per employee	Training Man-Hrs	Training Man Days
SOP Training	Training on various operational SOPs in the Warehouse & Branches	951	5	4,755	594
Induction	Training for organisational orientation delivered for all new joinees	775	24	18,600	2,325
Stress Management	Training to effectively managing workplace stress, to improve productivity and personal well-being.	188	4	752	94



## Business Responsibility Report (Contd.)

Training Name	Training Description	Employees Trained	Training hrs per employee	Training Man-Hrs	Training Man Days
Material Handling Training	A training course to create an awareness of the potential hazards associated with handling materials and precautions to be taken to prevent injuries.	404	2	808	101
IT & Systems Training	Various IT trainings for the effective utilisation of current IT systems like Fareye, TMS and Advanced Excel	10	8	80	10
Innovation & Productivity Training	A training focused to increase productivity and innovation in the workplace	88	2	176	22
Application Training	Training on use of Future 360 platform to apply for regularisation, leaves, reimbursements and travel request	1,557	1.5	2,335	292
Attrition Management	Sensitising Managers for their role in attrition management	16	1	16	2
Quality: Six Sigma/5S Training	Process Improvement training with training on models like six sigma, 5S and quality circle	24	5	120	15
Finance: E-bay Bill & GST	The GST training is a comprehensive guide to the new Goods and Service Tax regulations.	24	4	96	12

### POSH Training

Awareness on the CoC and the sexual harassment policy is provided to all new employees during induction. POSH Committee training workshop for new employees covers topics related to investigation skills, basic counselling skills like listening, paraphrasing and dealing with biases through various kind of case studies and role plays activities based on real life examples. Workshop training also focused on the role of the Committee members, critical attitudes of a member, investigation process and report writing.

The Company also organises POSH trainings for its existing employees at various offices and warehouses to sensitise them about the definition of sexual harassment, identifying sexual harassment, protecting oneself from becoming a victim of sexual harassment and the reporting procedure of sexual harassment complaints.

Particulars	Nos.
POSH Committee Meetings conducted	12
Committee Members	25
Awareness Sessions for Employees	5
Employees Participated	95

FSC has scheduled other training sessions for raising awareness on sexual harassment of women at workplace for employees yet to attend the training program.



## Business Responsibility Report (Contd.)

### Creating an environment that is healthy and safe:

FSC embraces the Group’s policy of health and safety to ensure welfare of employees including contractors, sub-contractors and vendors through accident free operations.

FSC through project contractors has a dedicated person at warehouse level who is responsible for implementing the health and safety policy. Its safety systems are certified by the United Kingdom Accreditation Service (UKAS) for implementation of OHSAS 18001. The vendors (and their employees working at the site, wherever applicable) are formally inducted into the health and safety system and an undertaking is taken with respect to adherence of the code of practice with remedial measures by FSC in case of violations. The functions of the project contractor includes:

- 🚚 Ensure training of contract / permanent employees during induction or via tool box talks;
- 🚚 Ensuring that their direct and indirect employee(s) perform and commit themselves to the Occupational Safety Plan;
- 🚚 Ensure employees including contractual employees wear the mandated personal protective equipment (as per the International Safety standards and in good working conditions) at all times within the premises on basis of their function at the site;
- 🚚 On site fire fighting system checks, testing and demonstrations, conducting mock drill;
- 🚚 Ensure safe access and egress to the site by ensuring traffic rules are followed by vehicles / movement of goods at the premises, displaying necessary safety signages and barricades at areas having risk at workplace and undertake root cause analysis for all accidents / fatalities if any;

- 🚚 Ensure that hazardous material are collected, stored, disposed of or recycled in proper and sound manner without causing any harm to any property, person and environment;
- 🚚 Organising awareness campaigns around National Safety Week;
- 🚚 Organise safety meets with high representation of the contract employees;
- 🚚 Monitoring and evaluating safety performance effectively and take all appropriate actions to rectify and improve overall Safety performance;
- 🚚 Implementation of No Alcohol/Narcotics policy;
- 🚚 Ensure that all vehicles used for transportation & material handling equipment are fit for use and have valid certifications.

Standard operation procedures including wearing of personal protective equipment (including safety helmet, safety shoes, hi-visibility vest) and maintaining personal hygiene.

Additional safety precautions as per the procedures in place are as follows based on type of risk identified:-

- 🚚 **Fall Protection**– Full body harness should be used by all its employees working at the sites at all times when working at a height (more than 1.5 meters from the ground). Additional fall protection equipment’s like safety nets may be made available and used at the sites.
- 🚚 **Cutting/Grinding/Welding**– The Project Contractors employees carrying out the activity shall wear safety goggles and masks in order to prevent eye injury.
- 🚚 **Handling sharp objects** – Project Contractors employees should handle such objects only after wearing anti-cut gloves.

During the year under review, the Company undertook training programs to sensitise employees about the EHS policy

Training Name	Employees Trained		Contractual Employees		Permanent Employees	
	Male	Female	Male	Female	Male	Female
Occupational Health and Safety Training	36	8	30	7	6	1
Workplace Safety Training	479	127	403	108	76	19

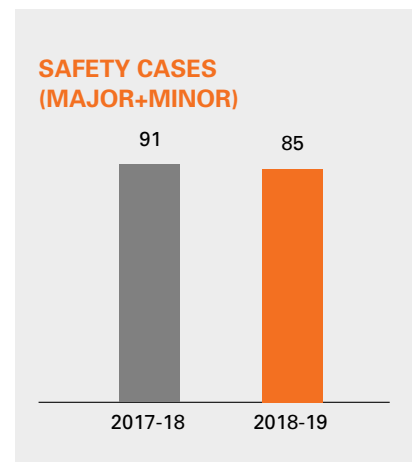
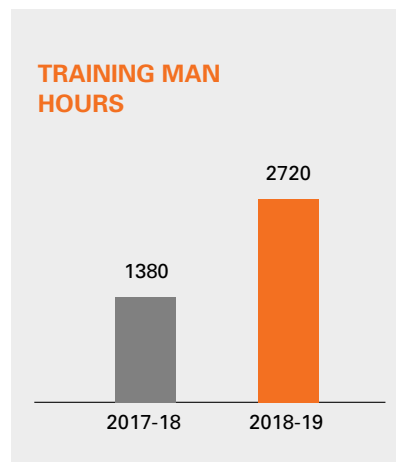
## Business Responsibility Report (Contd.)

Training Name	Employees Trained	Training Duration (hrs)	Training Man-Hrs	Training Man Days
Occupational Health and Safety Training	44	4	176	22
Workplace Safety Training	636	4	2,544	318

FSC ensures compliance to fire safety as per the local authority requirements as mandated. Audit is also conducted on annual basis through an insurance company. Functioning of all equipment such as sprinklers and fire hydrants are checked at all operating sites for loss prevention during a fire, emergency exits remain unblocked and can be easily identified through appropriate signage.

### Health and Safety

Key matters	2018-19	2017-18
Lost time accident	1	4
Minor cases	30	36
Near miss cases	54	51
<b>Total cases</b>	<b>85</b>	<b>91</b>



### Food Safety

The Mehsana Units are in the process of implementing ISO 22000 (Food Safety Standards), the accreditation is expected in the coming financial year.

### National Safety Week

The theme to the National Safety week held during March 4, 2019 to March 10, 2019 was "Cultivate and Sustain a Safety Culture for building Nation". "Safety

Culture" is the baseline for the success of Safety efforts in any organisation and it is an attitude that every member at a workplace requires to own, to prevent harm to its peers. Safety pledge within the organisation recites as "Safety starts with "S" but begins with "U".

The Company engaged with employees through various activities including drawing, essay writing, poster making and slogan competitions on warehouse safety

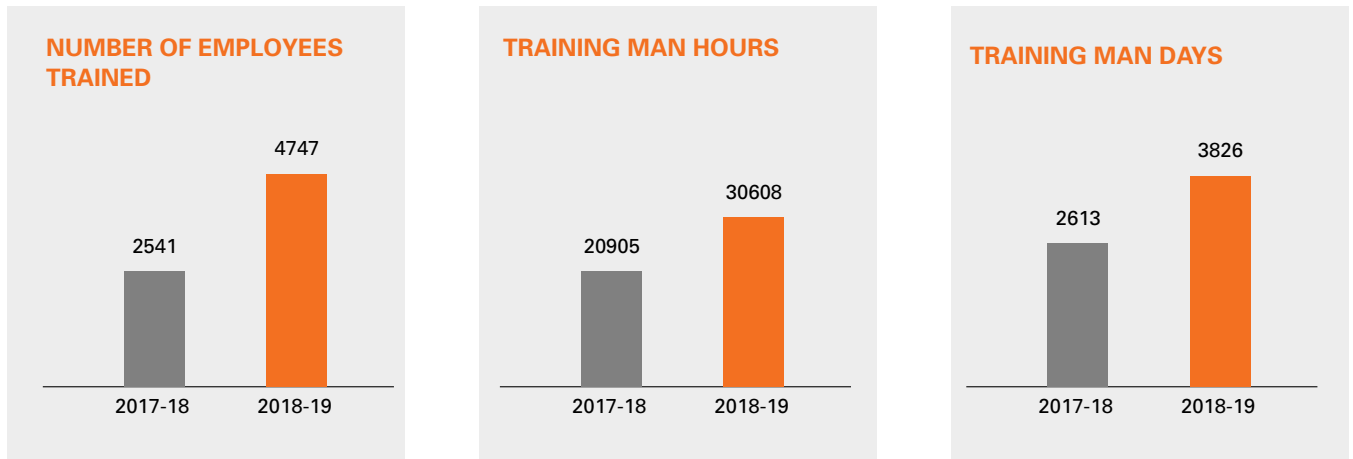


## Business Responsibility Report (Contd.)

themes, quiz competitions and crosswords to highlight the importance of Safety, Health and Environment at workplace and to instill responsibility amongst

employees to make their working environment safer. The organisation organised a safety march and mock drill to further deepen the understanding.

### Training Performance Summary



### Principle 4: Stakeholder Engagement

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

FSC's manifesto encourages its stakeholders to explore the unexplored areas and write new rules to create new opportunities and success as we continue believing in our mantra "Rewrite Rules, Retain Values".

FSC's stakeholders include its shareholders / investors, employees, community, suppliers, government, and customers. FSC through its stakeholder engagement policy encourages transparency in dealings, effective communication and effective grievance mechanisms for responding to stakeholder concerns.

The company is in the process of strengthening its stakeholder engagement process, understanding material issues, impacts and expectations. The progress of the same will be presented during the coming financial year.

The Company proactively engages with stakeholders through formal and informal channels and create a common dialogue that allows learning, understanding

of the operating environment, pooling of resources to positively impact and resolve problems that makes the organisation perform better.

### Statutory bodies

FSC maintains all its records as statutorily required and ensures internal and external compliances. FSC whilst ensuring compliances also interacts with various authorities and statutory bodies, as and when required.

### Investor Engagement / Shareholders

The Company has an Investor Relations department, which proactively reaches out to institutional investors through participation in investor conferences that target institutional investors and high net worth individuals.

During the reporting period, some of the major conferences attended by the Company include:

1. Edelweiss GWAM Emerging Ideas Conference on November 27, 2018, Mumbai;
2. Antique India Conference on February 12, 2019, Mumbai;
3. Edelweiss India Conference on February 13, 2019, Mumbai;
4. Philip Capital Conference on March 14, 2019, Mumbai.

## Business Responsibility Report (Contd.)

FSC has also engaged with an external PR agency, with the objective to create awareness on FSC in Financial Media, so that investors have wide access to information. Any information that is shared with media is also filed on the stock exchanges and is available to all relevant stakeholders. The Company issues a press release when it wants to share any new business development.

FSC values investor concerns and at every investor meet the Company presents initiatives taken by the Company to improve key performance indicators and projections in business growth.

### Employee Engagement

The Company engages with its employees at all levels in order to boost their morale, provide equal opportunities, nurture talent and develop their creativity, help in increasing their commitment and passion towards their individual goals and self-development. Various programs and activities were conducted during the year under review.

The Company engaged with its employees including contractual employees on various events during the year, by:

-  Celebrating dates of national importance such as Republic Day and Independence Day by flag hoisting, remembering the brave martyrs of our land through songs, dance and drama;
-  Organising sports tournaments like cricket, badminton and carom;
-  Celebrating World Yoga Day by promoting good health and fitness;
-  Celebrating birthdays of employees;
-  Celebrating Women's Day by organising a cultural event of song, dance and fun events;
-  Organising frequent FSC Knowledge Café at Head Office to induce a culture of knowledge sharing and inspiration that strengthens team spirit and expands thought process;
-  Camping and trekking;
-  Recreating on regional festivals such as Durga Puja and Diwali.

### Customer Engagement

FSC has defined Service Level Agreements (SLAs) for each of its customers, which focus on timely delivery to stores, safety of stocks, no damaged or defective products and no pilferage. The Company engages with customers to design solutions for new business opportunities.

Review meetings are conducted on monthly / quarterly basis with the customers to discuss the business plans ahead, issues if any and suggest solutions for the same.

### Supplier / Vendor Engagement

FSC engages actively with its suppliers vide meetings, business meets and workshops.






Recently, the company hosted Reimagine, a special two-day meet at Nagpur to connect with its vendor partners to felicitate them and discuss both long term vision and opportunities of growth.

FSC's suppliers are also provided with managerial and technical assistance at regular intervals and on need basis to train them on practices and procedures that will ensure improvements in Productivity, Safety and Moral.

### Communities

FSC involves communities surrounding its operations to bring about a positive change in their lives through holistic, sustainable and integrated development.

The Company engages with its community through various initiatives including:-

-  **Blood Donation Drive:** Organised blood donation camps across 17 cities and contributed 708 units of blood;
-  **National Road Safety Week:** Created awareness on road safety, health & hygiene in the truck driver community through training and practical demonstrations
-  **Health Check-up camps**
-  **Tree plantation drives**
-  **Joy of Giving:** Celebrated Diwali with the theme "Joy of Giving"; FSC team visited students who are visually impaired and intellectually disabled at schools and donated books, clothes, food and water filters.



## Business Responsibility Report (Contd.)

During the reporting period FSC deployed funds set aside for its community social responsibility activities through the Sone Ki Chidiya Foundation to support the vulnerable and the marginalised through actions that addressed basic needs, including nutrition and livelihood interventions. (Please refer to Principle 8 for more details)

### Principle 5: Human Rights

#### Business should respect and promote human rights

Future Group's human rights policy extends to all entities in the Group, including FSC. The Company is committed to upholding human rights, and recognises and respects human rights of all stakeholders within and beyond the workplace. The intent of this is being conveyed to all stakeholders.

The contracts with suppliers, contractors and vendors states various compliances to be made by them under applicable labour laws, salary / wage payments within prescribed time limits, medical facilities to be provided, and also ensuring applicable deductions including PF, ESIC, contributions to various funds like Gratuity and other retirement benefits.

The Company ensures collection of age and identity proofs and PAN cards wherever applicable of all candidates hired and contracted with to ensure compliance to a 'no child labour policy'. FSC ensures non-discrimination by giving equal opportunity to all candidates irrespective of their caste, race, religion or gender.

The Company ensures that all concerned individuals impacted by the business have access to grievance mechanisms. No complaints were received during the period under review.

#### Karta se Charcha

FSC provides its employees ample opportunities to voice their needs. Senior management team follows an open door policy approach to hear any grievances, feedback or suggestion from concerned employees. Karta se Charcha is one of the initiatives taken to establish a senior management connect with employees across the country.

Once a quarter, the CEO along with other senior management representatives addresses the employees

across zones via webinar. The session usually lasts for 2-3 hours where the CEO communicates recent achievements and developments along with initiatives for the next quarter.

FSC's employees express challenges and grievances via an online platform to senior management representatives. Adequate feedback and response mechanisms encourage openness and quick resolutions, hence FSC's employees do not feel the need to participate in collective bargaining activities.

The Company ensures that stakeholders impacted by the business have access to grievance mechanisms. No such complaints in this regards were received during the period under review.

### Principle 6: Environment

#### Business should respect, protect and make efforts to restore the environment

Resource efficiency is an important pillar of the sustainability framework of any organisation. FSC recognises the environmental challenges that the society faces and is committed to work throughout their value chain to help solve them. Environmental issues that are material include energy, water, emissions, fuel supply and waste.

FSC strives to comply with all applicable environmental norms, within the local and national boundaries.

#### Energy Efficiency and Climate Stewardship:

During the reporting period FSC proactively initiated actions to improve its energy performance across distribution centres, in keeping with the Group's Energy and Carbon Policy that outlines low carbon transformation through reduced energy consumption and procuring energy from renewable sources.

FSC deploys the hub and spoke model and milk runs for the transport of goods to multiple locations vide its distribution centres, which optimises consumption of fuel and emissions to the atmosphere.

The Company has undertaken feasibility studies for installation of solar panels at 15 warehouse locations and endeavours to switch from conventional to renewable sources of energy to reduce its carbon footprint.

## Business Responsibility Report (Contd.)

### Air Emissions:

FSC audits its emissions and conducts checks in order to comply with emission norms from DG sets, as defined by concerned Pollution Control Boards (PCBs) at periodic intervals. All vehicles on duty at FSC undergo vehicle emission tests and comply with emission norms as defined by the concerned PCBs.

### Water Conservation:

The Company has instituted its water stewardship policy, which encourages its operations to initiate water conservation measures.

The Company consciously explores ways to reduce water consumed in its operations, one such example is the implementation of the crate washing system. The water consumed is recycled through a closed loop system of automated processes including pre-washing, hot water wash, detergent wash, sensing and drying. The crate moves forward on a conveyer belt assembly at a specified speed as per level of dirt and cleaning required, thus optimising water consumed.

Going forward the Company will plan and initiate water conservation programs wherever feasible across its pan India operations.

### Waste management:

Waste generated at its offices / distribution centres is managed as per applicable norms, segregated at source and handed over to waste handlers.

There were no incidents of non-compliance with regulations resulting in penalty or notice or fine was received by the Company. Further, during the reporting year, there were no show cause and legal notices received by the Company which are pending from the CPCB or SPCB at any of the Company's operations.

### Principle 7: Public Advocacy

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

FSC is committed to public good. However, the Company has not advocated or lobbied with Government officials or institutions. FSC actively participates in industry events and is a member of the Confederation of Indian Industries (CII)-National Committee on Logistics and Shipping.

Management and the senior leadership team interact with various professional bodies and organisations to anticipate and understand the Government regulations, economic scenario, industrial environment and advancement of public goods and services.

### Principle 8: Inclusive Growth

#### Business should support inclusive growth and equitable development

FSC works with various communities, employs young Indians in rural and urban areas, engages with regional logistics and service providers, works closely with suppliers and distribution systems across the country and interacts with various stakeholders who are closely linked to its business.

In the global business arena, diversity and inclusion are no longer about workplace compliance. Rather, they are core drivers of business growth and central to a Company's identity. Workplace diversity in an inclusive atmosphere fosters greater creativity, innovation, and effectiveness. Diversity of experience, knowledge and ideas strengthen an organisation. To accomplish this experience at FSC, the Company works tirelessly to eliminate the barriers that stand between minorities and women in their attempts to succeed and lead.

#### All Women Distribution Centre- Nimji, Nagpur

##### A positive step towards women empowerment

The Company believes, "She who has immense power and determination in her is a woman. She does everything, plays so many roles wearing a smile on her face." The women who run the distribution centre (DC) at Nimji, handle everything from inventory management to dispatch efficiently.

The Company has established an all-women run DC 'Shakti' in Nimji, Nagpur. The DC is fully equipped with Transportation Management System and Warehouse Management Systems softwares.

Logistics sector has historically been male-dominated and perceived to be labour intensive and the Company takes pride through this initiative not only to promote diversity and inclusion in workplace but also due to the increasing productivity of its workforce.






## Business Responsibility Report (Contd.)

### Humanitarian Support

Disasters create devastating human suffering that demands coordinated, swift relief efforts. Humanitarian crises can disrupt businesses operations, destroy infrastructure, and bring most forms of productive commerce to a halt. FSC organised and delivered essential goods such as drinking water, biscuits, in a timely manner during various disasters such as Kerala flood relief, and Nathupur fire, Gurgaon that took place in the reporting period.

During the reporting period, the Company spent ₹ 1.27 crore on CSR projects and activities as per Schedule VII of the Companies Act, 2013.

The 'Sone Ki Chidiya Foundation' - the implementing agency, has carried out the following CSR projects:

-  Reducing inequalities faced by socially and economically backward groups through access to basic goods worth ₹ 91.72 Lakh through Goonj which has benefited 17,000 households across Kerala
-  Creating livelihood opportunities for 55 women between the ages of 18 to 40 years who are widowed/single mothers from below poverty line (BPL) households having minimum 5th standard pass by setting up a tailoring unit at Nagpur through Aastha Lok Sanchalit Sandhan Kendra vide donations in cash worth ₹ 22.67 Lakh.
-  Reducing hunger, poverty and malnutrition by improving the nutritional status of children between the ages of 0 to 6 years in 200 households while imparting scientific knowledge to the community with respect to nutrition, clean drinking water, sanitation and hygiene(WASH), and enable behavior change through community based mechanisms in partnership with the All India Institute of Local Self Government through cash donations of ₹ 12.66 Lakh.

(For further details on CSR, please refer to CSR Report annexed to Directors' Report for the year ended March 31, 2019).







### Principle 9: Value to customers

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

FSC values its customers and works towards increasing customer loyalty by adhering to highest standards of quality and compliance requirements, while addressing social and environmental concerns of the community. The Company places the highest priority to add velocity to its customers' aspirations.

The Company's activities are governed by its knowledge of the requirements of customers and the market. The Company includes and prioritises customer focus in all its business processes, projects and dealings. Knowing that the Company will be measured by its ethical, social and environmental performance as much as by the quality of its service, FSC strives for best practice in all these areas to secure customer trust and goodwill and thus enhance its reputation.

The Company's Service Level Agreements delineate the following value proposition to its customers:-

-  Vertical storage thus reducing area cost;
-  Advanced material handling systems to retrieve material from racks;
-  Advanced WMS for managing inventory storage and retrievability;
-  Best in class TMS and VTS for better in-transit visibility;
-  Dedicated Customer Account Manager (CAM);
-  High focus on Quality (ISO 9001) and Safety (OHSAS).

The Company proactively interacts with customers for better and higher customer centricity (Please refer to Principle 4 for more details related to customers) and have set in place a robust grievance mechanism, to



## Business Responsibility Report (Contd.)

address complaints (Please refer to Principle 1 for more details on grievance mechanism).

The Company is not in the business of manufacturing products, hence product labelling is not a primary concern to the Company. However the service level agreement with customers provide information on the health and safety aspects during loading/unloading

of material and standard operating procedures with respect to billing, acceptance and return of product and in case of losses a defined redressal process.

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



# Corporate Governance Report

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company places strong emphasis on best governance practices and considers it as an integral part of the business. The Company's philosophy on corporate governance is to demonstrate good corporate citizenship through sound governance practices, environmental awareness and ethical behaviour not only to attain corporate objectives but also to align them with economic and social goals for the betterment of all stakeholders and community at large.

The framework of corporate governance provides for conducting the business according to the system, practices and processes, which are further strengthened with adoption and implementation of various codes and policies in compliance with the applicable regulatory provisions and ensures transparency and accountability at various organisation levels including the Board and its various Committees. Various codes and policies are available on Company's website [www.futuresupplychains.com](http://www.futuresupplychains.com). These codes and policies ensure the best standards of Corporate Governance by maintaining strong business fundamentals through persistent focus on the core values and principles such as commitment to bring efficiencies in business operations, best services to its customers, assuring adequate health and safety measures for its people, equal opportunities in employment, meeting corporate social responsibilities, fair and timely disclosures, compliance with the relevant rules and regulations and maximising overall stakeholders' value.

The Company has in place a code of conduct for the Board of Directors and senior management personnel ("Code of Conduct") laying down the corporate ethics to be practised by entire management cadre. Your Company ensures compliance with the regulations 17 to 27 read with Chapter V and clause (b) to (i) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") and also the applicable provisions of the Companies Act, 2013 including amendments thereto (the "**Act**").

## II. GOVERNANCE STRUCTURE

### A. Board Of Directors

The composition of the Board of Directors is in conformity with the requirements of the Act and Listing Regulations with an optimum combination of Executive, Non-Executive and Independent Directors. The Board approves corporate strategies, which are intended to allocate corporate resources for long term growth and build sustainable long-term value for the stakeholders. In addition to the information and documents pertaining to any specific agenda items, the Board of Directors is regularly provided the information as prescribed under Part A of Schedule II to the Listing Regulations for its review/ suggestions/ approvals. As on March 31, 2019, the Board comprises seven Directors including two women. None of the Directors on the Board is serving as an Independent Director in more than the limits as specified in Regulation 25 of the Listing Regulations.

#### 1. Matrix setting out skills/ expertise/ competence as identified by the Board

The Board skills matrix provides a guide as to the skills, knowledge, experience and other criteria appropriate for the functioning of the Board. The Board has identified this matrix as a tool to assist with professional development initiatives for Directors. The Company believes in skills-based composition of the Board comprising of Directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation. These are broadly categorised under following aspects:

##### **Governance**

This category includes skills relevant to performing the Board's key functions such as strategic planning, policy development, financial performance, risk & compliance oversight, overall experience, age and business understanding.

##### **Industry specific**

This category includes skills relevant to the industry or section in which the Company operates such as business development, vendor management, technology, marketing & communication and operational efficacy.

## Corporate Governance Report (Contd.)

### Personal attributes & qualities

This category includes criteria which are generally considered desirable to be an effective Director possessing specific qualities like leadership, effective communication, honesty, independence, commitment, professionalism etc.

#### 2. Relevant information on composition of the Board during financial year ended March 31, 2019

Name of Director & Category	Name of other Listed entities where he/she is a director & (category of directorship)	No. of Directorships <sup>1</sup>		No. of Memberships / Chairmanships of Committees in public companies <sup>2</sup>		No. of equity securities held in the Company
		Public	Private / Non-profit	Memberships	Chairmanship	
Rakesh Biyani (Chairman & Non-Executive)	- Future Retail Ltd. (Executive); - Future Lifestyle Fashions Ltd. (Non-Executive); - Dollar Industries Ltd. (Independent)	6	6	3	Nil	Nil
Bala Despande (Independent)	- Future Enterprises Ltd. (Independent); - Info Edge (India) Limited (Non-Executive)	3	5	3	1	Nil
C P Toshniwal (Non-Executive)	- Future Lifestyle Fashions Ltd. (Non-Executive);	7	3	3	1	Nil
Janat Shah (Independent)	- Orient Cements Ltd. (Independent);	2	1	2	0	Nil
Mayur Toshniwal (Executive)	None	1	2	1	0	10,022 (Equity shares)
Amar Sapra (Independent)	None	0	0	1	0	Nil
Malini Chopra <sup>3</sup> (Independent)	None	1	0	1	0	Nil
Rahul Garg <sup>4</sup> (Independent)	Future Retail Limited (Non-Executive)	0	0	2	0	Nil
Shyam Maheshwari <sup>5</sup> (Non-Executive)	None	0	0	0	0	Nil

None of the Directors of the Company has any inter-se relationship amongst themselves. The details of the familiarisation program of the Independent Directors are available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

<sup>1</sup> Does not include directorships in foreign companies

<sup>2</sup> Only Audit Committees and Stakeholders' Relationship Committees that of the Company are included

<sup>3</sup> Appointed w.e.f. February 7, 2019 subject to approval of shareholders

<sup>4</sup> Resigned w.e.f. February 7, 2019

<sup>5</sup> Resigned w.e.f. November 2, 2018



## Corporate Governance Report (Contd.)

### 3. Meetings and attendance

During the year under review, total five meetings of Board of Directors were held on April 25, 2018, August 7, 2018, September 25, 2018, November 2, 2018, February 7, 2019. The gap between two meetings did not exceed number of days as prescribed in the Listing Regulations and the Act. Details of meetings and attendance by the Directors of the Company are as under:

Name of Director	No. of Board Meetings		Attended AGM held on August 22, 2018
	Entitled to attend	Attended	
Rakesh Biyani	5	5	Yes
Bala Despande	5	5	Yes
C P Toshniwal	5	5	Yes
Janat Shah	5	2	No
Mayur Toshniwal	5	5	Yes
Amar Sapra	5	4	No
Malini Chopra	1	1	N.A.
Rahul Garg	5	4	No
Shyam Maheshwari	4	4	No

### 4. Resignation of Independent Director

During the year under review, Rahul Garg – Independent Director of the Company, resigned before the expiry of his tenure. Rahul Garg tendered his resignation with a view to avoid any conflict of interest possibly arising on investment in other group company(ies) by the investment fund where he is part of the management. A written representation has also been received by the Company from Rahul Garg stating that there was no other material reason of his tendering the resignation. The said representation was also submitted to the Stock Exchanges pursuant to the Listing Regulations.

### 5. Code of Conduct

The Board has laid down Code of Conduct for all Directors and Senior Management of the Company to conduct their activities in the best interest of the Company and exercising due care and diligence while performing their duties. The said Code of Conduct is hosted on website of the Company at <http://www.futuresupplychains.com/code-policies.html>

All Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the financial year ended March 31, 2019. A declaration to this effect signed by the Managing Director forms part of this Corporate Governance Report.

### 6. Confirmation

The Board of Directors confirms that in its opinion, the Independent Directors of the Company fulfil the conditions specified in the Listing Regulations and are independent from the management of the Company.

### B. Audit Committee

The Audit Committee of the Company comprises three Directors. All the members of the Committee are Independent Directors. Bala Despande is the Chairperson of the Audit Committee. All the members of the Committee possess adequate accounting and financial knowledge. The Company Secretary functions as a Secretary to the Committee. During the year, four meetings of the Audit Committee were held on April 25, 2018, August 7, 2018, November 2, 2018 and February 7, 2019.

## Corporate Governance Report (Contd.)

### 1. Relevant information on composition of the Audit Committee during the financial year ended March 31, 2019








Name of Director	Category	Designation	No. of Meetings	
			Entitled to attend	Attended
Bala Despande	Independent Director	Chairperson	4	4
Janat Shah	Independent Director	Member	4	1
Malini Chopra <sup>6</sup>	Independent Director	Member	None	Nil
Rahul Garg <sup>7</sup>	Independent Director	Member	4	4

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

### 2. Terms of Reference

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

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















-  oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
-  recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
-  approval of payment to statutory auditors for any other services rendered by the statutory auditors;
-  reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
-  reviewing, with the management, the quarterly financial statements before submission to the board for approval;
-  reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
-  reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

<sup>6</sup> Inducted on February 7, 2019







<sup>7</sup> Ceased to be member of the Audit Committee on February 7, 2019



## Corporate Governance Report (Contd.)

-  approval or any subsequent modification of transactions of the company with related parties; [Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed];
-  scrutiny of inter-corporate loans and investments;
-  valuation of undertakings or assets of the Company, wherever it is necessary;
-  evaluation of internal financial controls and risk management systems;
-  reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
-  reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
-  discussion with internal auditors of any significant findings and follow up there on;
-  reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
-  discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
-  to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
-  to review the functioning of the whistle blower mechanism;
-  approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
-  Carrying out any other function as is mentioned in the terms of reference of the audit committee.
-  Effective from April 1, 2019, role of the Audit Committee also includes reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

### 3. Review of information

-  management discussion and analysis of financial condition and results of operations;
-  statement of significant related party transactions (as defined by the audit committee), submitted by management;
-  management letters / letters of internal control weaknesses issued by the statutory auditors;
-  internal audit reports relating to internal control weaknesses;
-  the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
-  statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) Annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

## Corporate Governance Report (Contd.)

### 4. Related Party Transactions

Transactions with related parties were reviewed / approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. During the year under review, there were no materially significant transactions entered into with any related party that may have potential conflict with the interests of the Company at large. The details of related party transactions are given in notes forming part of the Financial Statements for the year ended March 31, 2019. Policy on dealing with related party transactions is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>

### 5. Whistle Blower Policy/Vigil Mechanism

The Company has established a whistle blower policy/vigil mechanism. This policy aims to provide an avenue for stakeholders to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices. The whistle blower policy, inter-alia, provides a direct access to the Chairperson of the Audit Committee. No person has been denied access to the Audit Committee. The establishment of vigil mechanism is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>. A policy on whistle blower is available on Company's website at <http://www.futuresupplychains.com/code-policies.html>.

## C. Nomination And Remuneration Committee

The Nomination and Remuneration Committee of the Company ("NRC") plays a leadership role in shaping the corporate governance of the Company, strives to build an engaged and diverse Board whose composition is appropriate in light of the Company's requirements and strategies. The NRC develops an executive compensation philosophy, adopts and oversees the implementation of compensation policies that designs compensation packages for the Directors and Senior Management Personnel to incentivise for the creation of long-term value, and develops meaningful goals for performance-based compensation that support the Company's long-term value creation strategy. The NRC comprises three Non – Executive Directors, out of whom majority are Independent Directors. During the year under review, total two meetings of the NRC were held on April 25, 2018 and February 7, 2019.

### 1. Relevant information on composition of the NRC during the financial year ended March 31, 2019

Name of Director	Category	Designation	No. of Meetings	
			Entitled to attend	Attended
Bala Despande	Independent Director	Chairperson	2	2
Rakesh Biyani	Non -Executive Director	Member	2	2
Rahul Garg <sup>8</sup>	Independent Director	Member	2	2
Malini Chopra <sup>9</sup>	Independent Director	Member	None	NA

### 2. Terms of reference:

The terms of reference are reviewed from time to time by the Board. The NRC has been mandated to comply with the requirements as specified in Part D of the Schedule II to the Listing Regulations,

<sup>8</sup> Resigned on February 7, 2019

<sup>9</sup> Inducted on February 7, 2019



## Corporate Governance Report (Contd.)

provisions of Section 178 of the Act and Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014, as may be applicable. The role of the NRC, inter-alia, includes the following:

-  To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
-  To formulate criteria for evaluation of Independent Directors and the Board;
-  To devise a policy on Board diversity;
-  To Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
-  Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
-  To establish and from time to time review the policy for ESOP and ESOS as well as issuance of SWEAT equity shares and recommend the grants of grants to be made under ESOP / ESOS; and
-  To review Company's remuneration and human resources policy.
-  Effective from April 1, 2019, role of NRC also includes to recommend to the Board, all remuneration, in whatever form, payable to Senior Management cadre of the Company.

### 3. Performance evaluation criteria for Independent Directors

The Board works with the NRC to lay down the evaluation criteria for the performance of the Chairman, the Board, Committees, Executive Directors, Non-Executive Directors and Independent Directors through a peer evaluation, excluding the Director being evaluated. The Independent Directors were evaluated on the criteria such as engagement, leadership, analytical, quality of decision-making, interaction, governance, etc.

### 4. Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration and other benefits and also rewarding performance of key employees by granting stock options to contribute and participate in the overall corporate growth and financial success. The remuneration policy is in line with the industry standards and also aligned with the practices prevailing within the Group.

### 5. Remuneration policy for Executive Directors

The Company pays remuneration by way of salary, benefits, perquisites and allowances and variable bonus to the Managing Director, as approved by the Board and the shareholders of the Company. In determining the remuneration package of the Executive Directors, the NRC evaluates various criteria like competency, experience and ability of the candidate, remuneration prevailing in industry, specific skills required for the business operations etc. and thereafter makes its recommendation to the Board. Annual increments are decided/ recommended by the NRC within the scale of remuneration as may be permissible under the statutory provisions. Performance criteria for Executive Director entitled to variable bonus are determined by NRC in accordance with the remuneration policy.



## Corporate Governance Report (Contd.)

### 6. Criteria of making payments to Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending meetings of the Board and Committee (except CSR Committee) of the Board including meeting of Independent Directors, as decided from time to time by the Board. The Company reimburses other out of pocket expenses incurred by the Non Executive Directors for attending the meetings. The Company does not pay any other remuneration to any Non Executive Director.

### 7. Details of payment of remuneration to Managing Director / Executive Director / CEO

The remuneration paid to the Managing Director / Executive Director / CEO for the year ended March 31, 2019 is as under:

Name	Salary including bonus (₹ in Lakh)	Perquisites (₹ in Lakh)	Total (₹ in Lakh)	Total Contract Period	Notice period in months	Stock Options granted (Nos.)
Mayur Toshniwal (Managing Director)	225.94	22.93	248.87	3 years	1	Nil
P V Sheshadri (CEO)	134.52	0.37	134.89	N.A.	1	Nil

### 8. Details of payment of remuneration to Non-Executive Directors

Sitting fees paid to Non-Executive Directors during the year under review is as under:

(₹ in Lakh)			
Name of Director	Sitting fees paid	Name of the Director	Sitting fees paid
Rakesh Biyani	1.80	C P Toshniwal	1.80
Bala Despande	3.15	Rahul Garg	2.85
Amar Sapra	1.50	Janat Shah	0.90
Shyam Maheshwari	Nil	Malini Chopra	0.30

Apart from reimbursement of expenses incurred in the discharge of their duties and the payment of sitting fees as entitled under the Act, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management, which in their judgment would affect their independence. None of the Directors of the Company is related to one another.

### D. Stakeholders' Relationship Committee

The Stakeholder Relationship Committee ("SRC") meets as and when required to consider the transfer proposals and attend various aspects of interest of the security holders. During the year under review, total two meetings of SRC were held on April 25, 2018, and August 7, 2018.

#### 1. Relevant information on composition of the SRC during the financial year ended March 31, 2019





Name of Director	Designation	No. of meetings	
		Entitled to attend	Attended
C P Toshniwal	Chairman	2	2
Amar Sapra	Member	2	2
Mayur Toshniwal	Member	2	2

Vimal Dhruve - Company Secretary, is the Compliance Officer of the Company.



## Corporate Governance Report (Contd.)

### 2. Role of SRC <sup>10</sup>

-  Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
-  Review of measures taken for effective exercise of voting rights by shareholders;
-  Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
-  Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

With a view to expedite the process of share transfers, necessary authority has been delegated to the Registrar & Transfer Agent of the Company – Link Intime India Private Limited.

### 3. Investors' Grievance Redressal

Details of investor complaints received and resolved during the year under review are as follows:

Complaints at the start of the year	Received during the year	Resolved during the year	Complaints pending at the end of the year
0	6	6	0

### 4. Unclaimed Dividend of earlier year(s)

During the year no unclaimed dividend is due for transfer to Investor Education & Protection Fund. The details of unclaimed dividend of earlier year(s) are available on the website of the Company [www.futuresupplychains.com](http://www.futuresupplychains.com).

A shareholder / any other person claiming to be entitled to any amount transferred to unpaid dividend account, is advised to write to the Company/ RTA and provide requisite details i.e. name of the shareholder entitled to the dividend, amount of unclaimed dividend, DP ID- Client ID or Folio No., year for which amount has remained unclaimed, bank account details for electronic transfer and any other information as may be sought by the Company/ RTA to enable them to process the payment of unclaimed dividend.

### 5. Unclaimed Shares

There are no shares lying in the unclaimed suspense account as on March 31, 2019.

### 6. Share Transfer System

Trading in equity shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form, if any, are registered and returned within a period of 15 days from the date of receipt of the documents, provided the documents are valid and complete in all respects. Investors are requested to take note that pursuant to the respective notification by the Ministry of Corporate Affairs, BSE Limited and the National Stock Exchange of India Limited, transfer of shares held in physical mode is not permissible from April 1, 2019. No transfer of securities held in physical mode is permitted from the said date. In view of this, investors are advised and recommended to dematerialise the security of the Company held by them at earliest to avoid any delay for transfer. A detailed process for dematerialising the securities is available on the website of the Company [www.futuresupplychains.com](http://www.futuresupplychains.com)

<sup>10</sup> Revised w.e.f. April 1, 2019 in view of statutory amendments

## Corporate Governance Report (Contd.)

### 7. Voting by shareholders

The Committee strongly emphasises and recommends to the shareholders to cast their valuable votes on any resolution proposed to them. To enable the shareholders to exercise their voting rights, the Company provides dual facility of voting most convenient and suitable to them.

**E-Voting:** In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, the Company provides to its shareholders a facility to exercise their votes on any resolution proposed to them through electronic mode (“e-voting”). The shareholders who are not able to attend any general meeting of the Company may use this facility of casting their votes by using an electronic voting system of a Depository to be engaged by the Company for the purpose. Since electronic system does not allow change of vote once exercised, shareholders are advised to make sure of his voting pattern before casting of vote through e-voting. A notice of any general meeting/ postal ballot generally contains the detailed procedure for the benefit of the shareholders to enable them to exercise their voting rights through e-voting.

**Voting at general meeting:** Shareholders may cast their votes at any general meeting of the Company through a ballot paper to be provided by the Company at such general meeting if they have not exercised their voting rights through e-voting.

Voting on any resolution more than once is not permitted. In case shareholders vote by both the means i.e. e-voting as well as through ballot paper at the general meeting, then votes cast through remote e-voting is considered. Further, any shareholder who has exercised his vote through e-voting is also entitled to attend the relevant general meeting but shall not be entitled to vote thereat.

### E. Corporate Social Responsibility Committee

Your Company is committed to empower the society and improve the quality of life of the communities through its various corporate social responsibility (“CSR”) initiatives. The CSR Committee is constituted in line with the provisions of Section 135 of the Act. C P Toshniwal - Non-Executive Director, is the Chairman of the CSR Committee. Other members of the CSR Committee are Rakesh Biyani - Non-Executive Director and Amar Sapra - Independent Director. One meeting of CSR committee was held during the year on August 7, 2018. The meeting was attended by all the members. The Committee had identified the program(s) and recommended to the Board for spending CSR amount thereon. The disclosures as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form, which is appended to the Board’s Report. The Company carries out its CSR activities through ‘Sone Ki Chidiya’ foundation. The Policy adopted by the Company can be viewed at <http://www.futuresupplychains.com/code-policies.html>. The terms of CSR Committee include the matters specified in the Section 135 of the Companies Act, 2013, Schedule VII to the Act and applicable rules made thereunder. The minutes of the meetings of CSR Committee are taken note of by the Board of Directors.

### F. Committee of Directors

The Board of Directors have constituted a Committee of Directors comprising C P Toshniwal, Rakesh Biyani and Mayur Toshniwal to ensure support routine operations and activities of the Company in addition to the specific powers delegated by the Board. The committee meets as and when required.

### G. Risk Management

The Company has a well-defined risk management framework in place commensurate with the size and nature of the operations, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risks associated with the business of the Company. The Audit Committee / Board of Directors periodically reviews the risk assessment and minimisation procedures and ensures that executive management controls risk through means of a properly defined framework. The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis forming part of



## Corporate Governance Report (Contd.)

the Annual Report. Provision relating to the Risk Management Committee under Regulation 21 of the Listing Regulations were not applicable to the Company during the year under review. However, after the close of the year under review, the Company has constituted a Risk Management Committee for monitoring and evaluating the effectiveness of the risk management framework and overseeing the implementation of plans to mitigate such risks. The Risk Management Committee presently comprises Mayur Toshniwal - Managing Director, C P Toshniwal - Non-Executive Director and Samir Kedia - Chief Financial Officer.

### H. Independent Directors

As per Regulation 17 of the Listing Regulations as well as pursuant to Section 149 of the Act read with Schedule IV thereto, the Board comprises not less than fifty per cent of Independent Directors. A separate meeting of Independent Directors was held on April 25, 2018, inter alia, to review the performance of non-independent directors and the Board as a whole, performance of the Chairman and assessed the quality, quantity and timelines of flow of information between the Company Management and the Board.

### I. Code of Fair Disclosure Of Unpublished Price Sensitive Information

The Company has formulated a Code of Conduct for prevention of insider trading in the securities of the Company pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 applicable to the Designated Persons ('Code of Conduct'). The Board has also laid down Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information ('Fair Disclosure Code') in accordance with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, with a view to regulate any communication of any unpublished price sensitive information for any purpose other than the legitimate purpose as defined under the said Fair Disclosure Code. The Code of Conduct and Fair Disclosure Code together regulate trading in securities by the Designated Persons of the Company. The Code of Conduct requires pre-clearance for certain dealing in the Company's securities by the Designated Persons and also prohibits dealing with Company's securities by Designated Persons while in possession of unpublished price sensitive information. The Fair Disclosure Code is posted on Company's website at <http://www.futuresupplychains.com/code-policies.html>.

### J. Communication with Stakeholders

Communication to the shareholders is primarily made through disclosure to the Stock Exchanges. Quarterly, half yearly and annual financial results are published in leading English and Marathi dailies, viz. "The Free Press Journal" (English Daily) and "Nav Shakti" (Marathi Newspaper) pursuant to Regulation 47 of the Listing Regulations. Annual Reports, financial results, shareholding pattern and other required disclosures are also hosted on the Company's website [www.futuresupplychains.com](http://www.futuresupplychains.com) as required under Regulation 46 of the Listing Regulations and also by the Stock Exchanges on their respective websites. All filings, disclosures and communications to Stock Exchanges are made electronically through their specific web portals to make such information generally available. The Company also informs the Stock Exchanges in advance about any schedule of meetings with any investors/ analysts. The presentation, if any, made to them are furnished to the Stock Exchanges and the same are also hosted on the website of the Company [www.futuresupplychains.com](http://www.futuresupplychains.com)














### K. General Body Meetings

#### 1. Schedule of previous three Annual General Meetings

Year	Date	Time	Venue
2018	August 22, 2018	4:00 pm	Rangaswar, Fourth Floor, Y.B Chavan Center, Gen. Jagannath Bhosale Marg, Mumbai-400021
2017	August 08, 2017	9.15 am	Future Group Office, 5th Floor, SOBO Central, M M Malviya Marg, Tardeo, Mumbai – 400034
2016	September 14, 2016	2:00 pm	Future Retail Home Office, 247 Park, Tower C, 10th Floor, LBS Marg, Vikhroli (West), Mumbai 400083

## Corporate Governance Report (Contd.)

### 2. Special resolutions passed in previous three Annual General Meetings

Year	Matters approved through Special Resolutions
2018	<ul style="list-style-type: none"> <li> Ratification of the Employee Stock Option Plan 2017;</li> <li> Approval for transaction with related party/ material entity;</li> <li> Increase of remuneration of Managing Director;</li> </ul>
2017	<ul style="list-style-type: none"> <li> Appointment of Mayur Toshniwal as Managing Director &amp; CEO;</li> <li> Increase the investment limits in equity share capital by foreign portfolio investors;</li> <li> Alteration of the Articles of Association of the Company;</li> <li> Amendment to the Memorandum of Association of the Company;</li> <li> Authority to the Board of Directors to borrow money;</li> <li> Authority to the Board to create charge on assets of the Company;</li> <li> Authority to the Board to give loan, make investment or give security or guarantee;</li> <li> Implementation of Employee Stock Option Plan 2017;</li> <li> Grant of Employee Stock Options to the employees of the Company under Employee Stock Option Plan 2017;</li> <li> Grant of Employee Stock Options to the employees of the holding company and subsidiary company(ies), if any, of the Company;</li> </ul>
2016	None

### 3. Extraordinary General Meeting

During the year under review, no extraordinary general meeting was held.

### 4. Postal Ballot

During the year under review, no business was separately carried out through postal ballot.

## III. GENERAL INFORMATION FOR SHAREHOLDERS

### 1. Date, time and venue of the 14th Annual General Meeting

Wednesday, July 31, 2019 at 3:00 p.m. at Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018.

### 2. Financial Year

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

### 3. Dividend payment date

The Dividend, when declared at the 14th Annual General Meeting, shall be paid within 30 days from the declaration thereof.

The Company provides a facility for direct credit of the dividend amount to the bank accounts of the shareholders. Such facility ensures safe and speedy credit of dividend amount into bank account. Members who hold shares in dematerialised mode should inform their Depository Participant, whereas members holding shares in physical form are advised to provide the bank account details to the Company/ RTA for payment of dividend amount. In cases where the bank details are not available, the Company shall issue dividend warrants to the members.

### 4. Listing Details

The equity shares of the Company are listed on BSE Limited and The National Stock Exchange of India Limited. Non-convertible debentures are listed on wholesale debt market segment of BSE Limited.



## Corporate Governance Report (Contd.)

### 5. Listing Fees

Applicable listing fees pertaining to equity shares and non-convertible debentures for the financial year 2019-20 have been paid to the Stock Exchanges where the securities of the Company are listed.

### 6. Securities Codes

Type of security	ISIN	Scrip Code/ Symbol	
		BSE	NSE
Equity	INE935Q01015	540798	FSC
Non-Convertible Debentures - Series I	INE935Q07012	958280	-
Non-Convertible Debentures - Series II	INE935Q07020	958281	-

### 7. Corporate Identity Number

The Corporate Identity Number allotted by the Ministry of Corporate Affairs is L63030MH2006PLC160376.

### 8. Stock Performance

The price performance of the equity shares of the Company at the Stock Exchanges during the year under review is as follows:

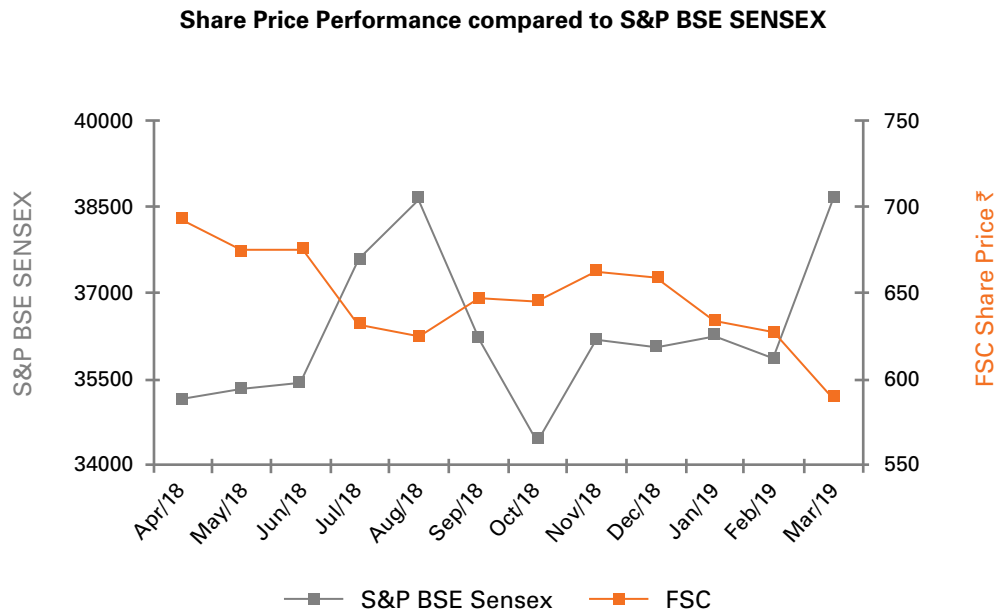
Month & Year	BSE (in ₹)		NSE (in ₹)	
	High	low	High	Low
April 2018	725.00	659.30	726.00	655.10
May 2018	697.95	647.05	696.95	650.00
June 2018	750.00	620.00	760.00	619.05
July 2018	689.95	600.10	690.00	620.55
August 2018	675.00	596.00	675.10	599.25
September 2018	665.00	608.00	666.20	605.20
October 2018	680.80	620.10	690.65	621.40
November 2018	675.00	632.00	676.00	639.70
December 2018	694.00	643.10	679.95	645.55
January 2019	664.80	630.00	665.60	629.00
February 2019	640.00	600.05	699.00	600.00
March 2019	670.00	559.75	648.00	554.20

There was no trading volume reported during the financial year 2018-19 with respect to the non-convertible debentures.

## Corporate Governance Report (Contd.)

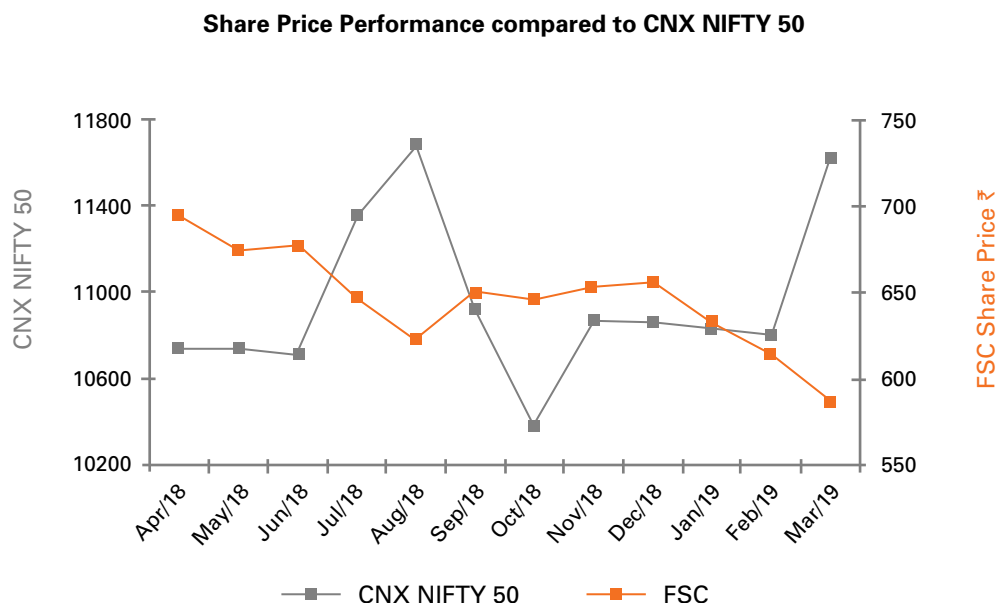
### 9. Performance of Share Price of the Company in comparison to the S&P BSE Sensex <sup>11</sup>

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



### 10. Performance of Share Price of the Company in comparison to the CNX NIFTY 50 <sup>11</sup>

The performance comparison is based on the closing price / CNX Nifty 50 on the last trading day of the month.



<sup>11</sup> Source: BSE and NSE, respectively.



## Corporate Governance Report (Contd.)

### 11. De-materialisation of shares

The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of NSDL or CDSL. A detailed process for dematerialising the securities is available on the website of the Company at <http://www.futuresupplychains.com/investor-contact.html>. Entire shareholding of Promoter and Promoter Group is in dematerialised form. Non-convertible debentures are wholly in dematerialised form. Status of dematerialisation of equity shares as on March 31, 2019 is as under:

Particulars	No. of Shares	% of total Issued Capital
National Securities Depository Limited	11,842,616	29.55
Central Depository Services (India) Limited	28,238,492	70.45
Total Dematerialised	4,00,81,108	100.00
Physical	5	0.00
<b>Total</b>	<b>40,081,113</b>	<b>100.00</b>

### 12. Outstanding GDR/ ADR or warrants or any convertible instruments

The Company has not issued any GDRs/ ADRs/ Warrants etc., during the financial year 2018-19. However, as on March 31, 2019, a total of 2,39,200 stock options were outstanding under "Future Supply Chain Solutions Limited Employee Stock Option Plan 2017". Each stock option is convertible into one equity share of ₹ 10 each. Further details of such FSC ESOP 2017 are given in Annexure 8 appended to the Board's report.

### 13. Shareholding Pattern as on March 31, 2019

Category	No. of Equity shares	%
Promoters and Promoter Group	2,10,15,917	52.43
Mutual funds	50,63,468	12.63
Banks & Financial institutions	73,059	0.18
Alternate investment funds	22,59,011	5.64
Foreign companies	67,81,430	16.92
Insurance companies	24,331	0.06
Foreign portfolio investor	18,46,999	4.61
NRIs	20,939	0.05
Bodies corporate	7,26,688	1.81
Indian individuals	21,96,652	5.48
Directors & their relatives	10,022	0.02
Clearing members	11,613	0.03
HUFs	50,938	0.13
NBFCs	46	0.00
<b>Total</b>	<b>4,00,81,113</b>	<b>100.00</b>

### 14. Plant Locations

The Company is engaged in warehousing/ distribution services and providing logistics solutions. It has 96 warehouses across the country and 768 dedicated vehicles as of March 31, 2019. It has 14 hubs and 134 operational branches.



## Corporate Governance Report (Contd.)

### 15. Distribution of Shareholding of Equity Shares as on March 31, 2019

Distribution range	Shareholders		Equity Shares	
	No.	%	No.	%
1-500	31,297	99.44	8,11,669	2.03
501-1000	63	0.20	49,640	0.12
1001-2000	30	0.10	42,078	0.11
2001-3000	23	0.07	59,005	0.15
3001-4000	4	0.01	13,326	0.03
4001-5000	3	0.01	15,000	0.04
5001-10000	11	0.03	91,845	0.23
10001 & above	43	0.14	3,89,98,550	97.30
<b>Total</b>	<b>31,474</b>	<b>100.00</b>	<b>4,00,81,113</b>	<b>100.00</b>

### 16. Registered Office/ Address for Correspondence

The registered office of the Company is situated at "Knowledge House", Shyam Nagar, Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai – 400060.

Corporate office of the Company is situated at 7th Floor, 349, Business Point, Western Express Highway, Andheri East, Mumbai – 400069.

### 17. Investor Correspondence

#### Registrar and Transfer Agents (for Equity Shares and Non-Convertible Debentures)

Link Intime India Private Limited

C – 101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai – 400 083.

Tel No.: +91 22 4918 6000; Fax No.: +91 22 4918 6060

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

#### For securities held in demat Form

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

#### For any query on the Annual Report

Vimal K Dhruve

Company Secretary

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

Tel No: +91 22 6644 2200; Fax No: +91 22 6644 2201

E-mail: [investorrelations@futuresupplychains.com](mailto:investorrelations@futuresupplychains.com)

Website: [www.futuresupplychains.com](http://www.futuresupplychains.com)

#### Debenture Trustees (for Non-Convertible Debentures)

IDBI Trusteeship Services Limited

Asian Building, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001

Tel No.: +91 22 4080 7000; Fax No.: +91 22 6631 1776

E-mail: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com); [response@idbitrustee.com](mailto:response@idbitrustee.com)

Website: [www.idbitrustee.com](http://www.idbitrustee.com)



## Corporate Governance Report (Contd.)

### 18. Credit ratings

As at the end of the financial year, the Company has credit ratings on following facility/ instrument:

Facility/ Instrument	Name of the Rating Agency	Rating assigned
Long Term Bank Facilities – Fund based	CARE Ratings Ltd.	CARE AA-; (Outlook Stable)
Long Term Bank Facilities – Term Loan	CARE Ratings Ltd.	CARE AA-; (Outlook Stable)
Short Term Bank Facilities – Non-Fund Based	CARE Ratings Ltd.	CARE A1+
Non-Convertible Debentures	CARE Ratings Ltd.	CARE AA-; (Outlook Stable)
Commercial Paper <sup>11</sup>	CARE Ratings Ltd.	CARE A1+

### 19. Website

The Company maintains a functional website [www.futuresupplychains.com](http://www.futuresupplychains.com). Apart from other business/operational information, various information, disclosures, financial results, codes & policies, reports, contact details etc. as required under the Listing Regulations and the Act are hosted on such website under a separate section “Investor Relations”.

## IV. OTHER DISCLOSURES

### 1. Disclosure of Accounting Treatment

During the year under review, the Company followed the applicable Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006, in the preparation of its Financial Statements.

### 2. Commodity price risk or foreign exchange risk and hedging activities

The business operations of the Company were carried out within the country. Hence, there is no material exposure of the foreign exchange, which may have any adverse impact on the financial position of the Company. Further, the Company does not deal/trade in any commodity and is not exposed to any commodity risk and hence, requirements of hedging foreign exchange does not arise. In view of this, prescribed disclosure regarding commodity risk is not relevant.

### 3. Policy for determination of material subsidiary

The Company has a policy for determining material subsidiaries of the Company, which is available on the website of the Company at <http://www.futuresupplychains.com/code-policies.html>.

### 4. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations

The funds raised through issue of Non-Convertible Debentures aggregating to ₹ 19,900 Lakh have been fully utilised during the financial year 2018-19 for the stated objectives.

### 5. Certificate from a Company Secretary in Wholetime Practice

A certificate from a Company Secretary in Whole time Practice certifying that none of the Directors on the Board of the Company has been debarred or disqualified by the SEBI/Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as a Director of the Company is annexed to this report.

### 6. Non acceptance of any recommendations of any Committee for the Board's approval

During the financial year under review, there are no instances where the Board did not accept any recommendation/ submissions of any Committee for the approval of the Board, which is mandatorily required.

<sup>11</sup> Proposed but not availed/ issued.

## Corporate Governance Report (Contd.)

### 7. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

The Company has paid an aggregate amount of ₹17.00 Lakh to the Auditors towards the audit remuneration and other services. There was no other payment made to any entity in the network firm of which the Auditors is a part.

### 8. Disclosure in relation to Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013

No. of complaints filed during the financial year	No. of complaints disposed of during the financial year	No. of complaints pending as on end of financial year
None		

### 9. Details of non-compliance

The Company has complied with all the requirements of regulatory authorities. There were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

## V. MANAGEMENT

A Management Discussion and Analysis (MDA) forms part of the Directors' Report.

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

## VI. CEO/CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2019.

## VII. DISCRETIONARY REQUIREMENTS UNDER PART E OF SCHEDULE II OF LISTING REGULATIONS

### 1. Board of Directors

The Chairman of the Board is a Non-Executive Director. The Company reimburses expenses, if any, incurred in maintenance of his office and performance of his duties.

### 2. Shareholders' Rights

Financial results of the Company (quarterly, half yearly and annually) are furnished to the Stock Exchanges, published in the newspapers and uploaded on website of the Company. Significant events are submitted to the Stock Exchanges and also posted on the Company's website. Hence, the Company does not furnish any statement on half yearly financial results or summary of any significant events to individual member.

### 3. Modified opinion(s) in audit report

The Company has received unmodified audit opinion on the Company's Financial Statements for the financial year ended March 31, 2019.



## Corporate Governance Report (Contd.)

### 4. Reporting of Internal Auditor

Internal Auditors are regularly invited to the meetings of Audit Committee to make presentation on various internal controls existed in the Company together with observations, if any, during the course of their Internal Audit. The internal auditors are also entitled to seek any external assistance while preparing/ submitting their reports before the Audit Committee.

## Declaration on Compliance of Code of Conduct

The Directors and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended March 31, 2019.

For **Future Supply Chain Solutions Limited**

**Mayur Toshniwal**  
Managing Director

Mumbai, May 13, 2019

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

To,  
The Members of  
Future Supply Chain Solutions Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Future Supply Chain Solutions Limited bearing CIN L63030MH2006PLC160376 and having its registered office situated at Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari East, Mumbai 400060 (hereinafter referred to as the 'Company'), furnished to us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with para C of Clause 10(i) of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications carried out by us, including status of Directors Identification Number (DIN) on the portal [www.mca.gov.in](http://www.mca.gov.in), we hereby certify that none of the Directors on the Board of the Company during the financial year ended on 31st March, 2019 has been disqualified from being appointed or continuing as a Director by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Company. Our responsibility is to express an opinion based on our verification.

For **K Bindu & Associates**  
Company Secretaries

**Bindu Darshan Shah**  
Proprietor

Membership No.: 20066  
COP No.: 7378



## Independent Auditors' Certificate on Corporate Governance

To  
The Members of  
Future Supply Chain Solutions Limited

1. We, GMJ & Co, Chartered Accountants, the Statutory Auditors of Future Supply Chain Solutions Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. The responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out and examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2019.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **GMJ & Co.**  
Chartered Accountants  
FRN: 103429W

**CA Sanjeev Maheshwari**  
Partner  
M. No. 038755  
UDIN: 19038755AAAACP6995

Place: Mumbai  
Date: June 29, 2019



# Financial Section



# 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
	<ul style="list-style-type: none"> <li> 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.</li> <li> 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.</li> <li> Selected a sample of continuing and new contracts and performed the following procedures:               <ul style="list-style-type: none"> <li> Read, analysed and identified the distinct performance obligations in these contracts.</li> <li> Compared these performance obligations with that identified and recorded by the Company.</li> <li> Performed analytical procedures for reasonableness of revenues.</li> </ul> </li> </ul>
<p>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.</p>	<p>Principal Audit Procedures</p> <ul style="list-style-type: none"> <li> Assessed the procedures adopted by the management in order to establish arm's length price.</li> <li> 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.</li> <li> Reading the statutory records and books of records to identify related party transactions and audit committee approvals for related party transactions.</li> <li> Verification of balance confirmations received from related parties and testing the transaction amounts and closing balances.</li> </ul>

### 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

Particulars	Note	(₹ in Lakh)	
		As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
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
<b>Financial Assets</b>			
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
<b>Total Non-Current Assets</b>		<b>65,849.66</b>	<b>46,007.18</b>
<b>Current Assets</b>			
Inventories	8	552.95	-
<b>Financial Assets</b>			
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	-
<b>Total Current Assets</b>		<b>52,542.52</b>	<b>36,435.03</b>
<b>Total Assets</b>		<b>1,18,392.18</b>	<b>82,442.21</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	4,008.11	4,005.62
Other Equity	16	56,026.66	49,475.42
<b>Total Equity</b>		<b>60,034.77</b>	<b>53,481.04</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
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
<b>Total Non-Current Liabilities</b>		<b>22,280.02</b>	<b>3,137.61</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
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	-
<b>Total Current Liabilities</b>		<b>36,077.39</b>	<b>25,823.56</b>
<b>Total Equity And Liabilities</b>		<b>1,18,392.18</b>	<b>82,442.21</b>
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

**P V Sheshadri**  
(Chief Executive Officer)

**C P Toshniwal**  
(Director)  
DIN: 00036303

**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
<b>Income</b>			
Revenue From Operations	23	1,11,277.10	83,192.24
Other Income	24	561.34	1,142.38
<b>Total Income</b>		<b>1,11,838.44</b>	<b>84,334.62</b>
<b>Expenses</b>			
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
<b>Total Expenses</b>		<b>1,02,200.36</b>	<b>75,304.76</b>
Profit Before Tax		9,638.08	9,029.86
<b>Tax Expense:</b>			
(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		-	-
<b>Loss for the year from discontinued operations after tax</b>		<b>(3,122.36)</b>	<b>(5,970.38)</b>
<b>Profit for the year</b>		<b>6,515.72</b>	<b>3,059.48</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
(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
<b>Total Comprehensive Income for the year</b>		<b>6,577.77</b>	<b>3,085.16</b>
<b>Earnings per equity share (for continuing operations)</b> (Face Value ₹ 10/- each):			
Basic (₹)		24.06	22.87
Diluted (₹)		24.03	22.86
<b>Earnings per equity share (for discontinued operations)</b> (Face Value ₹ 10/- each):			
Basic (₹)		(7.79)	(15.12)
Diluted (₹)		(7.79)	(15.11)
<b>Earnings per equity share (for continuing and discontinued operations)</b> (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

**P V Sheshadri**  
(Chief Executive Officer)

**C P Toshniwal**  
(Director)  
DIN: 00036303

**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
<b>(A) EQUITY SHARE CAPITAL</b>		
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	-
<b>Closing Balance</b>	<b>4,008.11</b>	<b>4,005.62</b>
<b>(B) OTHER EQUITY</b>		
<b>Retained Earnings</b>		
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)	-
<b>Closing Balance</b>	<b>31,487.53</b>	<b>27,892.66</b>
<b>Securities Premium</b>		
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	-
<b>Closing Balance</b>	<b>21,563.99</b>	<b>21,403.32</b>
<b>Debenture Redemption Reserve</b>		
Opening Balance	-	-
Add: Transfer from surplus in Statement of Profit and Loss	2,500.00	-
<b>Closing Balance</b>	<b>2,500.00</b>	<b>-</b>
<b>Share Options Outstanding</b>		
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)	-
<b>Closing Balance</b>	<b>475.14</b>	<b>179.44</b>
<b>Total Other Equity</b>	<b>56,026.66</b>	<b>49,475.42</b>

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

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(Director)  
DIN: 00036303

**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
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	<b>6,515.72</b>	<b>3,059.48</b>
<b>Adjusted For:</b>		
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)
<b>Cash generated from operations before working capital changes</b>	<b>13,296.21</b>	<b>9,344.27</b>
<b>Adjusted For:</b>		
(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
<b>Cash flow from Operations</b>	<b>7,621.47</b>	<b>9,602.73</b>
Taxes Paid (Net)	(1,244.33)	(1,638.21)
<b>Net cash from Operating Activities</b>	<b>6,377.14</b>	<b>7,964.52</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
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
<b>Net Cash Used In Investing Activities</b>	<b>(18,249.66)</b>	<b>(12,541.28)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
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)
<b>Net Cash from Financing Activities</b>	<b>16,331.90</b>	<b>7,289.47</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>4,459.38</b>	<b>2,712.71</b>
Cash and Cash Equivalents at the beginning of the year	<b>7,968.02</b>	<b>5,255.31</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>12,427.40</b>	<b>7,968.02</b>
Less: Cash and Cash Equivalents at the end of the year from discontinued operations	<b>658.20</b>	-
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>11,769.20</b>	<b>7,968.02</b>

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

**P V Sheshadri**  
(Chief Executive Officer)

**C P Toshniwal**  
(Director)  
DIN: 00036303

**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

Particulars	(₹ in Lakh)							Total
	Leasehold Improvement	Plant and Equipment	Office Equipment	Computers	Furniture & Fittings	Electrical Installations	Vehicles	
<b>Cost</b>								
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
<b>As at March 31, 2019</b>	<b>2,092.83</b>	<b>31,340.02</b>	<b>1,396.34</b>	<b>6,038.30</b>	<b>5,220.08</b>	<b>5,697.20</b>	<b>389.07</b>	<b>52,173.84</b>
<b>Accumulated depreciation</b>								
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
<b>As at March 31, 2019</b>	<b>1,040.32</b>	<b>4,971.98</b>	<b>477.66</b>	<b>1,757.11</b>	<b>1,357.59</b>	<b>1,278.30</b>	<b>189.01</b>	<b>11,071.97</b>
<b>Net book value</b>								
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

Intangible assets	(₹ in Lakh)			Total
	Computer Softwares	Exclusive Business Rights		
<b>Cost</b>				
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
<b>As at March 31, 2019</b>	<b>317.11</b>	<b>29.47</b>		<b>346.58</b>
<b>Accumulated amortisation</b>				
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
<b>As at March 31, 2019</b>	<b>195.03</b>	<b>29.47</b>		<b>224.50</b>
<b>Net book value</b>				
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

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
<b>Non-Current Investments</b>		
Non - Trade Investment (at cost)		
Unquoted		
<b>Associate</b>		
1,78,500 (2018: 1,78,500) Equity Share of ₹ 10 each of Leanbox Logistics Solutions Private Limited	899.99	899.99
<b>Subsidiary</b>		
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
<b>Others</b>		
19,833 (2018: 19,833) Compulsory Convertible Debentures of ₹ 10 each of Leanbox Logistics Solutions Private Limited	100.00	100.00
	<b>6,312.26</b>	<b>6,312.26</b>

### 6. OTHER FINANCIAL ASSETS

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

### 7. OTHER NON CURRENT ASSETS

Particulars	(₹ in Lakh)	
	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
	<b>6,611.04</b>	<b>4,474.36</b>

### 8. INVENTORIES

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Packing materials	552.95	-
	<b>552.95</b>	<b>-</b>

## Notes to the Financial Statements (Contd.)

### 9. INVESTMENTS

(₹ in Lakh)

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

### 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)
	<b>34,875.00</b>	<b>25,908.85</b>

### 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
	<b>11,708.55</b>	<b>7,861.47</b>

### 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
	<b>60.65</b>	<b>106.55</b>



## Notes to the Financial Statements (Contd.)

### 13. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Other Current Financial Assets</b>		
Inter Corporate Deposit	50.00	-
<b>Security Deposits</b>		
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)
	<b>483.06</b>	<b>1,071.35</b>

### 14. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at	
	March 31, 2019	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
	<b>1,235.06</b>	<b>1,486.11</b>

### 15. SHARE CAPITAL

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

#### (i) Reconciliation of Number of Shares

Equity Shares of ₹ 10/- each

Particulars	As at	
	March 31, 2019	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	-
	<b>4,00,81,113</b>	<b>4,00,56,238</b>

## 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	As at
	March 31, 2019	March 31, 2018
	No. of Shares	No. of Shares
<b>Equity Shares</b>		
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		As at	
	March 31, 2019		March 31, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares</b>				
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

Particulars	(₹ in Lakh)	
	As at	As at
	March 31, 2019	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
<b>Total Other Equity</b>	<b>56,026.66</b>	<b>49,475.42</b>

### 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

Particulars	(₹ in Lakh)	
	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)		
	<b>21,781.48</b>	<b>2,511.28</b>

### 18. OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lakh)	
	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		
	<b>90.05</b>	<b>169.95</b>

### 19. NON-CURRENT - PROVISIONS

Particulars	(₹ in Lakh)	
	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
	<b>408.49</b>	<b>456.38</b>

## Notes to the Financial Statements (Contd.)

### 20. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lakh)	
	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
	<b>6,112.42</b>	<b>5,847.65</b>

### 21. OTHER CURRENT LIABILITIES

Particulars	(₹ in Lakh)	
	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
	<b>2,893.38</b>	<b>2,003.25</b>

### 22. PROVISIONS

Particulars	(₹ in Lakh)	
	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
	<b>719.71</b>	<b>328.32</b>

### 23. REVENUE FROM OPERATIONS

Particulars	(₹ in Lakh)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Logistics Services	1,11,277.10	83,192.24
	<b>1,11,277.10</b>	<b>83,192.24</b>

### 24. OTHER INCOME

Particulars	(₹ in Lakh)	
	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
	<b>561.34</b>	<b>1,142.38</b>

**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
	<b>9,770.04</b>	<b>8,313.33</b>

**26. FINANCE COSTS**

(₹ in Lakh)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Expense	1,608.14	870.15
	<b>1,608.14</b>	<b>870.15</b>

**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
	<b>9,297.82</b>	<b>7,916.29</b>



## 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)	
<b>Trade Payable</b>	<b>As at March 31, 2019</b>	<b>As at March 2018</b>
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:

Particulars	(₹ in Lakh)			
	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:

Particulars	(₹ in Lakh)	
	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
<b>Closing balance</b>	<b>881.72</b>	<b>745.24</b>

## 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.**

Particulars	(₹ in Lakh)	
	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)
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## 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	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>As at March 31, 2019</b>						
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:

- Purchase of Fixed Assets includes Future Retail Limited ₹ 4,382.49 Lakh (2017-18: ₹ 4,633.89 Lakh)
- Income from Operation includes Future Retail Limited ₹ 58,410.87 Lakh (2017-18: ₹ 43,024.05 Lakh)
- 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)
- 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 exercisable 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 in the following table:

Particulars	(₹ in Lakh)	
	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

Particulars	(₹ in Lakh)			
	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
<b>Present value of obligation at the end of the year</b>	<b>268.26</b>	<b>238.69</b>	<b>156.14</b>	<b>126.77</b>



## 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
<b>Fair value of plan assets at the end of the year</b>	<b>3.45</b>	<b>3.20</b>

### Net Defined Benefit Liability / (Assets)

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2019	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
<b>Net defined benefit liability / (assets)</b>	<b>264.81</b>	<b>235.49</b>

### 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
<b>Total expenses recognised in Statement of Profit and Loss</b>	<b>76.75</b>	<b>70.99</b>	<b>68.58</b>	<b>103.42</b>

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

(₹ in Lakh)

Particulars	Year ended	Year ended
	March 31, 2019	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)	-	-
<b>Total (gain) / loss included in OCI</b>	<b>(7.86)</b>	<b>(13.79)</b>

### 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:

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

Particulars	(₹ in Lakh)			
	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 representative 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)
<b>Current assets</b>	
Cash and cash equivalents	523.82
Trade and other receivables	2,914.24
Other Current Assets	1,410.45
<b>Non-current assets</b>	
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
<b>Current liabilities</b>	
Borrowings	9,140.00
Trade and other payables	5,247.96
Other Current Liabilities and Provisions	713.15
<b>Non-current liabilities</b>	
Other Non Current Liabilities	64.98
<b>Other Equity</b>	(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

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

Particulars	(₹ in Lakh)
	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
<b>Assets of business classified as held for sale</b>	<b>3,626.55</b>
Provisions	120.97
Trade Payables	2,473.82
Other Current Financial Liabilities	89.32
<b>Liabilities associated with assets held for sale</b>	<b>2,684.11</b>

## Notes to the Financial Statements (Contd.)

### (ii) Analysis of Profit and Loss from discontinued operations

Particulars	(₹ in Lakh)	
	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:

Particulars	(₹ in Lakh)	
	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 (Listing 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

**P V Sheshadri**  
(Chief Executive Officer)

**C P Toshniwal**  
(Director)  
DIN: 00036303

**Samir Kedia**  
(Chief Financial Officer)

**Vimal Dhruve**  
(Company Secretary)



# Independent Auditors' Report

To the Members of **Future Supply Chain Solutions Limited**  
**Report on the Audit of the Consolidated Financial Statements**

## OPINION

We have audited the accompanying Consolidated Financial Statements of **Future Supply Chain Solutions Limited**, ("the Company") and its subsidiaries and associate ( the Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated 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 Consolidated Financial Statements").


In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

## BASIS FOR OPINION











We conducted our audit of the Consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## KEY AUDIT MATTERS

Key audit matters ('KAM') are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit 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 Group'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
	<ul style="list-style-type: none"> <li> 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.</li> <li> 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.</li> <li> Selected a sample of continuing and new contracts and performed the following procedures:               <ul style="list-style-type: none"> <li> Read, analysed and identified the distinct performance obligations in these contracts.</li> <li> Compared these performance obligations with that identified and recorded by the Company.</li> <li> Performed analytical procedures for reasonableness of revenues.</li> </ul> </li> </ul>
<p>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.</p>	<p>Principal Audit Procedures</p> <ul style="list-style-type: none"> <li> Assessed the procedures adopted by the management in order to establish arm's length price.</li> <li> Obtaining an understanding of the Group's procedures in identification of related parties and process followed for ensuring completeness of accounting and disclosures of related party transactions and balances.</li> <li> Reading the statutory records and books of records to identify related party transactions and audit committee approvals for related party transactions.</li> <li> Verification of balance confirmations received from related parties and testing the transaction amounts and closing balances.</li> </ul>

### INFORMATION OTHER THAN THE CONSOLIDATED 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 Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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 CONSOLIDATED 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 Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective board of the Companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.





The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Consolidated 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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
-  Obtain an understanding of internal financial 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 and its subsidiary companies which are companies incorporated in India, 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 Group'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



## Independent Auditors' Report (Contd.)

report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

 Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated 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 Consolidated 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 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Consolidated 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 of the Company and its Subsidiaries incorporated in India and the reports of the Statutory Auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies 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 A**" which is based on the auditor's report of the Company and its Subsidiary Companies incorporated in India.



## Independent Auditors' Report (Contd.)

Our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.

- 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 Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii. The Group 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 and its subsidiary company and associate 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 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")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Future Supply Chain Solutions Limited** ("the Company") and its Subsidiary companies, which are companies incorporated in India, as of that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 Consolidated 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

#### 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 Consolidated 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 Consolidated



## Annexure - A to the Auditors' Report (Contd.)

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 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 Consolidated 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, 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 respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

# Consolidated Balance Sheet

## As at March 31, 2019

Particulars	Note	(₹ in Lakh)	
		As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant And Equipment	4	41,778.23	31,627.45
Capital Work In Progress		6,389.81	254.94
Intangible Assets	4	183.81	219.76
<b>Financial Assets</b>			
Investment in Associate	5	733.03	942.89
Other Financial Assets	6	5,530.72	3,235.72
Other Non Current Assets	7	6,611.15	4,474.36
<b>Total Non-Current Assets</b>		<b>61,226.75</b>	<b>40,755.12</b>
<b>Current Assets</b>			
Inventories	8	552.95	-
<b>Financial Assets</b>			
Investments	9	0.70	0.70
Trade Receivables	10	36,957.71	25,961.10
Cash and Cash Equivalent	11	12,366.75	7,861.63
Bank Balances other than Cash and Cash Equivalent	12	60.65	106.55
Other Financial Assets	13	495.30	1,121.29
Other Current Assets	14	973.02	1,486.11
<b>Total Current Assets</b>		<b>51,407.08</b>	<b>36,537.38</b>
<b>Total Assets</b>		<b>1,12,633.83</b>	<b>77,292.50</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	4,008.11	4,005.62
Other Equity	16	50,211.53	44,023.03
<b>Total Equity</b>		<b>54,219.64</b>	<b>48,028.65</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Non Current Borrowings	17	21,781.48	2,511.28
Other Non Current Financial Liabilities	18	90.05	169.95
Provisions	19	489.18	456.85
<b>Total Non-Current Liabilities</b>		<b>22,360.71</b>	<b>3,138.08</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Trade Payables			
- Micro and Small Enterprises	31	166.83	-
- Others		26,016.75	17,947.12
Other Current Financial Liabilities	20	6,201.74	5,802.70
Other Current Liabilities	21	2,908.16	2,048.10
Provisions	22	760.00	327.85
<b>Total Current Liabilities</b>		<b>36,053.48</b>	<b>26,125.77</b>
<b>Total Equity And Liabilities</b>		<b>1,12,633.83</b>	<b>77,292.50</b>
Notes to the Financial Statements	1-41		

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

**P V Sheshadri**  
(Chief Executive Officer)

**C P Toshniwal**  
(Director)  
DIN: 00036303

**Samir Kedia**  
(Chief Financial Officer)

**Vimal Dhruve**  
(Company Secretary)



# Consolidated 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
<b>Income</b>			
Revenue From Operations	23	1,22,841.85	93,780.49
Other Income	24	581.76	1,258.09
<b>Total Income</b>		<b>1,23,423.61</b>	<b>95,038.58</b>
<b>Expenses</b>			
Cost of Logistics Services		88,604.18	64,420.83
Employee Benefits Expense	25	11,725.30	11,175.97
Depreciation and Amortisation Expense	4	4,542.21	4,966.25
Finance Costs	26	1,784.83	1,599.12
Other Expenses	27	10,404.23	9,772.12
<b>Total Expenses</b>		<b>1,17,060.75</b>	<b>91,934.29</b>
Profit Before Tax		6,362.86	3,104.29
<b>Tax Expenses:</b>			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Profit after taxation before Share of Associate		6,362.86	3,104.29
Share of loss in Associate Company		(209.86)	(57.10)
Profit after Share of Associate		6,153.00	3,047.19
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
(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		<b>62.05</b>	<b>25.68</b>
<b>Total Comprehensive Income for the year</b>		<b>6,215.05</b>	<b>3,072.87</b>
<b>Earnings per equity share (Face Value ₹ 10/- each)</b>			
Basic (₹)	34	15.36	7.72
Diluted (₹)		15.34	7.72
Notes to the Financial Statements	1-41		

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

**P V Sheshadri**  
(Chief Executive Officer)

**C P Toshniwal**  
(Director)  
DIN: 00036303

**Samir Kedia** (Chief Financial Officer) **Vimal Dhruve** (Company Secretary)

# Consolidated Statement of Changes in Equity

## For the year ended March 31, 2019

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
<b>(A) EQUITY SHARE CAPITAL</b>		
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	-
<b>Closing Balance</b>	<b>4,008.11</b>	<b>4,005.62</b>
<b>(B) OTHER EQUITY</b>		
<b>Retained Earnings</b>		
Opening balance	20,726.76	1,912.60
Profit for the Year	6,153.00	3,047.19
Pursuant to Scheme of Arrangement	-	15,741.29
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)	-
<b>Closing balance</b>	<b>23,958.91</b>	<b>20,726.76</b>
<b>Capital Reserve</b>		
Opening balance	1,713.51	1,713.51
Add : On account of acquisition of Subsidiary	-	-
<b>Closing balance</b>	<b>1,713.51</b>	<b>1,713.51</b>
<b>Securities Premium</b>		
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	84.55	-
Add : Transfer from Share Options outstanding account on exercise of Share Options	76.10	-
<b>Closing balance</b>	<b>21,563.97</b>	<b>21,403.32</b>
<b>Debenture Redemption Reserve</b>		
Opening balance	-	-
Add: Transfer from surplus in the Statement of Profit and Loss	2,500.00	-
<b>Closing balance</b>	<b>2,500.00</b>	<b>-</b>
<b>Shares Options Outstanding</b>		
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)	-
<b>Closing balance</b>	<b>475.14</b>	<b>179.44</b>
<b>Total Other Equity</b>	<b>50,211.53</b>	<b>44,023.03</b>

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**

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DIN: 00036303

**Samir Kedia**  
(Chief Financial Officer)

**Vimal Dhruve**  
(Company Secretary)



# Consolidated Cash Flow Statement

## For the year ended March 31, 2019

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	6,153.00	3,047.19
<b>Adjusted For:</b>		
Depreciation and amortisation Expenses	4,542.21	4,966.25
Share of (Profit)/Loss in Associates	209.86	57.10
Finance Costs	1,784.83	1,599.12
Provision for Doubtful Debts	371.09	286.53
Profit on sale of Fixed Assets	(10.05)	(233.95)
Excess Provision Written Back	-	(64.38)
Expenses on employee stock option(ESOP)	371.80	(61.03)
Interest Income	(248.60)	(417.65)
<b>Cash generated from operations before working capital changes</b>	<b>13,174.14</b>	<b>9,179.18</b>
<b>Adjusted For:</b>		
(Increase)/ decrease in inventories	(552.95)	-
(Increase)/ decrease in Trade receivables	(11,367.70)	(2,041.44)
(Increase)/ decrease in other Financial and other Assets	(2,048.27)	(998.50)
Increase/ (decrease) in Trade Payables, Other Liabilities and Provisions	8,371.28	4,750.22
<b>Cash flow from Operations</b>	<b>7,576.50</b>	<b>10,889.46</b>
Taxes Paid (Net)	(1,244.43)	(1,638.21)
<b>Net cash from Operating Activities</b>	<b>6,332.07</b>	<b>9,251.25</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment and Intangible Assets	(18,582.25)	(9,043.83)
Sale of Property, Plant & Equipment and Intangible Assets	128.92	997.93
Purchase of Investments	-	(999.99)
Pursuant to Scheme of Arrangement	-	17,695.28
Interest Received	248.60	417.65
<b>Net cash used in Investing Activities</b>	<b>(18,204.73)</b>	<b>9,067.04</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares on exercise of share options	87.04	-
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
Interest paid	(731.61)	(1,130.72)
<b>Net Cash from Financing Activities</b>	<b>16,331.88</b>	<b>(15,605.42)</b>
<b>Net increase In cash and cash equivalents (A+B+C)</b>	<b>4,459.22</b>	<b>2,712.87</b>
Cash and cash equivalents at the beginning of the year	7,968.18	5,255.31
<b>Cash and cash equivalents at the end of the year</b>	<b>12,427.40</b>	<b>7,968.18</b>

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**

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**C P Toshniwal**  
(Director)  
DIN: 00036303

**Samir Kedia** (Chief Financial Officer) **Vimal Dhruve** (Company Secretary)



# Notes to the Consolidated 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 and E-Commerce sectors etc. Each category has a distinct supply chain requirements 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 Group's operating leases mainly relate to Warehouses and Office Premises which are on lease terms of up to 20 years. The Group 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 Consolidated 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 Group 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 Consolidated 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. Basis of Consolidation





The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company and its subsidiary (together referred to as the "Group"). Control is achieved when the Group:

-  has power over the investee;
-  is exposed, or has rights, to variable returns from its involvement with the investee; and
-  has the ability to use its power to affect its returns.

The Group reassesses whether or not it

controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

-  the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
-  Potential voting rights held by the Group, other vote holders or other parties;
-  rights arising from other contractual arrangements; and
-  any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

## Notes to the Consolidated Financial Statements (Contd.)

All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### **Changes in the Group's ownership interests in existing subsidiaries**

Changes in the Group's ownership interests in subsidiary that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in Consolidated Statement of Profit and Loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

### **Investments in Associates and Joint Ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated

in these Consolidated Financial Statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.



## Notes to the Consolidated Financial Statements (Contd.)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained

interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's Consolidated Financial Statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Consolidated Financial Statements of the Group comprises Financial Statement of Future Supply Chain Solutions Limited and the following companies:

Name of the Company	Relationship	Country of Incorporation	Principle Activity	Proportion of ownership interest and voting power held by the Company	
				As at March 31, 2019	As at March 31, 2018
Vulcan Express Private Limited	Subsidiary	INDIA	Logistics Services	100%	100%
Leanbox Logistics Solutions Private Limited	Associate	INDIA	Logistics Services	50%	50%

### 3.4. 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 Group 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 Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

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

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

## Notes to the Consolidated Financial Statements (Contd.)

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 Consolidated 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'.

### 3.5. Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated 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 Consolidated 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.

### 3.6. 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 Group 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 Group'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 Group 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.

### 3.7. Financial Instruments

#### 3.7.(i) Initial recognition

Financial assets and financial liabilities



## Notes to the Consolidated Financial Statements (Contd.)

are recognised when the Group 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 Consolidated Statement of Profit and Loss.

### 3.7.(ii) Subsequent measurement

#### a. Non-derivative financial instruments

##### (i) Financial assets carried at amortised cost

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

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

## Notes to the Consolidated Financial Statements (Contd.)

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

#### c. Compound instruments

The component parts of compound instruments issued by the Group 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 Group'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 Consolidated 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.



## Notes to the Consolidated Financial Statements (Contd.)

### 3.7.(iii) Derecognition of financial instruments

The Group 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 Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### 3.8. Foreign Currency

#### Functional currency

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

#### i. Initial recognition

In preparing the Financial Statement of the Group, 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.

#### 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 Consolidated 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 Group 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 Consolidated 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 Consolidated Statement of Profit and Loss.

### 3.9. 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 Consolidated Statement of Profit and Loss.

### 3.10. 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.



## Notes to the Consolidated Financial Statements (Contd.)

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 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.




### 3.11. 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.

### 3.12. Employee Benefits

Retirement benefit costs and termination benefits

#### i. Defined Contribution Plan:

Group's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Consolidated 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 Consolidated 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



## Notes to the Consolidated Financial Statements (Contd.)

to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

-  service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
-  net interest expense or income; and
-  Re-measurement

The Group 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 Group'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.

### 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 Group in respect of services provided by employees up to the reporting date.

### 3.13. 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 Consolidated 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 Group'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

## Notes to the Consolidated Financial Statements (Contd.)

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 Group 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 Consolidated 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.

### 3.14. 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 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.

### 3.15. Provisions, Contingent liabilities & Contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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 Group 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 Group 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.

### 3.16. Impairment

#### a. Financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through Consolidated 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



## Notes to the Consolidated Financial Statements (Contd.)

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 the Consolidated Statement of Profit and Loss.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group 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 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 Consolidated 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 Consolidated 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.

### 3.17. 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group 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 Consolidated 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.

### 3.18. 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 Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related

## Notes to the Consolidated Financial Statements (Contd.)

costs are generally recognised in Consolidated 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 Group determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group 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 Group 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 Group 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 Group 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 Group'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 the Consolidated 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 Consolidated 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").

### 3.19. 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.

### 3.20. Key sources of estimation uncertainty and critical accounting judgments

In the course of applying the accounting policies, the Group 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



## Notes to the Consolidated Financial Statements (Contd.)

the period in which the estimate is revised if the revision affects only that period, or in the 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 Group. 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 Group are segregated.

## Notes to the Consolidated Financial Statements (Contd.)

### 4. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Particulars	Leasehold Improvements	Plant and Equipments	Office Equipments	Computers	Furniture & Fittings	Electrical Installations	Vehicles	Total
<b>Cost</b>								
As at April 1, 2018	2,789.73	24,663.60	1,103.75	3,099.97	5,077.42	3,681.65	520.35	40,936.47
Additions	-	6,936.52	585.92	3,736.38	1,116.29	2,388.82	-	14,763.93
Deletions	28.56	18.18	-	23.84	6.13	31.03	131.28	239.02
As at March 31, 2019	<b>2,761.17</b>	<b>31,581.94</b>	<b>1,689.67</b>	<b>6,812.51</b>	<b>6,187.58</b>	<b>6,039.44</b>	<b>389.07</b>	<b>55,461.38</b>
<b>Accumulated depreciation</b>								
As at April 1, 2018	1,179.85	3,196.69	487.03	1,456.53	1,826.56	993.83	168.53	9,309.02
Depreciation for the year	515.98	1,901.99	211.95	1,002.85	347.53	435.43	78.56	4,494.29
Deletions	14.58	8.78	-	22.60	3.96	12.16	58.08	120.16
As at March 31, 2019	<b>1,681.25</b>	<b>5,089.90</b>	<b>698.98</b>	<b>2,436.78</b>	<b>2,170.13</b>	<b>1,417.10</b>	<b>189.01</b>	<b>13,683.15</b>
<b>Net book value</b>								
As at March 31, 2019	<b>1,079.92</b>	<b>26,492.04</b>	<b>990.69</b>	<b>4,375.73</b>	<b>4,017.45</b>	<b>4,622.34</b>	<b>200.06</b>	<b>41,778.23</b>
As at March 31, 2018	1,609.88	21,466.91	616.72	1,643.44	3,250.86	2,687.82	351.82	31,627.45

Intangible assets	Computer Softwares	Exclusive Business Rights	Total
<b>Cost</b>			
As at April 1, 2018	450.21	29.47	479.68
Additions	11.97	-	11.97
Deletions	-	-	-
As at March 31, 2019	<b>462.18</b>	<b>29.47</b>	<b>491.65</b>
<b>Accumulated amortisation</b>			
As At April 1, 2018	235.45	24.47	259.92
Amortisation for the year	42.92	5.00	47.92
Deletions	-	-	-
As at March 31, 2019	<b>278.37</b>	<b>29.47</b>	<b>307.84</b>
<b>Net book value</b>			
As at March 31, 2019	<b>183.81</b>	<b>-</b>	<b>183.81</b>
As at March 31, 2018	214.76	5.00	219.76



## Notes to the Consolidated Financial Statements (Contd.)

### 5. INVESTMENTS

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
<b>Investment in Associate</b>		
<b>Non-Current Investments</b>		
Non - Trade Investment (at cost)		
Unquoted		
<b>Associate</b>		
1,78,500 (2018: 1,78,500) Equity Share of ₹ 10 each of Leanbox Logistics Solutions Private Limited	633.03	842.89
<b>Others</b>		
19,833 (2018: 19,833) Compulsory Convertible Debentures of ₹ 10 each of Leanbox Logistics Solutions Private Limited	100.00	100.00
	<b>733.03</b>	<b>942.89</b>

### 6. OTHER FINANCIAL ASSETS

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
<b>Non-Current Financial Assets - Others</b>		
Unsecured Considered Good		
Security Deposits	5,427.22	3,219.22
Bank Deposits (under lien)	103.50	16.50
	<b>5,530.72</b>	<b>3,235.72</b>

### 7. OTHER NON CURRENT ASSETS

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	-	52.95
MAT credit	1,666.45	721.14
Advance tax (net of provisions)	4,944.70	3,700.27
	<b>6,611.15</b>	<b>4,474.36</b>

### 8. INVENTORIES

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Packing materials	552.95	-
	<b>552.95</b>	-



## Notes to the Consolidated Financial Statements (Contd.)

### 9. INVESTMENTS

(₹ in Lakh)

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

### 10. TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good	36,957.71	25,961.10
Trade Receivables - Credit Impaired	881.72	745.24
Less: Allowances for expected credit loss	(881.72)	(745.24)
	<b>36,957.71</b>	<b>25,961.10</b>

### 11. CASH AND CASH EQUIVALENT

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
In current accounts	12,341.78	7,749.30
Cash on hand	24.97	112.33
	<b>12,366.75</b>	<b>7,861.63</b>

### 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
	<b>60.65</b>	<b>106.55</b>



## Notes to the Consolidated Financial Statements (Contd.)

### 13. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>Other Current Financial Assets</b>		
Inter Corporate Deposit	50.00	-
<b>Security Deposits</b>	445.30	1,121.29
Unsecured, Considered Good		
Security Deposits- Credit Impaired	107.19	103.28
Less: Allowance for Doubtful Deposits	(107.19)	(103.28)
	<b>495.30</b>	<b>1,121.29</b>

### 14. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
Insurance Claim Receivables	30.89	19.61
Balances with Government authorities	528.92	93.77
Others (includes prepaid expenses, advances to suppliers etc.)	413.21	1,372.73
	<b>973.02</b>	<b>1,486.11</b>

### 15. SHARE CAPITAL

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

#### (i) Reconciliation of Number of Shares

Equity Shares of ₹ 10/- each

Particulars	As at	
	March 31, 2019	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	-
	<b>4,00,81,113</b>	<b>4,00,56,238</b>

## Notes to the Consolidated 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	March 31, 2018
	No. of Shares	No. of Shares
<b>Equity Shares</b>		
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		As at	
	March 31, 2019		March 31, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares</b>				
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

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Retained Earnings	23,958.91	20,726.76
Capital Reserve	1,713.51	1,713.51
Securities Premium	21,563.97	21,403.32
Debenture Redemption Reserve	2,500.00	-
Employee Stock Option Outstanding	475.14	179.44
<b>Total Other Equity</b>	<b>50,211.53</b>	<b>44,023.03</b>

### 16.1 Description of Reserves

#### Capital Reserve

Capital reserve is created for excess of fair value of assets taken and liabilities assumed over the consideration transferred pursuant to acquisition of subsidiary.



## Notes to the Consolidated Financial Statements (Contd.)

### 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.

### 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 Consolidated 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

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
<b>Term Loan</b>		
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)		
	<b>21,781.48</b>	<b>2,511.28</b>

## 18. OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lakh)	
	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		
	<b>90.05</b>	<b>169.95</b>

## 19. NON-CURRENT - PROVISIONS

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Gratuity (Refer Note No. 37)	303.17	300.04
Leave Encashment (Refer Note No. 37)	186.01	156.81
	<b>489.18</b>	<b>456.85</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 20. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lakh)	
	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	931.38
Payable on Purchase of Investment	-	1,202.26
Other Payables	2,937.42	2,880.48
	<b>6,201.74</b>	<b>5,802.70</b>

### 21. OTHER CURRENT LIABILITIES

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Statutory Dues	1,237.00	1,156.50
Other Payables (includes advance from customers etc.)	1,671.16	891.60
	<b>2,908.16</b>	<b>2,048.10</b>

### 22. PROVISIONS

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Gratuity (Refer Note No. 37)	8.00	10.95
Leave Encashment (Refer Note No. 37)	5.45	16.90
Provision for Bonus	746.55	300.00
	<b>760.00</b>	<b>327.85</b>

### 23. REVENUE FROM OPERATIONS

Particulars	(₹ in Lakh)	
	Year ended March 31, 2019	Year ended March 31, 2018
Logistics Services	1,22,841.85	93,780.49
	<b>1,22,841.85</b>	<b>93,780.49</b>

### 24. OTHER INCOME

Particulars	(₹ in Lakh)	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest on		
- Bank Deposits	103.79	5.38
- Income Tax Refund	11.36	-
- Others	133.45	412.27
Profit on Sale of Fixed Assets	10.05	233.95
Excess Provisions/Liabilities Written Back	-	64.38
Miscellaneous Income	323.11	542.11
	<b>581.76</b>	<b>1,258.09</b>

**Notes to the Consolidated Financial Statements (Contd.)****25. EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	10,468.57	10,443.78
Contribution to Provident and Other Funds	399.33	338.25
Expenses on ESOP (Refer note No. 33)	371.80	(61.03)
Staff Welfare Expenses	485.60	454.97
	<b>11,725.30</b>	<b>11,175.97</b>

**26. FINANCE COSTS**

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense	1,784.83	1,599.12
	<b>1,784.83</b>	<b>1,599.12</b>

**27. OTHER EXPENSES**

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power and Fuel	1,986.12	1,394.88
Repairs and Maintenance		
- Building	189.49	123.07
- Machinery	621.64	469.26
- Others	515.44	658.81
Insurance	221.56	173.32
Rates and Taxes	196.50	266.60
Rent	243.34	349.39
Travelling and Conveyance Expenses	1,358.82	1,034.25
Auditors' Remuneration		
- Statutory Audit Fees	15.70	18.00
- Tax Audit Fees	0.10	0.25
- Other Services	1.50	28.82
Security Expenses	2,202.71	2,067.67
Corporate Social Responsibility	127.06	90.92
Allowance for Expected Credit Loss	275.98	225.91
Provision for Doubtful Advances	95.11	60.62
Miscellaneous Expenses	2,353.16	2,810.35
	<b>10,404.23</b>	<b>9,772.12</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 28. FINANCIAL RISK MANAGEMENT

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the 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 Group 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 Group manages its capital to ensure that Group 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 Group consists of net debt (total debt offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings). The Group 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 Group 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 Group has a target Debt to Equity Ratio of 1:1 determined as the proportion of net debt to equity. The Group had net debt to equity 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 Group is not exposed to significant interest rate risk as at the respective reporting dates.

#### Foreign Currency Risk

The Group'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:

Trade Payable	As at March 31, 2019	As at March 31, 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 Consolidated Financial Statements (Contd.)

### Foreign exchange risk sensitivity:

The Group 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:

Particulars	(₹ in Lakh)			
	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 ₹ 36,957.71 Lakh and ₹ 25,961.10 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 Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.

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:

Particulars	(₹ in Lakh)	
	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
<b>Closing balance</b>	<b>881.72</b>	<b>745.24</b>

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

### Liquidity Risk

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



## Notes to the Consolidated Financial Statements (Contd.)

As of March 31, 2019, the Group had a working capital of ₹ 15,353.60 Lakh including cash and cash equivalent of ₹ 12,366.75 Lakh and current investment of ₹ 0.70 Lakh.

As of March 31, 2018, the Group had a working capital of ₹ 10,411.62 Lakh including cash and cash equivalent of ₹ 7,861.63 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 executed 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 Group.

Particulars	(₹ in Lakh)	
	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 Consolidated 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 (w.e.f. December 24, 2018)
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 Consolidated 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	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	75,110.25	-
	(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	-	-	-	-	-
	(-)	(100.00)	(-)	(-)	(-)
Inter corporate deposit	-	50.00	-	-	-
	(-)	(-)	(-)	(-)	(-)
Advance given	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
<b>As at March 31, 2019</b>					
Receivables	2,298.01	12.88	30.27	16,789.85	-
	(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	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

### Break up of Material Related Party Transaction:

- Purchase of fixed assets includes Future Retail Limited ₹ 4,382.49 Lakh (2017-18: ₹ 4,633.89 Lakh)
- Income from operation includes Future Retail Limited ₹ 58,976.52 Lakh (2017-18: ₹ 43,024.05 Lakh)
- 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)
- 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)
- Receivables includes Future Lifestyle Fashions Limited ₹ 4,469.85 Lakh (2017-18: ₹ 2,087.68 Lakh), Future Retail Limited ₹ 5,395.53 Lakh (2017-18: ₹ 6,497.70 Lakh) and Praxis Home Retail Limited ₹ 4,217.13 Lakh (2017-18: ₹ 1,833.13 Lakh)



## Notes to the Consolidated Financial Statements (Contd.)

- 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 Group:

- 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 are 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 Group granted 2,83,763 options under the FSC ESOP 2017 to certain directors and employees of the Group. 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%

- (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

## Notes to the Consolidated Financial Statements (Contd.)

### (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 exercisable 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 in the following table:

Particulars	(₹ in Lakh)	
	Year ended March 31, 2019	Year ended March 31, 2018
Expenses arising from equity settled share based payment transactions	371.80	(61.03)

## 34. EARNINGS PER SHARE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year (₹ in Lakh)	6,153.00	3,047.19
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		
- Basic (in ₹)	15.36	7.72
- Diluted (in ₹)	15.34	7.72

## 35. LEASE

The Group 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 ₹ 13,042.94 Lakh (2017-18: ₹ 10,325.65 Lakh). Lease Rent payable not later than one year is ₹ 6,618.43 Lakh (2017-18: ₹ 2,960.57 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)



## Notes to the Consolidated Financial Statements (Contd.)

### 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 Group (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 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 each 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 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 27 under the "Contribution to Provident and Other Funds" of Consolidated Statement of Profit and Loss ₹ 399.33 Lakh (2017-18: ₹ 338.25 Lakh).

#### Defined Benefit Plan – Gratuity

The Group 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 Group 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 Group. In case of death while in service, the gratuity is payable irrespective of vesting. The Group's obligation towards Gratuity is a Defined Benefit plan and is not funded.

The plan typically exposes the Group 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.

## Notes to the Consolidated Financial Statements (Contd.)

### 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

Particulars	(₹ in Lakh)			
	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	314.20	254.59	173.72	152.13
Current service cost	77.54	83.90	110.27	63.82
Interest cost	24.48	18.99	13.54	11.31
Remeasurement-Actuarial (gain) / loss	(62.05)	(25.68)	(66.85)	89.28
Past service cost	-	5.68	-	-
Benefits paid by Group	(39.56)	(27.96)	(39.21)	(143.72)
On account of business combination	-	4.68	-	0.90
<b>Present value of obligation at the end of the year</b>	<b>314.61</b>	<b>314.20</b>	<b>191.47</b>	<b>173.72</b>

### Change in Fair Value of Plan Assets

Particulars	(₹ in Lakh)	
	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
<b>Fair value of plan assets at the end of the year</b>	<b>3.45</b>	<b>3.20</b>

### Net Defined Benefit Liability / (Assets)

Particulars	(₹ in Lakh)	
	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	314.61	314.20
Fair value of plan assets	(3.45)	(3.20)
Surplus / (Deficit)	311.16	311.00
<b>Net defined benefit liability / (assets)</b>	<b>311.16</b>	<b>311.00</b>

### Expenses recognised in Consolidated Statement of Profit and Loss

Particulars	(₹ in Lakh)			
	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	77.54	83.90	110.27	63.82
Past service cost	-	5.68	-	-
Net interest on the net defined benefit liability / asset	24.24	18.77	13.54	11.31
Remeasurement on (gain) / loss	-	-	(66.85)	89.28
<b>Total expenses recognised in Consolidated Statement of Profit and Loss</b>	<b>101.78</b>	<b>108.35</b>	<b>56.96</b>	<b>164.41</b>



## Notes to the Consolidated Financial Statements (Contd.)

### 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	(62.05)	(25.68)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	-	-
<b>Total (gain) / loss included in OCI</b>	<b>(62.05)</b>	<b>(25.68)</b>

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

	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

### 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)	314.61	314.20

(₹ 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 representative 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.



## Notes to the Consolidated Financial Statements (Contd.)

### 39. BUSINESS COMBINATION

During the year, the Board of Directors of the Company had approved a Scheme of Arrangement under section 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)
<b>Current assets</b>	
Cash and cash equivalents	523.82
Trade and other receivables	2,914.24
Other Current Assets	1,410.45
<b>Non-current assets</b>	
Property, Plant and Equipment	5,565.03
Capital work in progress	1,221.12
Intangible Assets	132.61
Other Non-Current Assets	809.64
<b>Current liabilities</b>	
Borrowings	9,140.00
Trade and other payables	5,247.96
Other Current Liabilities and Provisions	713.15
<b>Non-current liabilities</b>	
Other Non Current Liabilities	64.98
<b>Other Equity</b>	(2,589.18)

40. The Group 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.

### 41. APPROVAL OF FINANCIAL STATEMENT

The Consolidated 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

**P V Sheshadri**  
(Chief Executive Officer)

**C P Toshniwal**  
(Director)  
DIN: 00036303

**Samir Kedia** (Chief Financial Officer) **Vimal Dhruve** (Company Secretary)



## FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

Information as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2019

Sl. No., Employee Name, Designation, Age, Date of Joining, Experience (in Years), Qualification, Remuneration received (in ₹), Last Employment

1. Mayur Toshniwal, Managing Director, 51, August 5, 2017, 26, MBA, 24886546, Entrepreneur 2. P V Sheshadri, Chief Executive Officer, 51, November 27, 2006, 26, B.Sc., 14221012, Welspun Retail Limited 3. Divyansh Rathore, Vice President, 47, July 21, 2011, 25, BE, 7474305, Guetermann Private Limited 4. ASR Prasad, Vice President, 48, October 31, 2007, 21, MBA, 7367832, The Himalaya Drug Company 5. Samir Kedia, Chief Financial Officer, 40, March 1, 2018, 20, Chartered Accountant, 7278661, Future Consumer Limited 6. Jitender Lal, General Manager, 44, June 1, 2018, 20, B.E., 6691520, Vulcan Express Pvt. Ltd. 7. Sougato Shome, Vice President, 46, January 12, 2006, 22, MBA, 6583696, Philips India Electronics Limited 8. Jayesh Tanaji Patil, General Manager, 44, December 12, 2007, 21, MBA, 6035941, Woodworth Wholesale 9. Hiren Kumar Ladva, General Manager, 38, April 2, 2018, 16, MBA, 5723112, Tata Communication Ltd. 10. Sanjeev Mandal, General Manager, 52, July 1, 2015, 28, M.Com., 5551369, Gati Limited.

### Notes:

1. The employees have adequate experience to discharge the responsibilities assigned to them.
2. The nature of employment is contractual.
3. No employee is related to any director of the Company.
4. Gross remuneration received shown in this statement includes salary, allowances and perquisite and other terminal benefits, as applicable.
5. Terms and conditions of the employment are as per Company's rules and policy

For Future Supply Chain Solutions Limited

**Mayur Toshniwal**  
Managing Director

**C P Toshniwal**  
Director

Mumbai, May 13, 2019

### **Forward-Looking Statements:**

This annual report contains operating forecasts of FSC and certain other statements that are not historical facts. These forward-looking statements are based on information currently available to management when the annual report was produced and contain many uncertainties. Actual performance may differ from projections for various reasons. Furthermore, the information contained in this annual report herein includes information for reference in making investment decisions. However, this does not constitute solicitation to buy or sell the shares. The final investment decision rests solely with the reader of this document.

**FUTURE SUPPLY CHAIN SOLUTIONS LIMITED**

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

Tel. No. : + 91 22 6644 2200

Website: [www.futuresupplychains.com](http://www.futuresupplychains.com)

**FUTUREBAZAAR INDIA LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2020**

		(Rs in Lakhs)	
	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Other Non-Current Assets	2	13.58	12.90
<b>Total Non-Current Assets</b>		<b>13.58</b>	<b>12.90</b>
<b>Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	3	0.89	0.89
(ii) Cash and Cash Equivalents	4	6.70	8.24
(b) Other Current Assets	5	5.05	4.10
<b>Total Current Assets</b>		<b>12.64</b>	<b>13.23</b>
<b>Total Assets</b>		<b>26.23</b>	<b>26.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	6	1,916.00	1,916.00
(b) Other Equity	7	(2,070.16)	(2,048.12)
<b>Total Equity</b>		<b>(154.17)</b>	<b>(132.12)</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	8	179.28	157.91
(b) Other Current Liabilities	9	1.11	0.34
<b>Total Current Liabilities</b>		<b>180.39</b>	<b>158.25</b>
<b>Total Equity and Liabilities</b>		<b>26.23</b>	<b>26.13</b>

The accompanying notes form an integral part of financial statements.

As per our report of even date attached  
DGS & Co.

Firm No : 147413W  
Chartered Accountants



Aditya Nandkishor Darak  
Partner  
Membership No: 181205  
Mumbai  
Date : 29th July 2020



For and on behalf of Board of Directors  
FUTUREBAZAAR INDIA LIMITED



Rakesh Biyani  
Director  
DIN: 00005806



Dinesh Maheshwari  
Director  
DIN: 00088451

**FUTUREBAZAAR INDIA LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

(Rs in Lakhs)

	Note	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Income</b>			
Revenue From Operations	10	7.77	10,159.84
Other Income	11	0.28	0.37
<b>Total Income</b>		<b>8.05</b>	<b>10,160.21</b>
<b>Expenses</b>			
Purchase of Traded Goods	12	7.70	10,039.98
Employee Benefit Expenses	13	-	-
Other Expenses	14	22.40	40.11
<b>Total Expenses</b>		<b>30.10</b>	<b>10,080.09</b>
<b>Profit / (loss) Before Tax</b>		<b>(22.05)</b>	<b>80.12</b>
Tax Expense			
(1) Current Tax		-	-
(2) Deferred tax		-	-
<b>Profit After Tax For The Year</b>		<b>(22.05)</b>	<b>80.12</b>
<b>Other Comprehensive Income</b>			
Re-Measurement Gains/ (Losses) on Defined Benefit Plans		-	-
<b>Total Other Comprehensive Income</b>		<b>(22.05)</b>	<b>80.12</b>
<b>Basic &amp; Diluted Earnings Per Share</b>	15	<b>(0.12)</b>	<b>0.42</b>

The accompanying notes form an integral part of financial statements.

As per our report of even date attached  
DGS & Co.

Firm No : 147413W  
Chartered Accountants



Aditya Nandkishor Darak  
Partner  
Membership No: 181205  
Mumbai  
Date : 29th July 2020



For and on behalf of Board of Directors  
FUTUREBAZAAR INDIA LIMITED

  
Rakesh Biyani  
Director  
DIN: 00005806

  
Dinesh Maheshwari  
Director  
DIN: 00088451

FUTUREBAZAAR INDIA LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Rs in Lakhs)

	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Cash Flow From Operating Activities</b>		
Profit Before-Tax & Extraordinary Items	(22.05)	80.12
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Interest Income	(0.28)	(0.29)
<i>Working Capital Adjustments:</i>		
Increase in loan and advances	(1.63)	(5.75)
Increase in trade and other receivables and prepayments	-	858.47
Increase in trade and other payables	22.14	(1,024.06)
<b>Cash Generated From Operation</b>	<b>(1.82)</b>	<b>(91.50)</b>
Income Tax Paid		
<b>Net Cash Flows From Operating Activities</b>	<b>(1.82)</b>	<b>(91.50)</b>
<b>Cash Flow From Investing Activities</b>		
Interest Income	0.28	0.29
<b>Net Cash Flows From Investing Activities</b>	<b>0.28</b>	<b>0.29</b>
<b>Cash Flow From Financing Activities</b>		
Proceeds from borrowings		
<b>Net Cash Flows From Financing Activities</b>		
<b>Net Increase in cash and cash equivalents</b>	<b>(1.54)</b>	<b>(91.22)</b>
Cash and cash equivalents at the beginning of the year	8.24	99.45
<b>Cash and Cash Equivalents at Year End</b>	<b>6.70</b>	<b>8.24</b>


The accompanying notes form an integral part of financial statements.

As per our report of even date attached  
DGS & Co.

Firm No : 147413W  
Chartered Accountants



Aditya Nandkishor Darak  
Partner  
Membership No: 181205  
Mumbai  
Date : 29th July 2020

Rakesh Biyani  
Director  
DIN: 06005806

For and on behalf of Board of Directors  
FUTUREBAZAAR INDIA LIMITED



Dinesh Maheshwar  
Director  
DIN: 00088451

**FUTUREBAZAAR INDIA LIMITED**  
**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

	As at March 31, 2020	As at March 31, 2019
<b>(A) EQUITY SHARE CAPITAL</b>		
Opening Balance	1,916.00	1,916.00
Change during the year		
Closing Balance	<b>1,916.00</b>	<b>1,916.00</b>
<b>(B) OTHER EQUITY</b>		
<b>Retained Earnings</b>		
Opening Balance	(2,048.12)	(2,128.24)
Profit/(loss) for the year	(22.05)	80.12
Other comprehensive income/(loss) for the year		
Closing Balance	<b>(2,070.17)</b>	<b>(2,048.12)</b>
<b>Total Other Equity</b>	<b>(2,070.17)</b>	<b>(2,048.12)</b>

The accompanying notes form an integral part of financial statements.

As per our report of even date attached  
**DGS & Co.**

Firm No : 147413W  
 Chartered Accountants



**Aditya Nandkishor Darak**  
 Partner  
 Membership No: 181205  
 Mumbai  
 Date : 29th July 2020



For and on behalf of Board of Directors  
**FUTUREBAZAAR INDIA LIMITED**



**Rakesh Biyani**  
 Director  
 DIN: 00005806



**Dinesh Maheshwari**  
 Director  
 DIN: 00088451



1. Company overview and significant accounting policies

1.1 Company overview

Futurebazaar India Limited ('the Company') is a public company domiciled in India. Futurebazaar is a very own online arm of Future Group. The Company is engaged in the business of Gift Voucher, retail trading internet business. The Company also operates on B2B (Business to Business) models where they sell its products to corporate customers.

1.2 Basis of preparation of financial statements

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

1.3 Use of estimates

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

1.4 Revenue recognition

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

Sale of goods

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

Interest Income

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

1.5 Income tax

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

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

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



**FUTUREBAZAAR INDIA LIMITED.**

**Notes to Financials Statements for the Year Ended March 31, 2020**

**1.6 Provisions**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Provisions is recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**1.7 Foreign currency transactions**

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

**1.8 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period:

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

**1.9 Employee benefits**

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

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

**1.10 Cash flow statements**

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 flows and item of income and expenses associated with investing or financing cash flows. The cash flows from Operating, Financing and Investing are segregated.

**1.11 Inventories**

Inventories of traded goods are valued at lower of cost or net realizable value. Cost includes cost of purchase and other cost incurred in bringing the inventory to their present location and condition. Cost of inventories is determined based on moving weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.



1.12. Segment reporting

Identification of segments

The Company is exclusively engaged in e-commerce activity on B2B (Business to Business) models where they sell its products to corporate customers. The e-commerce business is considered to constitute one single primary segment in the context of Accounting Standard 17 on Segmental Reporting issued by the Institute of Chartered Accountants of India. There are no geographical reportable segments since the Company sells goods to the customers in the Indian market only and does not distinguish any reportable regions within India.

1.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of twelve months or less, which are subject to an insignificant risk of changes in value.

1.14 Current versus non-current

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when it is:

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

All other liabilities are classified as non-current.

1.15 Share capital

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

1.16 Fair value measurement

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.



1.17 Financial Instruments

**Initial recognition and measurement.**

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

**Subsequent measurement**

a. Financial assets carried at amortised cost

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

b. Financial assets at fair value through other comprehensive income

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

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

c. 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.

d. Financial liabilities

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

**Derecognition of financial instruments**

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

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



FUTUREBAZAAR INDIA LIMITED

Notes to Financial Statements for the Year Ended March 31, 2020

	As at	As at
	March 31, 2020	March 31, 2019
<b>2 Other Non - Current Assets</b>		
Balance with statutory authorities* (*Includes deduction/payment of Income Tax (Net of Provisions) and balances with statutory authorities)	13.58	12.90
	<b>13.58</b>	<b>12.90</b>
<b>3 Trade Receivables</b>		
Receivables	0.89	0.89
	<b>0.89</b>	<b>0.89</b>
<b>4 Cash &amp; Cash Equivalents</b>		
Balances with banks:		
– On current accounts	2.98	4.52
Fixed deposits with banks (with less than 12 months maturity)	3.72	3.72
	<b>6.70</b>	<b>8.24</b>
<b>5 Other Current Assets</b>		
Interest accrued	1.21	0.93
Other Receivable	3.84	3.17
	<b>5.05</b>	<b>4.10</b>



FUTUREBAZAAR INDIA LIMITED

Notes to Financials Statements for the Year Ended March 31, 2020

	(Rs in Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>6 Share capital</b>		
<b>Authorised share capital</b>		
2,00,00,000 Equity Shares of Rs 10/- Each.	2,000.00	2,000.00
<b>Issued, subscribed and fully paid-up shares</b>	2,000.00	2,000.00
1,91,60,000 Equity Shares of Rs 10/- Each Fully Paid	1,916.00	1,916.00
	1,916.00	1,916.00

a. **Terms/ rights attached to equity shares**

The company has one class of equity shares having a par value of Rs 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b. **Shares held by holding company**

Name of the shareholder	31-Mar-20	31-Mar-19
	(Rs in Lakhs)	(Rs in Lakhs)
Future Enterprises Limited - (Formerly known as Future Retail Limited) 1,91,60,000 (Previous Year: 1,91,60,000) Equity Shares of Rs 10 each fully paid up (The Holding Company)	1,916.00	1,916.00

c. **Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	31-Mar-20		31-Mar-19	
	No. in Lakhs	% holding	No. in Lakhs	% holding
<i>Equity shares of Rs 10 each fully paid</i>				
Future Enterprises Limited (Formerly known as Future Retail Limited)	191.60	100.00%	191.60	100.00%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



FUTUREBAZAAR INDIA LIMITED

Notes to Financial Statements for the Year Ended March 31, 2020

(Rs in Lakhs)

	As at March 31, 2020	As at March 31, 2019
<b>7 Other Equity</b>		
Retained Earning		
Opening Balance	(2,048.12)	(2,128.24)
Profit/(loss) for the year	(22.05)	80.12
Other comprehensive income/(loss) for the year		-
Closing balance	(2,070.16)	(2,048.12)
<b>8 Trade Payables</b>		
Trade payables to related parties	176.87	155.73
Trade payables to Others	2.41	2.19
	179.28	157.91
<b>9 Other Current Liabilities</b>		
Advances received from customer		
Other payables*	1.11	0.34
(*Includes statutory dues and other payables)	1.11	0.34



**FUTUREBAZAAR INDIA LIMITED**  
Notes to Financials Statements for the Year Ended March 31, 2020

(Rs in Lakhs)

	Year Ended	Year Ended
	March 31, 2020	March 31, 2019
<b>10 Revenue From Operation</b>		
Sale of gift vouchers	7.77	10,159.84
	<b>7.77</b>	<b>10,159.84</b>
<b>11 Other Income</b>		
Interest income	0.28	0.29
Other income	0.00	0.08
	<b>0.28</b>	<b>0.37</b>
<b>12 Purchases of Traded Goods</b>		
Gift vouchers	7.70	10,039.98
	<b>7.70</b>	<b>10,039.98</b>
<b>13 Employee Benefit Expenses</b>		
Salaries, wages and bonus		
Company's contribution to provident and other funds		
	-	-
<b>14 Other Expenses</b>		
Audit fees	0.59	0.59
Director Sitting Fees	1.60	1.60
Rates and taxes	-	0.18
Professional fees	18.36	31.49
Miscellaneous expenses	1.85	6.26
	<b>22.40</b>	<b>40.11</b>
Payment to Auditors		
Audit fee	0.59	0.59
	<b>0.59</b>	<b>0.59</b>





## 15 Earning Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

	Units	March 31, 2020	March 31, 2019
Net Profit after tax	(Rs in Lakhs)	(22.05)	80.12
Weighted average number of equity shares outstanding	(in Nos)	19,160,000	19,160,000
Basic earnings per share (Face value - Rs 10/- each)	( in Rs )	-0.12	0.42

## 16 Related Party Disclosure

## a. List of Related Party

## (i) Holding/Subsidiary Company

Name	Nature
Future Enterprises Limited	Holding Company

## (ii) Fellow Subsidiary

Name	Nature
Future E-commerce Infrastructure Limited	Fellow Subsidiary

## (iii) Key Management Personnel

1. Rakesh Blyani - Director
2. Dinesh Maheshwari - Director
3. Deepak Mahansaria - Director
4. Ankit Singhania - Director
5. Deepak Tanna - Company Secretary

## B. Related Party Transactions.

During the year, the following transactions were carried out with the related parties

Nature of transaction	(Rs in Lakhs)	
	Holding company	Fellow subsidiaries
<b>Purchase of goods</b>		
Year ended March 31, 2020	-	7.70
Year ended March 31, 2019	-	10,039.98
<b>Payables</b>		
As at March 31, 2020	15.50	161.37
As at March 31, 2019	-	155.73



17 Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

*Market Risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include receivables, payables, loans, borrowings and deposits.

*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 any interest rate risk as at the reporting dates.

*Credit Risk*

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs 4.73 Lakhs and Rs 4.06 Lakhs as of March 31, 2020 and March 31, 2019 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit-worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit-risk factors and the company's historical experience for customers.

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

*Liquidity Risk*

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

	(Rs In Lakhs)	
	March 31, 2020	March 31, 2019
Trade payables	179.28	157.91

18 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

	(Rs In Lakhs)	
	March 31, 2020	March 31, 2019
Trade Payables	179.28	157.91
Other Current Liabilities	1.11	0.34
Less - Cash and Cash Equivalents	(6.70)	(8.24)
Net Debt	173.69	150.01
Equity	(154.17)	(132.12)
Total Equity	(154.17)	(132.12)
Capital and Net Debt	19.53	17.90
Gearing Ratio	889.47%	838.27%



19 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" (Act) till March 31, 2018. Accordingly, no disclosures are required to be made under said Act and Schedule III to the Companies Act, 2013.

19 A Contingent Liability :

The Company has received demand notice from Department of Sales Taxes, Government of Maharashtra. The Company has initiated stay order and file an Appeal proceedings for the same.

Nature of Dues	Amount (In lakhs)	Period
Central Sales Tax Act	13.36	2006-07
Maharashtra Value Added Tax	84.72	2006-07
Maharashtra Value Added Tax	224.51	2007-08
Central Sales Tax Act	103.33	2007-08
Central Sales Tax Act	320.54	2008-09
Maharashtra Value Added Tax	199.85	2008-09
Central Sales Tax Act	37.61	2012-13

20 Going Concern

The financial statements of the Company have been prepared on the basis of going concern. However having regard to the fact there are significant accumulated losses, the ability of the company to continue as a going concern is significantly dependent on the improvement of the Company's future operations and financial support from the holding company. The Holding Company has confirmed that necessary financial support will be provided as required.

As per our report of even date attached

DGS & Co.  
Firm No : 147413W  
Chartered Accountants

  
Aditya Nandkishor Darak  
Partner  
Membership No: 181205  
Mumbai  
Date : 29th July 2020



For and on behalf of Board of Directors  
FUTUREBAZAAR INDIA LIMITED

  
Rakesh Blyani  
Director  
DIN: 00005806

  
Dinesh Maheshwar  
Director  
DIN: 00088451



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**FUTUREBAZAAR INDIA LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of FUTUREBAZAAR INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, Statement of changes in equity, Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

### **Information Other than the 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 Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 19A to the 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 DGS & Co.,**

Chartered Accountants  
(Firm Registration No. 147413W)

ADITYA ANANDKISHOR DARAK  
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c=IN

**ADITYA NANDKISHOR DARAK**

Partner

(Membership No. 181205)

UDIN: 20181205AAAAAW8879

Mumbai, July 29, 2020



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

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

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

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

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal 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 DGS & Co.,**

Chartered Accountants  
(Firm Registration No. 147413W)

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DARAK  
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**ADITYA NANDKISHOR DARAK**

Partner

(Membership No. 181205)

UDIN: 20181205AAAAAW8879

Mumbai, July 29, 2020

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under '**Report on Other Legal and Regulatory Requirements**' section of our report to the Members of FUTUREBAZAAR India Limited of even date)

- i. According to the information and explanations given to us and the records examined by us, the company does not have any Fixed Assets. Therefore, clause 3 (i) of the Order is not applicable to the company.
- ii. The Company is in the business of trading of Gift Vouchers and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore reporting under clause 3 (iii) of the Order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and made any investments. Therefore clause 3 (iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The 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. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including, provident fund, Employees' state insurance, Income tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the company with the appropriate authorities.  
  
(b) According to the information and explanation provided to us, there are no material dues of income tax, service tax, which have not been deposited with appropriate authorities on account of any dispute.

However, according to information and explanation given to us, the following dues of Central Sales Tax and Value Added Tax have not been deposited by the Company on account of disputes:

<b>Nature of Statute</b>	<b>Nature of Dues</b>	<b>Amount (INR)</b>	<b>Period to which the amount pertains</b>	<b>Forum where pending</b>
Central Sales Tax, 1956	CST	13,36,594	2006-07	Deputy Commissioner of Sales Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	MVAT	84,71,574	2006-07	Deputy Commissioner of Sales Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	MVAT	2,24,50,862	2007-08	Deputy Commissioner of Sales Tax (Appeals)
Central Sales Tax, 1956	CST	1,03,32,971	2007-08	Deputy Commissioner of Sales Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	MVAT	1,99,89,409	2008-09	Deputy Commissioner of Sales Tax (Appeals)
Central Sales Tax, 1956	CST	3,20,54,330	2008-09	Deputy Commissioner of Sales Tax (Appeals)
Central Sales Tax, 1956	CST	37,60,616	2012-13	Deputy Commissioner of Sales Tax (Appeals)

- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- 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. According to the information and explanations given to us, the Company has not paid/ provided any managerial remuneration during the year. Therefore clause 3 (xi) of the Order is not applicable to the company.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DGS & Co.,**  
Chartered Accountants  
(Firm Registration No.147413W)

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**ADITYA NANDKISHOR DARAK**  
Partner  
(Membership No. 181205)  
UDIN: 20181205AAAAAW8879

Mumbai, July 29, 2020

**Independent Auditor's Report**

To,

The members of

**Report on the Audit of the Financial Statements of Acute Retail Infra Private Limited**

**Opinion**

We have audited the financial statements of Acute Retail Infra Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its **Profit** for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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 opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.



## **Responsibilities of Management and those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

### **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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we are give the statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit.
  - (b). In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper return adequate for the purpose of our audit have been received.
  - (c). The Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account and with the returns received
  - (d). In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e). On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.





- (f). With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, This Report are applicable to the company.
- (g). As per information and explanations given to us, since the Company is a private company, the provisions of section 197 of the Act, related to the managerial remuneration, are not applicable to the company.
- (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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its 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 are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Manoj K Shah & Co.**

**Charteredr Accountants**

**FR No. 126403W**

  
**Manoj Shah**

**Proprietor**

**M.No. 119022**






**Place : Mumbai**

**Date: 20<sup>th</sup> August 2020.**



**UDIN: 20119022 AAAACH 3225**



<b>ACUTE RETAIL INFRA PRIVATE LIMITED</b> (Formerly Known as Acute Realty Pvt. Ltd.) <b>BALANCE SHEET AS AT 31ST MARCH, 2020</b> CIN No:U70100MH2005PTC151972			
			(₹ in Lakh)
	Note	As at March 31, 2020	As at March 31, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	109.00	109.00
Reserves and Surplus	3	(1,066.56)	4,931.19
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	5,908.95	8,640.78
Security Deposits	5	4,500.00	4,500.00
Deferred Tax Liabilities (Net)		235.84	235.84
<b>Current Liabilities</b>			
Short-Term Borrowings	6	32,923.34	-
Trade payables	7	3,307.68	4,096.24
Other Current Liabilities	8	176.55	28,789.69
<b>TOTAL</b>		<b>46,094.80</b>	<b>51,302.74</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	9	34,268.58	39,183.39
InTangible Assets		1,080.00	1,080.00
Non-Current Investments	10	7,270.85	7,494.13
Long-Term Loans and Advances	11	2,275.95	1,515.55
<b>Current Assets</b>			
Trade receivables	12	5.26	630.22
Cash and Cash Equivalents	13	17.92	214.70
Short-Term Loans and Advances	14	1,169.56	1,175.72
Other Current Assets	15	6.68	9.04
		<b>46,094.80</b>	<b>51,302.74</b>
The accompanying notes are an integral part of these financial statements	1-28		
<b>As per our Report of even date attached</b>			
<b>For Manoj K Shah &amp; Co.</b> Chartered Accountants		<b>For and on behalf of Board of Directors</b>	
			
Manoj Kumar Shah Proprietor Mem. No. 119022 FRN No. 126403W Mumbai Date: 20/08/2020		Jayesh Merchant Director DIN. 00226260	Bhavesh Wadhel Director DIN:07300778

UDIN: 20119022 AAAACH 3225

9 Fixed Assets													(₹ in Lakh)		
Particular	Gross Block				Deprecation							Net Block			
	Gross Block As On April 2019	Additions Due to Merger	Additions During the year	Sale/Disposal during the year	Total As on March 31, 2020	Upto March 31, 2019	Dep. Due to Merger	For the Year	Adjustment	Impairment Loss	Upto March 31, 2020	As at March 31, 2020	As at March 31, 2019		
Building	291.93	-	-	-	291.93	66.12	-	5.55	-	-	71.67	220.26	225.80		
Leasehold Improvement	39,673.51	-	-	-	39,673.51	4,951.82	-	1,640.11	-	2,398.41	8,990.34	30,683.16	34,721.69		
Furniture & Fittings	172.04	-	-	-	172.04	32.34	-	16.34	-	8.94	57.62	114.42	139.71		
Plant & Equipments	396.26	-	-	-	396.26	27.08	-	47.06	-	23.35	97.49	298.77	369.18		
Computers	4,882.85	-	-	-	4,882.85	1,187.25	-	539.40	-	228.82	1,955.48	2,927.37	3,695.60		
Office Equipments	41.15	-	-	-	41.15	9.73	-	4.89	-	1.92	16.54	24.61	31.42		
<b>Total</b>	<b>45,457.74</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>45,457.74</b>	<b>6,274.35</b>	<b>0.00</b>	<b>2,253.35</b>	<b>-</b>	<b>2,661.46</b>	<b>11,189.16</b>	<b>34,268.58</b>	<b>39,183.39</b>		
<b>Previous Year</b>	<b>29,994.96</b>	<b>15,172.13</b>	<b>290.65</b>	<b>0.00</b>	<b>45,457.74</b>	<b>1,756.17</b>	<b>2,296.51</b>	<b>2,221.67</b>	<b>-</b>	<b>-</b>	<b>6,274.35</b>	<b>39,183.39</b>	<b>28,238.78</b>		



## NOTES TO THE FINANCIAL STATEMENT

### I Significant Accounting Policies

#### A General

Financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under Section 133 of the Companies Act, 2013 read together with the paragraph 7 of the Companies (Accounts) Rules 2014.

#### B Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively.

#### C Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided pro rata for the period of use on straight line basis as per the useful life of the assets prescribed under Schedule II of the Companies Act, 2013.

#### D Accounting for Taxes on Income

Provision for taxation comprises of current tax and deferred tax.

Current tax represents tax on Profits for the current year as determined as per the provisions of the Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits for the year are accounted based on tax rates in force and tax laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences, are recognized to the extent there is reasonable / virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

#### E Operating Cycle:

Assets and Liabilities have been classified in to current and Non-Current based on the Operating Cycle.

#### F Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be

#### G Accounting for Provisions and Contingent Liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

#### H Leases

Lease where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term are classified as operating leases

#### I Borrowing Costs

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



**"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the **Acute Retail Infra Private Limited Company** for the year ended March 31, 2020:

- 1) (a) As per our opinion the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.  
(c) The title deeds of immovable properties are held in the name of the company.
- 2) As Per information and explanation given to us, there are no inventory as on the balance sheet date, the provisions of this clause are not applicable to the company and hence not comment upon it.
- 3) 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.




- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks of Financial Institution or government and The Company does not have any borrowings by way of debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.



- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of

Manoj K Shah & Co.  
*Chartered Accountants*  
FRN No. 126403W:

  
Manoj Shah  
*Proprietor*  
M No. 119022



Place: Mumbai  
Date: 20<sup>th</sup> August 2020



UDIN: 20119022 AAAACH3225

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(₹ in Lakhs)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
<b>16</b>	<b>Revenue From Operations</b>		
	Sale of Product/ Service	113.52	8,391.19
		<b>113.52</b>	<b>8,391.19</b>
<b>17</b>	<b>Other Income</b>		
	Profit on sale of Shares	99.09	-
	Dividend	20.00	-
	Interest on Income Tax Refund	0.24	0.73
	Interest on FD	-	3.80
		<b>119.33</b>	<b>4.53</b>
<b>18</b>	<b>Cost of Goods &amp; Service</b>		
	Cost of Goods & Service	6.75	4,398.59
		<b>6.75</b>	<b>4,398.59</b>
<b>19</b>	<b>Employee Benefits Expense</b>		
	Salaries	14.01	28.00
		<b>14.01</b>	<b>28.00</b>
<b>20</b>	<b>Finance Costs</b>		
	Interest Expense	1,240.68	1,630.52
		<b>1,240.68</b>	<b>1,630.52</b>
<b>21</b>	<b>Other Expenses</b>		
	Director Sitting Fees	0.80	0.80
	Insurance	9.54	5.61
	Audit Fees	0.50	0.50
	Legal and Professional Fees	12.55	15.01
	Merger Expenses	4.14	11.45
	Loss on Imparement of Fixed Assets	2,661.46	0.00
	Miscellaneous Expenses	9.89	33.33
		<b>2,698.87</b>	<b>66.70</b>





**NOTES TO THE FINANCIAL STATEMENT**

( ₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>2. Share Capital</b>		
<b>Authorised Capital</b>		
2,220,000 (2,200,000) Equity Shares of Rs 10/- each (Refer Note No. 26)	222.00	220.00
	<b>222.00</b>	<b>220.00</b>
<b>Issued, Subscribed and Paid up</b>		
10,89,978 Equity Shares of Rs 10/- each	109.00	109.00
<b>Total</b>	<b>109.00</b>	<b>109.00</b>

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

**2.1- Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.**

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Shares at the beginning of the year	10,89,978	10,89,978
Add: Shares Allotted during the year	-	-
<b>Equity Shares at the end of the year</b>	<b>10,89,978</b>	<b>10,89,978</b>

**2.3 -Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Nishta Mall Management Company Pvt. Ltd	98,094	9.00%	98,094	9.00%
Precision Realty Developers Private Limited	98,094	9.00%	98,094	9.00%
Rivaaz Trade Ventures Pvt. Ltd.	98,094	9.00%	98,094	9.00%
Niyman Mall Management Company Pvt Ltd	98,094	9.00%	98,094	9.00%
Unique Malls Private Limited	98,094	9.00%	98,094	9.00%
Harmony Malls Management Private Limited	2,07,138	19.00%	98,094	9.00%
Suhani Mall Management Company Pvt Ltd	98,094	9.00%	98,094	9.00%
Ujjain Future Bazaar Private Limited	-	-	1,09,044	10.00%
Bansi Mall Management Company Pvt. Ltd	1,47,138	13.50%	1,47,138	13.50%
Iskrupa Mall Management Company Private Limited	1,47,138	13.50%	1,47,138	13.50%
<b>Total</b>	<b>10,89,978</b>	<b>100.00%</b>	<b>10,89,978</b>	<b>100.00%</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

(₹ in Lakh)

Particulars		As at March 31, 2020	As at March 31, 2019
<b>3</b>	<b>Reserve and Surplus</b>		
	Security Premium	6,192.03	6,192.03
	<b>Profit and Loss Account</b>		
	Opening Balance	(1,308.01)	(1,511.63)
	Add: Profit for the year	(5,997.75)	203.62
		(7,305.75)	(1,308.01)
	<b>Capital Reserve</b>		
	Opening Balance	47.16	-
	Add: Arising pursuant to Scheme of Amalgamation (Refer Note No. 26)		47.16
	<b>Total</b>	<b>(1,066.56)</b>	<b>4,931.19</b>
<b>4</b>	<b>Long Term Borrowings</b>		
	<b>Secured</b>		
	Term Loan From Bank	-	1,870.50
	Term Loan From Others	5,908.95	6,770.28
		<b>5,908.95</b>	<b>8,640.78</b>
	Terms & Condition		
	(i) The term loan of Rs. 5578 Lakh is secured by charge on all movable fixed assets of the company, pledge of shares of the company and personal guarantee of the promoters. The said loan is repayable in 48 monthly installments.		
	(ii) The term loan of Rs.3742 Lakh is secured by charge on movable fixed assets of the company, personal guarantee of the promoter. The said loan is repayable in 18 monthly installments.		
	(iii) The term loan of Rs.2500 Lakh is secured by charge on movable fixed assets of the company, personal guarantee of the promoter. The said loan is repayable in 48 monthly installments.		
<b>5</b>	<b>Security Deposit</b>		
	Interest free deposit for property on lease	4,500.00	4,500.00
		<b>4,500.00</b>	<b>4,500.00</b>
<b>6</b>	<b>Short-Term Borrowings</b>		
	<b>Unsecured, Repayable on Demand</b>		
	From Others	32,923.34	-
		<b>32,923.34</b>	<b>-</b>
<b>7</b>	<b>Trade Payables</b>		
	Trade Payables	3,307.68	4,096.24
		<b>3,307.68</b>	<b>4,096.24</b>
<b>8</b>	<b>Other Current Liabilities</b>		
	Deposits From Others	-	25,599.69
	Current Maturities of Long Term Borrowings	165.10	3,179.86
	Other Payables	11.45	10.15
		<b>176.55</b>	<b>28,789.69</b>



NOTES FORMING PART OF FINACIAL STATEMENT		
(₹ in Lakh)		
Particular	As at March 31, 2020	As at March 31, 2019
<b>10 Non-Current Investments</b>		
<b>Unquoted fully paid up Equity shares</b>		
67,164 (33,582) Equity Share of Nishta Mall Management Company Pvt. Ltd of Rs. 10 each fully paid up	920.85	450.00
20,00,000 ( 20,00,000) Equity Share of Precision Realty Developers Private Ltd of Rs. 10 each fully paid up	200.00	200.00
90,272(90,272) Equity Share in Unique Malls Private Ltd of Rs. 10 each fully paid up	99.99	99.99
Nil (2,00,000) Equity Share of MAC Charles Ltd. of Rs. 10 each fully paid up	-	694.14
5,00,000 (5,00,000) Equity Share of Nufuture Digital India Pvt. Ltd. of 10 each fully paid up	6,050.00	6,050.00
	<b>7,270.85</b>	<b>7,494.13</b>
<b>11 Long-Term Loans and Advances</b>		
Deposits to others	1,515.65	1,515.55
Advances	760.30	-
	<b>2,275.95</b>	<b>1,515.55</b>
<b>12 Trade Receivables</b> <b>(Unsecured, Considered Good)</b>		
Outstanding for a period exceeding six months from the due date of payment		
Others	5.26	630.22
	<b>5.26</b>	<b>630.22</b>
<b>13 Cash and Cash Equivalents</b>		
Balance with Banks in Current Accounts	10.36	207.32
Cash on Hand	7.56	7.38
	<b>17.92</b>	<b>214.70</b>
<b>14 Short-Term Loans and Advances</b>		
Refundable from Government Authorities	1,169.56	1,175.72
	<b>1,169.56</b>	<b>1,175.72</b>
<b>15 Other Current Assets</b>		
Prepaid Expenses	6.68	9.04
	<b>6.68</b>	<b>9.04</b>



**ACUTE RETAIL INFRA PRIVATE LIMITED**

(Formerly Known as Acute Realty Pvt. Ltd.)

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

CIN No:U70100MH2005PTC151972

(₹ in Lakh)

	Note	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Income:</b>			
Revenue From Operations	16	113.52	8,391.19
Other Income	17	119.33	4.53
<b>Total Revenue</b>		<b>232.85</b>	<b>8,395.73</b>
<b>Expenses:</b>			
Cost Of Goods Sold / Services	18	6.75	4,398.59
Employee Benefits Expense	19	14.01	28.00
Financial Costs	20	1,240.68	1,630.52
Depreciation	9	2,253.35	2,221.67
Other Expenses	21	2,698.87	66.70
<b>Total Expenses</b>		<b>6,213.65</b>	<b>8,345.47</b>
<b>Profit/ (Loss) before Tax</b>		<b>-5,980.80</b>	<b>50.25</b>
<b>Tax Expense:</b>			
Current tax		-	-
Deferred Tax		-	-153.37
Tax adjustment for earlier year		-16.94	
<b>Profit/ (Loss) for the Year</b>		<b>-5,997.75</b>	<b>203.62</b>
<b>Earnings Per Equity Share</b>			
Basic	22	-550.26	18.68
Diluted		-550.26	18.68
The accompanying notes are an integral part of these financial statements	1-28		

As per our Report of even date attached

For and on behalf of Board of Directors

For Manoj K Shah & Co.

Chartered Accountants



Manoj Kumar Shah

Proprietor

Mem. No. 119022

FRN No. 126403W

Mumbai

Date: 20/08/2020

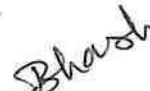




Jayesh Merchant

Director

DIN. 00226260



Bhavesh Wadhel

Director

DIN:07300778

UDIN: 20119022AAAACH3225

**ACUTE RETAIL INFRA PRIVATE LIMITED**  
(Formerly Known as Acute Realty Pvt. Ltd.)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**  
CIN No:U70100MH2005PTC151972

(₹ in Lakh)

		YEAR ENDED MARCH 31, 2020	YEAR ENDED MARCH 31, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net Profit/(Loss) Before Tax		(5,997.75)	50.25
Adjustments for:			
Depreciation & Impairment loss		4,914.81	2,221.67
Interest Income		0.24	(4.53)
Interest Expenses		(1,240.68)	1,630.52
<b>Operating Profit before Working Capital change</b>		<b>(2,323.38)</b>	<b>3,897.91</b>
Adjustment for:			
Trade and Other Receivable		624.96	(844.74)
Loans and Advances		(760.40)	3,041.22
Increase in Other Liabilities & Provisions		(28,613.14)	9,966.23
Increase In Trade Payable		(788.56)	3,574.95
Increase In other Current Assets		2.36	49.34
		(29,534.79)	15,787.00
<b>Cash Generated from Operations</b>		<b>(31,858.17)</b>	<b>19,684.92</b>
Taxes Paid		-	21.31
<b>Net Cash from Operating Activities</b>	<b>A</b>	<b>(31,858.17)</b>	<b>19,706.22</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Capital Work in Progress			
Investment		223.28	(6,744.14)
Purchase of Fixed Assets		-	(14,246.27)
Interest received		(0.24)	4.53
<b>Net Cash From Investing Activities</b>	<b>B</b>	<b>223.05</b>	<b>(20,985.88)</b>
<b>CASH FROM FINANCING ACTIVITIES:</b>			
Proceeds from issue of Equity Share Capital		-	-
Net Proceeds of Short Term Borrowings		32,923.34	(187.28)
Net Proceeds of Long Term Borrowings		(2,725.67)	2,860.26
Interest Paid		1,240.68	(1,630.52)
<b>Net Cash from Financing Activities</b>	<b>C</b>	<b>31,438.34</b>	<b>1,042.45</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(A+B+C)</b>	<b>(196.78)</b>	<b>(237.20)</b>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>		<b>214.70</b>	<b>404.74</b>
Adjustment pursuant to the scheme of amalgamation		-	47.16
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>		<b>17.92</b>	<b>214.70</b>

As per our Report of even date attached

For and on behalf of Board of Directors

For Manoj K Shah & Co.  
Chartered Accountants

Manoj Kumar Shah  
Proprietor  
Mem. No. 119022  
FRN No. 126403W  
Mumbai  
Date: 21/08/2020



*Jayesh Merchant*  
Jayesh Merchant  
Director  
DIN. 00226260

*Bhavesh Wadhel*  
Bhavesh Wadhel  
Director  
DIN:07300778

UDEN: 20119022 AAAACH 3225

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 22 Earning Per Share

Particulars	Unit	Year Ended March 31, 2020	Year Ended March 31, 2019
Net Profit/(Loss) after tax	in Lakhs	(5,997.75)	203.62
Weighted Average number of equity shares outstanding	No.	10,89,978	10,89,978
Basic and Diluted Earning Per Share*		(550.26)	18.68
Face Value per equity share		10.00	10.00

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

### 23 Related Party Disclosure

The related party relationships have been determined by the Company on the basis of the requirements of the Accounting Standard (AS)-18 'Related Party Disclosures'. Transaction with related parties during the year.

Name of Related Parties	Relationship	Nature of Transaction	Amount
Bhavesh Wadhel	Director	Sitting Fee	40000
Jayesh Merchant	Director	Sitting Fee	40000

24 There are no Micro, Small and Medium Enterprises, to whom the company owes dues which are outstanding for more than 45 days during the year. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

### 25 Payment to Auditors

Particulars	(₹ in Lakhs)	
	2019-20	2018-19
Statutory Audit Fees	0.30	0.30
Tax Audit Fees	0.20	0.20
<b>Total</b>	<b>0.50</b>	<b>0.50</b>

26 These Financial Statement have been prepaid in the format prescribed by the Revised Schedule VI to the Companies Act, 2013. Previous Year figures have been recast / restated as required.

Corporate Guarantee given to bank on behalf of Group Company- Rs.44.81.00 Crores/-

\* Service Tax on Business Center Charges upto September 30, 2011 – Rs. 31,40,279

Service Tax on Business Center Charges From October 2013 to March 2017 – Rs. 8,53,92,459/-

\*As per order of Hon'ble supreme court directing all members of Retail Association of India to deposit 50% of the arrears upto 30th September 2011 towards service tax renting of immovable property the Tenant has paid an amount of Rs.15,70,140/-



Note: "Pursuant to the Scheme of Amalgamation of Akshara Operating Lease Private Limited and Dheera Retail Infra Private Limited (Transferor Companies) with the Company ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013, Transferor Companies have been amalgamated with the Company with effect from the Appointed Date (as defined in the Scheme) i.e. 1st April, 2018. The said Scheme has been sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated May 09, 2019 and made effective upon filing of the orders of the NCLT with the Registrar of Companies on June 17, 2019. Pursuant to the Scheme of Amalgamation, the authorized share capital of the Company shall stand increased by INR 2,00,000 and revised authorized share capital of the Company is INR 2,22,00,000. The same has been updated in the records of the Registrar of Companies upon approval of the eforms INC-28 filed with the Registrar of Companies.

Pursuant to the Scheme, all the assets and liabilities of the Transferor Companies as on the Appointed Date have been transferred to and vested in the Company. Since the Transferor Companies are wholly owned subsidiary of the Company, no shares shall be issued as a consideration pursuant to amalgamation to the Transferor Companies."

28 During the year the company's Name has change from Acute Realty Pvt. Ltd. to Acute Retail Infra Pvt. Ltd.

As per our Report of even date attached  
For Manoj K Shah & Co.  
Chartered Accountants

Manoj Kumar Shah  
Proprietor  
Mem. No. 119022  
FRN No. 126403W  
Mumbai  
Date: 24/08/2020



For and on behalf of Board of Directors

Jayesh Merchant  
Director  
DIN. 00226260

Bhavesh Wadhwa  
Director  
DIN:07300778

UDIN: 20119022 AAAA CH 3225

**N.H. VYAS & Co.**

Chartered Accountants



N.H. VYAS

B.Com (Hons.) L.L.B., F.C.A., F.C.S.

Admin. Office : 63, 6th Floor, Pranik Garden 'E' Bldg. Co. Op. Hsg. Soc. Ltd., Next to HDFC Bank, Mahavir Nagar,

Kandivali (West), Mumbai - 400 067 • Email : nikhilcvyas@gmail.com • Mob. : 9930838070

Regd. Office : D2/28, 5th Floor, Bharat Nagar, Grant Road, (East), Mumbai - 400 007.

## Independent Auditor's Report

To the Members of  
**Basuti Sales and Trading Private Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Basuti Sales and Trading Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss and statement of cash flows for the year ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its Profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### Responsibility of Management and Those Charged with Governance for the Financial Statements





The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143 (3)(i) of the Companies Act, 2013, we are responsible for expressing our opinion on whether the company has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

### **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

- 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

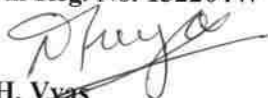
#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss, and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act., read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

#### Report on Other Legal and Regulatory Requirements (Continued)

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - 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 during the year ended 31<sup>st</sup> March, 2020.

For N. H. Vyas and Co.  
Chartered Accountant  
Firm Reg. No. 132204W

  
N.H. Vyas

Proprietor  
Membership No. 014433  
UDIN - 20014433AAAADN8666  
Place: Mumbai



## Annexure A to the Independent Auditors' Report

(Referred to in Paragraph 1 under "Report on other legal and regulatory requirements" section of our report to the Members of **Basuti Sales And Trading Private Limited** of even date)

The Annexure referred to in independent Auditor's Report to the Members of the company on the financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

### i. Fixed Assets

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.

### ii. Inventory

According to the information and explanation given to us, the company has no inventory during the year. Hence Clause (ii) of CARO 2016 is not applicable.

- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore clause 3(iii)(a)(b)(c) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- v. The Company has not accepted any deposits from the public.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148 (1) of the Act, for the services of the Company.

### vii. Statutory Dues

- a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, good and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- viii. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to financial institution, bank, government or dues to debenture holders.
- ix. Based upon the audit procedures performed and the information and explanations given to us money raised during the year has been applied by the Company for the purposes for which that was raised.



- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanation given to us and on the basis of our examination of relevant records, no managerial remunerations were paid or provided by the Company during the year under audit.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For N. H. Vyas and Co.  
Chartered Accountant  
Firm Reg. No. 132204W**

  
**N.H. Vyas  
Proprietor  
Membership No. 014433**



Place: Mumbai  
Dated: 18<sup>th</sup> August 2020

## Annexure B to the Independent Auditors' Report

**Re: Basuti Sales And Trading Private Limited ('the Company')**

**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 **Basuti Sales And Trading Private Limited (the Company)** as of 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the company considering the essential components of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, 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 31st March, 2020, 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 N. H. Vyas and Co.  
Chartered Accountant  
Firm Reg. No. 132204W



N.H. Vyas  
Proprietor  
Membership No. 014433



Place: Mumbai  
Dated: 18<sup>th</sup> August 2020

**BASUTI SALES AND TRADING PRIVATE LIMITED**

BALANCE SHEET AS AT 31st March, 2020

CIN No: U51101MH2016PTC274827

Particulars	Notes	31st March 2020	31st March 2019
		Amount in Lacs.	Amount in Lacs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	1.00	1.00
Reserves and Surplus	3	(9,019.13)	118.32
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	7,531.37	59,482.31
<b>Current Liabilities</b>			
Trade Payable	5	2,839.16	7,998.78
Other Current Liabilities	6	56,311.79	23,199.07
<b>TOTAL</b>		<b>57,664.20</b>	<b>90,799.49</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
i) Tangible Assets	7	39,542.29	44,548.59
ii) Capital Work in Progress		7,682.93	21,719.25
<b>Current Assets</b>			
Trade Receivable	8	395.99	2,612.29
Cash and Cash Equivalents	9	52.63	1,534.64
Loan & Advances	10	26.89	50.04
Other Current Assets	11	9,963.46	20,334.67
<b>TOTAL</b>		<b>57,664.20</b>	<b>90,799.49</b>
Notes referred to above form an integral part of the Balance sheet	1-20		

As per our report of even date attached

For N.H. VYAS AND COMPANY

Chartered Accountants

Firm Reg. No. 132204W

N.H. VYAS

Proprietor

M.No.: 014433

Place: Mumbai

Date: 18th August, 2020



For and on behalf of the Board

Basuti Sales and Trading Private Limited

*Sandip Sawant*

Sandip Sawant

Director

DIN No.08254462

*Akhilesh Kalra*

Akhilesh Kalra

Director

DIN No.07492077

V DIN :- 20014433 AAAA DN 8666

## BASUTI SALES AND TRADING PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March 2020

CIN No: U51101MH2016PTC274827

PARTICULARS	Notes	For the period 01.04.2019 to 31.03.2020	For the period 01.04.2018 to 31.03.2019
		Amount in Lacs.	Amount in Lacs.
<b>INCOME:</b>			
Revenue from Operation	12	20,516.63	19,860.90
Other Income		1.90	-
<b>Total Revenue</b>		<b>20,518.53</b>	<b>19,860.90</b>
<b>EXPENDITURE:</b>			
Purchase of Goods & Services	13	20,617.16	15,016.58
Finance Cost		3,970.29	-
Depreciation	7	5,006.31	103.51
Other Expenses	14	62.23	4,639.81
<b>Total Expense</b>		<b>29,655.99</b>	<b>19,759.89</b>
Profit (Loss) before Tax		(9,137.45)	101.01
<b>Tax Expense:</b>			
(1) Current Tax		-	28.10
(2) Deferred Tax			
Profit (Loss) after Tax		(9,137.45)	72.91
<b>Earnings per equity share:</b>			
Basic and Diluted Earning Per Share (Rs) (Face Value Rs 10 per share)	15	(91,374.54)	729.09
Notes referred to above form an integral part of the Balance sheet	1- 20		

As per our report of even date attached

For N.H. VYAS AND COMPANY

Chartered Accountants

Firm Reg. No. 132204W



N.H. VYAS

Proprietor

M.No.: 014433



Place: Mumbai

Date: 18th August, 2020

For and on behalf of the Board

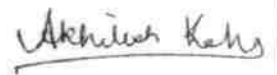
Basuti Sales and Trading Private Limited



Sandip Sawant

Director

DIN No.08254462



Akhilesh Kalra

Director

DIN No: 07492077

V DIN: - 20014433 AAAADN8666



**BASUTI SALES AND TRADING PRIVATE LIMITED**  
**Cash Flow Statement for the year ended March 31, 2020**

CIN No: U51101MH2016PTC274827

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash Flow from Operating Activities:</b>		
Profit & Loss after tax	(9,137.45)	72.91
<u>Adjustments</u>		
Excess provision written back	-	-
<b>Operating profit before working capital changes</b>	<b>(9,137.45)</b>	<b>72.91</b>
<u>Changes in working capital:</u>		
Increase/ (Decrease) in Trade Payable	(5,159.62)	(2,996.55)
Increase/ (Decrease) in Current Liabilities	33,112.72	15,596.40
( Increase)/ Decrease in Trade Receivable	2,216.30	5,132.94
( Increase)/ Decrease in loans and advances	23.15	739.71
( Increase)/ Decrease in in other current assets	10,371.21	(19,870.17)
<b>Net cash used in operating activities</b>	<b>31,426.30</b>	<b>(1,324.77)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Increase / (Decrease) in Capital Work in Progress	14,036.32	38,947.87
Purchase of Fixed Assets	5,006.31	(43,513.54)
<b>Net cash from financing activities</b>	<b>19,042.63</b>	<b>(4,565.68)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds/(Repayment) of Long-Term Borrowings	(51,950.94)	7,310.29
Share Capital Issued	-	-
<b>Net Cash used from financing activities</b>	<b>(51,950.94)</b>	<b>7,310.29</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(1,482.01)</b>	<b>1,419.85</b>
Cash and cash equivalents at the beginning of the year	1,534.64	114.79
<b>Cash and cash equivalents at the end of the year</b>	<b>52.63</b>	<b>1,534.64</b>
	<b>As at</b>	<b>As at</b>
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Cash and cash equivalents comprises of :</b>		
Balance with scheduled bank on current account	52.63	1,534.64
	<b>52.63</b>	<b>1,534.64</b>

As per our report of even date attached  
For N.H. VYAS AND COMPANY  
Chartered Accountants  
Firm Reg. No. 132204W

*N.H. Vyas*  
N.H.VYAS  
Proprietor  
M.No.: 014433



Place: Mumbai  
Date: 18th August, 2020

For and on behalf of the Board  
Basuti Sales and Trading Private Limited

*Sandip Sawant*  
Sandip Sawant  
Director  
DIN No.08254462

*Akhilish Kalra*  
Akhilish Kalra  
Director  
DIN No.07492077

UDIN: - 20014433AAAADN8666

**1. SIGNIFICANT ACCOUNTING POLICIES :**

**1.1 Basis of preparation of financial statements**

The financial statements of the company have been prepared in accordance with generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provision of the Companies Act, 2013 read with general circular 8/2014 Dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statement are consistent with those of previous year, The Company's management believes that the Company will continue to operate as a going concern and meet all its liabilities as they fall due for payment, based on the letter of support received from one of the principal shareholder confirming that they would continue to provide support, financial or otherwise, to ensure that the Company continues to operate as a going concern and meet all its liabilities as they fall due for payment.

**1.2 Revenue recognition**

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably

**1.3 Taxation**

Tax expense comprises current income tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

**1.4 Provisions**

Provision is recognized when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

**1.5 Earning Per Share (EPS)**

Basic and Diluted earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.



2 SHARE CAPITAL

Particulars	31st March 2020	31st March 2019
<b>Authorised Capital</b>		
10000 Equity Shares of Rs 10/- each	1,00,000	1,00,000
<b>Issued, Subscribed and Paid up</b>		
10000 Equity Shares of Rs 10/- each, fully paid	1,00,000	1,00,000
<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>

Notes:

- 2.1 The Company has only one class of shares referred to as equity shares having a par value of Rs 10 each. Each holder of the equity shares is entitled to one vote per share. In the event of Liquidation of the company, the holder of the fully paid equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 2.2 The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 is set out below:

Particulars	31st March 2020		31st March, 2019	
	No. of Shares held	Amount	No. of Shares held	Amount
At the beginning of the year	10,000	1.00	10,000	1.00
Add:- Issued During the Period	-	-	-	-
At the end of the year	<b>10,000</b>	<b>1.00</b>	<b>10,000</b>	<b>1.00</b>

- 2.3 Details of Shareholders holding more than 5% shares of the shares of the Company as at year end is as given below:

Name of Shareholder	31st March 2020		31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Akhillesh Karla	3200	32%	3200	32%
Vishal Doshi	3200	32%	3200	32%
AlIFAB Syntects & Commission Agency Pvt Ltd	1800	18%	-	-
Future Corporate Resources Pvt Ltd	-	-	1800	18%
Nice Texcot Trading & Agency Pvt Ltd	1800	18%	1800	18%
<b>TOTAL</b>	<b>10000</b>	<b>100%</b>	<b>10000</b>	<b>100%</b>

3 Reserves & Surplus

Particulars	31st March 2020	31st March, 2019
Profit & Loss Account		
As per last Balance Sheet	118.32	45.42
Add: During the year	(9,137.45)	72.91
<b>Total</b>	<b>(9,019.13)</b>	<b>118.32</b>

4 Long Term Borrowings

Particulars	31st March 2020	31st March, 2019
<b>Secured</b>		
From Bank*	7,531.37	22,565.80
<b>Unsecured</b>		
From Bodies Corporate #	-	36,916.51
<b>Total</b>	<b>7,531.37</b>	<b>59,482.31</b>
<b>Secured Loan:</b>		
* Rs.231.47 Crores (2018-19: 336.77 Crores) is secured by exclusive charge on all assets purchase under the proposed capex and all assets of the company; Personal Gurantee of the Promotors, ROI @ 11.55%, Interest Payment monthly and Principle Repayable at Year 1 (Half Year) - 5%, Year 2 - 10%, Year 3 - 22.5%, Year 4 - 25%, Year 5 - 25%, Year 6 (Half Year) - 12.5%, Total tenure 66 months.		

5 Trade Payable

Particulars	31st March 2020	31st March, 2019
Due to Micro & Small Enterprises	-	-
Due to Others	2,839.16	7,998.78
<b>Total</b>	<b>2,839.16</b>	<b>7,998.78</b>



## 6 Other Current Liabilities

Particulars	31st March 2020	31st March, 2019
Current Maturities of Long Term debts	15,615.24	11,111.61
Loan and Advances taken	40,670.20	12,040.14
Provisions	26.35	47.32
<b>Total</b>	<b>56,311.79</b>	<b>23,199.07</b>

## 8 Trade Receivable

Particulars	31st March 2020	31st March, 2019
<b>Unsecured Considered Good</b>		
Outstanding for Period exceeding six months	395.99	2,612.29
Other Debts	-	-
<b>Total</b>	<b>395.99</b>	<b>2,612.29</b>

## 9 Cash and Cash Equivalents

Particulars	31st March 2020	31st March, 2019
Balance with Banks	52.63	1,534.64
<b>Total</b>	<b>52.63</b>	<b>1,534.64</b>

## 10 Loans &amp; Advances

Particulars	31st March 2020	31st March, 2019
<b>(Unsecured Considered good)</b>		
Prepaid Expenses	24.89	13.95
TDS receivable (Net)	2.00	36.09
<b>Total</b>	<b>26.89</b>	<b>50.04</b>

## 11 Other Current Assets

Particulars	31st March 2020	31st March, 2019
Balance with Government Authority	9,933.46	9,929.08
Other Receivable	30.00	10,405.59
<b>Total</b>	<b>9,963.46</b>	<b>20,334.67</b>

## 12 Revenue from Operation

Particulars	31st March 2020	31st March, 2019
Sales of Goods & Services	20,516.63	19,860.90
<b>Total</b>	<b>20,516.63</b>	<b>19,860.90</b>

## 13 Purchase in Goods &amp; Services

Particulars	31st March 2020	31st March, 2019
Purchase of Goods & Services	20,617.16	15,016.58
<b>Total</b>	<b>20,617.16</b>	<b>15,016.58</b>

## 14 Other Expenses

Particulars	31st March 2020	31st March, 2019
Audit fees	0.30	0.30
ROC Filing Fees	0.01	0.17
Legal & Professional Fees	29.76	36.48
Insurance	17.66	2.11
Other Expenses	14.51	4,600.74
<b>Total</b>	<b>62.23</b>	<b>4,639.81</b>



15 **Basic and Diluted Earning Per Share (EPS)**

For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered :

Particulars		31st March 2020	31st March, 2019
<b>Basic Earnings Per Share</b>			
Net Profit after tax	(A)	(9,137)	101
Weighted average number of equity shares (Nos.)	(B)	10,000	10,000
<b>Basic Earnings Per Share of face value of Rs.10/- each</b>	<b>(A) / (B)</b>	<b>(0.91)</b>	<b>0.01</b>
<b>Diluted Earnings Per Share</b>			
Amount available for calculation of Diluted EPS	(A)	(9,137)	101
Weighted average number of equity shares (Nos.)	(B)	10,000	10,000
Number of Shares used for calculating Diluted EPS	(B)	10,000	10,000
<b>Diluted Earnings Per Share of face value of Rs.10/- each</b>	<b>(A) / (B)</b>	<b>(0.91)</b>	<b>0.01</b>

16 **Auditors' remuneration**

Particulars	31st March 2020	31st March, 2019
Statutory Audit Fees		
Tax Audit	20,000	20,000
<b>Total</b>	<b>30,000</b>	<b>30,000</b>

17 **Dues to Micro Small and Medium Enterprises**

There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2020. This information has been determined to the extent such parties have been identified to the basis of the information available with the Company.

- 18 In the opinion of the Board, the current assets, Loans and advances are approximately of value stated, if realised in ordinary course of the business. The provisions for all known liabilities are adequate and not in excess of the amount considered reasonably necessary.
- 19 Some of the balances in Loans and advances are subject to confirmations, reconciliations and adjustments if any, which in the opinion of management will not be significant and would be carried out when settled.
- 20 The Company is primarily engaged in the business of sale of goods and services, which in terms of Accounting Standard 17 "Segment Reporting" constitutes a single reporting segment

As per our report of even date attached  
For N.H. VYAS AND COMPANY  
Chartered Accountants  
Firm Reg. No. 132204W

N.H.VYAS  
Proprietor  
M.No.: 014433

Place: Mumbai  
Date: 18th August, 2020



For and on behalf of the Board of Directors  
Basuti Sales and Trading Private Limited

*Sandip Sawant*  
Sandip Sawant  
Director  
DIN No.08254462

*Akhilesh Kalra*  
Akhilesh Kalra  
Director  
DIN No.07492077

**Vijai Singh Dugar, FCA**  
**Chartered Accountant**

605, Tower "B", Oberoi Park View  
Thakur Village, Kandivali East, Mumbai-400101  
[vijaisinghdugar@gmail.com](mailto:vijaisinghdugar@gmail.com) +91 98209 18172

### **Independent Auditor's Report**

To The Members of **M/s. Brattle Foods Private Limited**

Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of **M/s. Brattle Foods Private Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Accounting Standards prescribed under section 143 (10) of the Act read with the relevant Rules, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

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

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

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

### **Management's Responsibilities for the 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 financial statements that give a true and fair view of the financial position, financial performance, including cash flows of the Company in accordance with the Accounting Standards 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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





c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with Accounting Standards specified under Section 143 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- i. The Company has no pending litigation hence no impact of pending litigations on its financial position in its financial statements.
- ii. The Company does not need to make provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, as it does not deal in such contracts;
- iii. There is not required to be transferred, to the Investor Education and Protection Fund by the Company.

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



Vijai Singh Dugar  
Individual  
M. No. 81435  
UDIN: 20081435AAAAAB4214



Place: Mumbai  
Date: 14<sup>th</sup> Aug, 2020

**Brattle Foods Private Limited**  
**Balance Sheet as at 31st March 2020**  
**CIN. U15490MH2010PTC281788**

(Amount in INR)

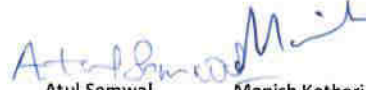
	Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
I.	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholder's Funds</b>			
	(a) Share Capital	2	9,25,32,239	9,25,32,239
	(b) Reserves and Surplus	3	(3,02,147)	19,83,41,355
(2)	<b>Non-Current Liabilities</b>			
	(a) Long Term borrowing	4	44,28,23,135	67,25,89,150
	(b) Other Long Term Liabilities	5	8,00,00,000	8,00,00,000
(3)	<b>Current Liabilities</b>			
	(a) Short-Term Borrowings	6	5,13,37,015	5,62,89,015
	(b) Trade Payables	7	20,34,885	20,35,785
	(c) Other Current Liabilities	8	56,47,57,832	55,08,07,453
	(d) Short-Term Provisions	9	40,75,260	54,60,975
	<b>TOTAL</b>		<b>1,23,72,58,219</b>	<b>1,65,80,55,971</b>
II.	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
	(a) Fixed Assets	10		
	(i) Tangible Assets		61,11,85,612	89,23,68,951
	(ii) Intangible Assets		25,631	31,043
	(b) Non-Current Investments	11	25,18,65,602	25,18,65,602
	(c) Deferred Tax Assets (Net)		-	9,18,38,476
	(d) Loans and Advances	12	35,08,76,277	38,18,27,500
	(e) Other Non-Current Assets	13	15,07,578	16,07,578
(2)	<b>Current Assets</b>			
	(a) Trade Receivables	14	33,19,186	17,48,375
	(b) Cash and Cash Equivalents	15	73,69,632	3,14,62,753
	(c) Other Current Assets	16	1,11,08,702	53,05,693
	<b>TOTAL</b>		<b>1,23,72,58,219</b>	<b>1,65,80,55,971</b>
	See accompanying notes to financial statement	1 to 28		

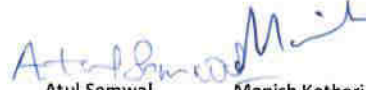
As per our Report of even date attached

For and on behalf of Board of Directors

  
**Vijai Singh Dugar**  
Chartered Accountant  
Individual  
M.No. 081435



  
**Atul Semwal**  
Director  
(DIN : 07068499)

  
**Manish Kothari**  
Director  
(DIN : 07519992)

Place: Mumbai  
Date: 14/08/2020

**Brattle Foods Private Limited**  
**Profit & Loss Statement for the year ended 31st March 2020**  
**CIN. U15490MH2010PTC281788**


(Amount in INR)

	Particulars	Note No.	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
I.	Revenue from Operations	17	24,33,81,245	16,84,84,714
II.	Other Incomes	18	27,53,962	28,02,022
III.	Total Revenue (I + II)		<b>24,61,35,207</b>	<b>17,12,86,736</b>
IV	<u>Administrative &amp; Others Expenses</u>			
	Employee Benefit Expenses:	19	2,39,975	8,65,400
	Financial costs	20	5,71,54,831	7,18,87,021
	Depreciation and amortization expense	10	17,26,55,792	18,93,41,006
	Other Expenses	21	12,28,89,635	9,90,232
	Total Expenses		<b>35,29,40,233</b>	<b>26,30,83,659</b>
V.	Profit before Exceptional and Extraordinary Items and Tax (III - IV)		<b>(10,68,05,026)</b>	<b>(9,17,96,923)</b>
VI.	Exceptional and Extraordinary Items		-	-
VII	Profit before Tax (VII - VIII)		<b>(10,68,05,026)</b>	<b>(9,17,96,923)</b>
VIII	Tax Expense:			
	(1) Current tax		-	-
	(2) Deferred Tax		9,18,38,476	(1,28,46,921)
IX	Profit/ (Loss) for the period from Continuing Operations (IX - X)		<b>(19,86,43,502)</b>	<b>(7,89,50,002)</b>
X	Profit/ (Loss) for the Period (XI + XIV)		<b>(19,86,43,502)</b>	<b>(7,89,50,002)</b>
XI	Earnings Per Equity Share			
	(1) Basic	22	(21.54)	(8.56)
	(2) Diluted	22	(21.54)	(8.56)
See accompanying notes to financial statement			1 to 28	

As per our Report of even date attached

For and on behalf of Board of Directors

  
**Vijai Singh Dugar**  
Chartered Accountant  
Individual  
M.No. 081435

  
**Atul Semwal**  
Director  
(DIN : 07068499)

  
**Manish Kothari**  
Director  
(DIN : 07519992)

Place: Mumbai  
Date: 14/08/2020



**Brattle Foods Private Limited**  
**Cash Flow Statement For The Year Ended March 31, 2020**  
**CIN. U15490MH2010PTC281788**

(Amount in INR)

Particulars	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) Before Tax	(10,68,05,026)	(9,17,96,923)
Adjustments for :		
Depreciation & Amortisation	29,25,36,579	18,93,41,006
Interest Income	(6,74,927)	(98,673)
Interest Expenses	5,71,54,831	7,18,87,021
	<b>34,90,16,482</b>	<b>26,11,29,354</b>
Operating Profit before Working Capital change	24,22,11,456	16,93,32,431
Adjustment for:		
Trade Receivable	(15,70,811)	31,48,336
Loans and Advances Given	3,09,51,223	(30,03,57,315)
Other Current Assets	(58,03,009)	(8,44,863)
Other Current Liabilities	1,39,50,379	20,78,61,821
Trade Payable & Provision	(13,86,615)	(8,62,628)
	<b>3,61,41,167</b>	<b>(9,10,54,648)</b>
Cash generated from operations	<b>27,83,52,623</b>	<b>7,82,77,783</b>
Income Tax (Net of MAT)	-	-
Net Cash from operating activities	<b>A 27,83,52,624</b>	<b>7,82,77,783</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale/(Purchase) of Investments/Fixed Assets	(1,13,47,830)	-
Security Deposits	1,00,000	-
Interest received	6,74,927	98,673
Net Cash From Investing Activities	<b>B (1,05,72,901)</b>	<b>98,673</b>
<b>CASH FROM FINANCING ACTIVITIES:</b>		
Interest paid	(5,71,54,831)	(7,18,87,021)
Long Term Borrowing	(22,97,66,015)	(1,07,90,870)
Proceed from Short Term Borrowing	(49,52,000)	74,77,946
Net Cash used in Financing Activities	<b>C (29,18,72,845)</b>	<b>(7,51,99,944)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(A+B+C) (2,40,93,121)</b>	<b>31,76,512</b>
Cash and Cash equivalent at the beginning of the year	<b>3,14,62,753</b>	<b>2,82,86,243</b>
Cash and Cash equivalent at the end of the year	<b>73,69,632</b>	<b>3,14,62,753</b>

**Notes: 1**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by Institute of Chartered Accountants of India.

**Note: 2**

Cash and cash equivalent at the end of the year consist of cash in hand and balances with banks and are net of short term loans and advances from banks as follows :

Particulars	As at 31.03.2020	As at 31.03.2019
Cash on hand	-	-
Balances with Bank	73,69,632	3,14,62,753
<b>Total</b>	<b>73,69,632</b>	<b>3,14,62,753</b>

As per our Report of even date attached

  
**Vijai Singh Dugar**  
Chartered Accountant  
Individual  
M.No. 081435



For and on behalf of Board of Directors

  
**Atul Semwal**  
Director  
(DIN : 07068499)

  
**Manish Kothari**  
Director  
(DIN : 07519992)

Place: Mumbai  
Date: 14/08/2020

**Brattle Foods Private Limited**

**CIN. U15490MH2010PTC281788**

**Significant Accounting Policies and Notes on accounts to Financial Statements for the year ended on 31st March 2020**

**NOTE 1:- SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Company Overview**

Brattle Foods Private Limited ('the Company') is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 08th February 2010. The company is engaged in the business of running cold storages & warehouses and caters its services in domestic markets.

**1.2 Basis of Preparation**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except as specifically stated otherwise.

**1.3 Use of Estimate**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**1.4 Revenue Recognition**

Revenue is recognized when the company has fulfilled its contractual obligations to a customer and has obtained the right to receive consideration with no uncertainty in the ultimate collections, typically when services are rendered or the work is completed in accordance with contractual terms with a customer. The specific revenue recognition policies are as under:

- i) Revenue from services are recorded net of Service Tax. Revenue from services are recognized on accrual basis.
- ii) Revenue from interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**1.5 Taxes on Income**

Tax expenses comprises of current tax and deferred tax.

Current tax is determined as the amount of tax payable in respect of the taxable income for the year. The provision for current income-tax is recorded based on assessable income and tax rate applicable to the relevant assessment year.

Deferred income-tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset to the extent it pertains to unabsorbed business loss/ depreciation is recognized only to the extent that there is virtual certainty of realization based on convincing evidence, as evaluated on a case to case basis.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit & Loss as Current Tax. The company recognizes MAT credit available as an Asset only to the extent there is convincing evidence that the company will pay normal Income Tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an Asset in accordance with the Guidance note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said Asset is created by way of credit to the statement of Profit & loss & shown as "MAT Credit Entitlement". The company reviews the "MAT Credit Entitlement" asset at each reporting date & writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.



#### 1.6 Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses (if any). Cost comprises the purchase price and any cost of bringing the asset to its working condition for its intended use. When an asset is scrapped or otherwise disposed off, the cost and related accumulated depreciation are removed from the books of account and resultant profit or loss, (if any), is reflected in the Statement of Profit or Loss. Project under commissioning and other assets under erection, installation are shown under capital work in progress and are carried at cost, comprising direct cost and related incidental expenses.

#### 1.7 Depreciation and amortisation

Depreciation on all assets, except intangible assets & leasehold improvement has been calculated on written down value basis and in accordance with, method and useful life prescribed in Schedule II of the Companies Act, 2013.

Intangible assets includes computer software which are amortised on written down basis over the useful life as per law and valid management discretion.

Leasehold improvements are amortised over the lower of the lease period or remaining useful life of the leasehold improvements.

#### 1.8 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Lease rental income has been recognised as per contract entered into and being equalised rent over the period no equalisation reserve has been made. As decided by management, this is systematic basis which is more representative of time pattern in which benefit derived from the use of the asset is diminished.

#### 1.9 Accounting for Provisions and Contingent Liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

#### 1.10 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried at cost. Cost includes interest. Provision for diminution is made to recognize a decline, other than temporary in value of long term investments and is determined separately for each individual investment.

#### 1.11 Employee Benefits

The Statutory enactments relating to payment of Provident Fund, ESIC and Gratuity to employees are not applicable to the company. The company does not have any scheme for retirement benefits for its employee and as such no provision towards retirement benefits to employees is considered necessary.

#### 1.12 Earning per share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after tax by the weighted average number of equity shares outstanding during the period.

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



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **M/s. Brattle Foods Private Limited** of even date)

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

We have audited the internal financial controls over financial reporting of **M/s. Brattle Foods Private Limited** (the "Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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 (the "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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

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

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

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 of the risks of material misstatement of the financial statements, whether due to fraud or error.



### Meaning of Internal Financial Controls over Financial Reporting


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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

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



Vijai Singh Dugar  
Individual  
M. No. 81435

UDIN: 20081435AAAAAB4214

Place: Mumbai  
Date: 14<sup>th</sup> Aug, 2020





## Annexure: B to the Independent Auditor's Report

The annexure referred to in our Independent Auditor's Report to the member of Brattle Foods Private Limited for the year ended march 31<sup>st</sup>, March 2020

1.
  - A. According to information and explanations given to us, the Company has maintained proper records of fixed assets during the year.
  - B. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - C. The title deeds of immovable properties are held in the name of the company.
2. According to information and explanations given to us, there was no inventory with the company during the year under consideration. Accordingly this clause of the order is not applicable to the company.
3. The Company has not granted any long term loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause iii (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013; In respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable to the Company.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7.
  - a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including, Income-Tax, GST, Service Tax, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at the year-end for a period of more than six months from the date on when they become payable.
  - b. According to the information and explanation given to us, there are no dues of income tax, GST, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any long term loans or borrowings from financial institutions, Banks or government.



- 9 Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause (ix) of the Order are not applicable to the Company.
- 10 Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11 Based upon the audit procedures performed and the information and explanations given by the management, appointment & managerial remuneration paid or provided during the year under review is as per limits prescribed under section 197 of the Companies act 2013 as applicable.
- 12 In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
- 13 In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14 Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company.
- 15 Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause (xv) of the Order are not applicable to the Company.
- 16 In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause (xvi) of the Order are not applicable to the Company and hence not commented upon.



Vijai Singh Dugar  
Individual  
M. No. 81435

UDIN: 20081435AAAAAB4214

Place: Mumbai  
Date: 14<sup>th</sup> Aug, 2020



**Brattle Foods Private Limited**  
**Notes on Accounts to Financial Statements as at 31st March 2020**  
**CIN. U15490MH2010PTC281788**

2 Share Capital		As at	
		31st March, 2020	31st March, 2019
<b>Authorised Capital</b>			
12500000 (PY: 12500000) Equity Shares of Rs 10/- each		12,50,00,000	12,50,00,000
250000 (PY: 250000) Compulsory Convertible Preference Shares of Rs 20/- each		50,00,000	50,00,000
<b>Issued, Subscribed and Paid up</b>			
9224172 (PY: 9224172) Equity Shares of Rs 10/- each fully paid up		9,22,41,720	9,22,41,720
13700 (PY: 13700) Compulsory Convertible Preference Shares of Rs 20/- each		2,74,000	2,74,000
<b>Share Forfeited</b>			
4347 (PY: 4347) Equity shares of Rs 10/- Each @ Rs 3.80		16,519	16,519
		<b>9,25,32,239</b>	<b>9,25,32,239</b>

**A) - Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.**

Particulars	As At March 31, 2020		As At March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
	<b>a) Equity shares - fully paid up</b>			
At the beginning of the year	9224172	92241720	9224172	9,22,41,720
Add: Share Issued during the year	-	-	-	-
Add: Share Issued on conversion of CCPS (Series B, C & D)	-	-	-	-
<b>Outstanding at the end year</b>	<b>9224172</b>	<b>9,22,41,720</b>	<b>9224172</b>	<b>9,22,41,720</b>
<b>b) Compulsory convertible preference shares (Series A)</b>				
At the beginning of the year	13700	274000	13700	2,74,000
Add: Share Issued during the year	-	-	-	-
Less: Converted into equity shares	-	-	-	-
<b>Outstanding at the end year</b>	<b>13700</b>	<b>2,74,000</b>	<b>13700</b>	<b>2,74,000</b>

**B) - Terms and rights attached to all class of shares**

**a) Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, holders of equity shares will be entitled to receive any of the remaining assets of the Company after settling all liabilities. The distribution will be in proportion to the number of equity shares held by the share holders.

**b) Terms and rights attached to Compulsory convertible preference shares (CCPS)**

1) Each Series A Shares shall be issued at a par value of Rs20 (Rupees Twenty) and shall be carrying voting rights in the same manner as each Equity Share.

2) Subject to applicable Laws, each of the Series A Shares shall be preference shares and shall be entitled to a cumulative fixed dividend at the rate of 0.0001% per annum. The dividend on Series A Shares shall be cumulative and shall accrue annually.

3) Each Series A Shares shall, at any time within 20 (twenty) years from the date of issuance of such Series A Shares, be compulsorily convertible into such number of Equity Shares at such price including premium ("Series A Conversion Price") and at such ratio ("Series A Conversion Ratio"), such that post conversion of Series A Shares, the person holding Series A Shares ("Series A Shareholder") receives such number of Equity Shares which are in the ratio of 1:1 with the number of Series A Shares held by such person prior to conversion, subject to the Conversion Mechanism as defined in Shareholder Agreement.

**c) - Details of shareholders holding more than 5% shares in the company.**

Particulars	As At March 31, 2020		As At March 31, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>i) Equity Shares</b>				
Syntex Trading & Agency Private Limited	9224172	100.00%	9160195	100.00%
<b>ii) Compulsory convertible preference shares (Series A)</b>				
Syntex Trading & Agency Private Limited	13700	100.00%	13700	100.00%



3	Reserves & surplus	As at	
		31st March, 2020	31st March, 2019
<b>Securities Premium reserve</b>			
Balance at the beginning of the year		60,66,59,852	60,66,59,852
Add : Additions made during the year - on issue of equity shares		-	-
Add : Additions made during the year - on conversion of CCPS into equity shares		-	-
<b>Balance at the end of the year</b>		60,66,59,852	60,66,59,852
<b>Profit / (Loss) A/c</b>			
As per last Balance Sheet		(40,83,18,497)	(32,93,68,495)
Profit / (Loss) during the year		(19,86,43,502)	(7,89,50,002)
<b>Balance at the end of the year</b>		(60,69,62,000)	(40,83,18,497)
		(3,02,147)	19,83,41,355
<b>4 Long Term Borrowing</b>			
		<b>As at</b>	<b>As at</b>
		<b>31st March, 2020</b>	<b>31st March, 2019</b>
<b>Secured Term loan</b>			
Term Loan from Yes Bank (refer note below)		27,72,49,667	43,04,91,000
<b>Unsecured</b>			
Long Term Loans and Advances from related party		16,55,73,468	24,20,98,150
		44,28,23,135	67,25,89,150
<b>Terms &amp; conditions of repayment</b>			
Term loan of Rs 98 Crores (Rs 92 Crores availed) sanctioned from Yes Bank. The said loan carries interest rate of 1.7%+ 1Yr MCLR Rates. Interest to be serviced separately every month. The loan is secured by exclusive charge on all assets of the Company, existing as well as future. The repayment schedule (years after end of moratorium period) is spread from 2016-17 to 2022-23 in 78 different installments with aggregate amount of 92 crs.			
<b>5 Other Long Term Liabilities</b>			
		<b>As at</b>	<b>As at</b>
		<b>31st March, 2020</b>	<b>31st March, 2019</b>
Security Deposits		8,00,00,000	8,00,00,000
		8,00,00,000	8,00,00,000
<b>6 Short Term Borrowing</b>			
		<b>As at</b>	<b>As at</b>
		<b>31st March, 2020</b>	<b>31st March, 2019</b>
<b>Unsecured, Repayable on Demand</b>			
Short Term Loan and Advances from Others		5,13,37,015	5,62,89,015
		5,13,37,015	5,62,89,015
<b>7 Trade Payables</b>			
		<b>As at</b>	<b>As at</b>
		<b>31st March, 2020</b>	<b>31st March, 2019</b>
Micro, Small and Medium Enterprises (Refer Note below)		-	-
Others		20,34,885	20,35,785
		20,34,885	20,35,785
The management has obtained verbal confirmations and have circularized letters for identifying suppliers which would qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). No disclosures have been made as there has been no response from the suppliers. The management does not envisage any material impact on the financial statements in this regard.			
<b>8 Others Current Liabilities</b>			
		<b>As at</b>	<b>As at</b>
		<b>31st March, 2020</b>	<b>31st March, 2019</b>
Current maturities of long term borrowings:			
Payable for Expenses		15,32,41,333	14,26,46,000
Loan & Advances taken:		25,524	66,424
Statutory Dues		41,14,84,475	40,77,97,919
		6,500	2,97,110
		56,47,57,832	55,08,07,453



9	Short Term Provisions	As at	As at
		31st March, 2020	31st March, 2019
	Provision for Audit Fees	30,000	30,000
	Interest accrued but not due on borrowings	38,52,825	54,30,975
	Provision for Expenses Payable - Other than Trade	1,92,435	-
		<b>40,75,260</b>	<b>54,60,975</b>
11	Non-Current Investments	As at	As at
		31st March, 2020	31st March, 2019
	(Valued at cost unless stated otherwise)		
	Other than Trade - Unquoted		
	In shares of Kyal Trading Pvt Ltd	25,18,65,602	25,18,65,602
		<b>25,18,65,602</b>	<b>25,18,65,602</b>
12	Loans & Advances Made	As at	As at
		31st March, 2020	31st March, 2019
	Long Term Loans & Advances		
	(Unsecured and considered good)		
	Long Term Loan and Advances to Parties	34,73,34,872	37,82,86,095
	Security deposit	35,41,405	35,41,405
		<b>35,08,76,277</b>	<b>38,18,27,500</b>
13	Other Non Current Assets	As at	As at
		31st March, 2020	31st March, 2019
	Other Non Current Assets		
	Non-current bank balances-Fixed Deposit	15,07,578	16,07,578
		<b>15,07,578</b>	<b>16,07,578</b>
14	Trade Receivables	As at	As at
		31st March, 2020	31st March, 2019
	Unsecured, Considered Good		
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment	33,19,186	26,44,819
	Less: Provision for doubtful receivables	-	(8,96,445)
		<b>33,19,186</b>	<b>17,48,375</b>
15	Cash and Cash Equivalents	As at	As at
		31st March, 2020	31st March, 2019
	Balance with Banks		
	Current Account	73,69,632	53,63,415
	Escrow Account	-	2,60,99,338
	Cash on Hand	-	-
		<b>73,69,632</b>	<b>3,14,62,753</b>
16	Other Current Assets	As at	As at
		31st March, 2020	31st March, 2019
	Interest accrued on Fixed deposits	7,42,074	6,03,685
	Accrued income (Subsidy)	-	3,80,929
	Prepaid Expenses	-	2,36,910
	Balance with revenue authorities	82,95,157	40,84,169
	Other Receivables	20,71,470	-
		<b>1,11,08,702</b>	<b>53,05,693</b>



Note 10: Fixed assets

Particulars	Gross block			Depreciation			Net block	
	Balance as at April 01, 2019	Additions during the year	Deductions during the year	Balance as at April 01, 2019	Additions during the year	Deductions during the year	Balance as at March 31, 2020	Balance as at March 31, 2019
<b>Tangible assets</b>								
Lands	3,19,80,000	-	-	-	-	-	3,19,80,000	3,19,80,000
Buildings	15,00,53,646	-	20,71,470	7,05,02,397	80,37,334	5,12,615	5,74,96,300	7,95,61,249
Refrigeration equipments	2,01,08,607	-	-	1,88,46,969	4,60,617	-	1,39,639	6,61,363
Plant, machinery & equipments	1,11,62,47,337	1,30,04,296	5,66,744	51,70,54,857	14,16,85,936	4,69,133	39,06,73,237	12,61,618
Office equipments	1,31,33,806	-	-	1,07,22,919	10,82,685	-	10,96,657	59,91,92,480
Leasehold improvement	17,64,31,962	-	-	2,82,75,588	1,31,41,470	-	11,14,77,769	24,10,888
Furniture & fixtures	6,36,48,567	-	-	3,71,34,092	82,47,749	-	1,50,82,289	14,81,56,374
Computers-hardware	5,29,22,621	-	-	4,96,30,753	-	-	27,17,997	2,65,14,475
<b>Intangible Assets</b>								
Computers-softwares	6,14,848	-	-	5,83,805	-	-	25,631	31,043
<b>Total (Current year)</b>	<b>1,62,51,51,395</b>	<b>1,30,04,296</b>	<b>26,38,214</b>	<b>73,27,51,401</b>	<b>17,26,55,792</b>	<b>9,81,748</b>	<b>61,12,11,243</b>	<b>89,23,99,994</b>
<b>(Previous year)</b>	<b>1,62,51,51,395</b>	<b>-</b>	<b>-</b>	<b>54,34,10,394</b>	<b>19,93,41,006</b>	<b>-</b>	<b>89,23,99,994</b>	<b>89,23,99,994</b>



Brattle Foods Private Limited  
Notes on accounts to Financial Statement for the Year ended March 31, 2020  
CIN. U15490MH2010PTC281788





17	Revenue From Operations	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
	Revenue from Service	24,33,81,245	16,84,84,714
	Total	24,33,81,245	16,84,84,714
18	Other Incomes	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
	Interest Income	6,74,927	98,673
	Scrap Sales	-	27,03,349
	Subsidy Income	3,26,043	-
	Misc Income	17,52,991	-
	Total	27,53,962	28,02,022
19	Employee Benefit Expenses	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
	Salaries, Wages and Bonus	2,39,975	8,65,400
	Total	2,39,975	8,65,400
20	Finance Cost	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
	Interest on Loan & Advances	5,71,54,831	7,18,87,021
	Total	5,71,54,831	7,18,87,021
21	Other Expenses	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
	Auditor Remuneration	30,000	30,000
	Bank Charges	4,893	336
	Business Promotion Expenses	57,946	-
	Filing Fees	-	-
	Insurance Premium	2,54,618	2,625
	Legal & Professional Charges	3,80,000	4,10,000
	Misc Exp	1,30,558	4,11,671
	Rates & Taxes	2,31,770	279
	Rent Expenses	16,58,816	-
	Loss on Impairment of Fixed Assets	11,98,80,787	-
	Utilities Expenses	5,406	5,320
	Repair & Maintenance	29,180	10,048
	Travelling & Conveyance	2,25,662	1,19,953
	Total	12,28,89,635	9,90,232
21.1	Payment to Auditors	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
	Statutory and Tax Audit Fees	30,000	30,000
	Total	30,000	30,000



22	Earning Per Share	As at													
		31st March, 2020	31st March, 2019												
	Profit attributable to Equity Shareholders	(19,86,43,502)	(7,89,50,002)												
	Weighted Average of Equity shares	92,24,172	92,24,172												
	Nominal Value per share	10	10												
	Basic Earnings Per Share	(21.54)	(8.56)												
	Diluted Earnings Per Share	(21.54)	(8.56)												
	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.														
	Diluted earning per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares.														
23	<b>Segment Reporting :</b>														
	The Company's business is organised into one business segment, namely warehousing and cold storage of food products. This segment represents providing warehousing and cold storage facility for catering its services in domestic markets. The business of Company is primarily concentrated in India and India is considered as one Geographical Segment. There are no activities outside India.														
24	<b>Related Party Disclosure</b>														
	Related party relationships and transactions have been determined by management of the Company on the basis of the requirements of the Accounting Standard (AS)-18 'Related Party Disclosures' and the same have been relied upon by the auditors.														
	<table border="1"> <thead> <tr> <th>Name of related party</th> <th>Relationship</th> </tr> </thead> <tbody> <tr> <td>Syntex trading &amp; Agency Pvt Ltd</td> <td>Holding Company</td> </tr> <tr> <td>Atul Semwal</td> <td>Director</td> </tr> <tr> <td>Manish Kothari</td> <td>Director</td> </tr> </tbody> </table>			Name of related party	Relationship	Syntex trading & Agency Pvt Ltd	Holding Company	Atul Semwal	Director	Manish Kothari	Director				
Name of related party	Relationship														
Syntex trading & Agency Pvt Ltd	Holding Company														
Atul Semwal	Director														
Manish Kothari	Director														
	There were following transactions identified by Management as related party transaction:														
	<table border="1"> <thead> <tr> <th>Nature Of Transaction</th> <th>For the Year Ended 31st March 2020</th> <th>For the Year Ended 31st March 2019</th> </tr> </thead> <tbody> <tr> <td>Salary To Director</td> <td>2,39,975</td> <td>9,11,700</td> </tr> <tr> <td>Repayment of loan to Holding Co</td> <td>98,00,000</td> <td>4,53,00,000</td> </tr> <tr> <td>Loan Received from Holding Co</td> <td>40,99,338</td> <td>-</td> </tr> </tbody> </table>			Nature Of Transaction	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019	Salary To Director	2,39,975	9,11,700	Repayment of loan to Holding Co	98,00,000	4,53,00,000	Loan Received from Holding Co	40,99,338	-
Nature Of Transaction	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019													
Salary To Director	2,39,975	9,11,700													
Repayment of loan to Holding Co	98,00,000	4,53,00,000													
Loan Received from Holding Co	40,99,338	-													
25	<b>Micro and Small Enterprises :</b>														
	The Company did not have any transactions with Industrial undertakings registered under the Micro, Small and Medium Enterprises Development Act 2006, during the year ended March 31, 2018 and hence there are no amounts due to such undertakings. The identification of units is based on the management's knowledge of their status.														
26	The balances in accounts of certain trade receivables, trade payables and loans and/ or advances given / taken are subject to confirmation, and consequent reconciliations. Adjustments in this respect in the opinion of the management are not likely to be material and would be carried out as and when ascertained.														





27	<b>Contingent Liability:</b>
	<p>The management of the company does not anticipate any contingent liability having material effect on financial statements at the yearend other than stated above.</p> <p>To the best of knowledge of the management, there are no events occurring after Balance Sheet date that provides additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date that requires adjustment to the assets and liabilities.</p>
28	The previous year figures have been reclassified/regrouped wherever considered necessary to conform with current year's classification.
<p>As per our Report of even date attached</p> <p style="text-align: right;">For and on behalf of Board of Directors</p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;">  <p><b>Vijai Singh Dugar</b> Chartered Accountant Individual M.No. 081435</p> </div> <div style="text-align: center;">  <p><b>Atul Semwal</b> Director (DIN : 07068499)</p> </div> <div style="text-align: center;">  <p><b>Manish Kothari</b> Director (DIN : 07519992)</p> </div> </div> <p>Place: Mumbai Date: 14/08/2020</p> 	



## **Independent Auditor's Report**

To the Members of

**Chirag Operating lease company private Limited**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of **Chirag Operating lease company private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss and statement of cash flows for the year ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its Profit and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



### **Responsibility of Management and Those Charged with Governance for the Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143 (3)(i) of the Companies Act, 2013, we are responsible for expressing our opinion on whether the company has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

- 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss, and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act., read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting



**Harshil Shah & Company,**  
Chartered Accountants

**Report on Other Legal and Regulatory Requirements (Continued)**

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - 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 during the year ended 31<sup>st</sup> March, 2020.

**For Harshil Shah & Company,**  
**Chartered Accountants**  
**FRN No 141179W**



**CA Harshil Shah**  
**Membership No 124146**  
**Date :- 28<sup>th</sup> August 2020**  
**Place :- Mumbai.**  
**UDIN:20124146AAAADG1668**



### **Annexure A to the Independent Auditors' Report**

(Referred to in Paragraph 1 under "Report on other legal and regulatory requirements" section of our report to the Members of **Chirag Operating lease company private Limited** of even date)

The Annexure referred to in independent Auditor's Report to the Members of the company on the financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

#### **i. Fixed Assets**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.

#### **ii. Inventory**

According to the information and explanation given to us, the company has no inventory during the year. Hence Clause (ii) of CARO 2016 is not applicable.

- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore clause 3(iii)(a)(b)(c) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- v. The Company has not accepted any deposits from the public.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148 (1) of the Act, for the services of the Company.

#### **vii. Statutory Dues**

- a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other material statutory dues applicable to it.



**Harshil Shah & Company,**  
Chartered Accountants

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, good and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. .
- viii. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to financial institution, bank, government or dues to debenture holders.
- ix. Based upon the audit procedures performed and the information and explanations given to us money raised during the year has been applied by the Company for the purposes for which that was raised.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanation given to us and on the basis of our examination of relevant records, no managerial remunerations were paid or provided by the Company during the year under audit.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Harshil Shah & Company,**  
**Chartered Accountants,**  
**FRN No 141179W**



**CA Harshil Shah**  
**Membership No 124146**  
**Date :- 28<sup>th</sup> August 2020**  
**Place :- Mumbai.**  
**UDIN:20124146AAAADG1668**



## **Annexure B to the Independent Auditors' Report**

### **Re: Chirag Operating lease company private Limited ('the Company') 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 **Chirag Operating lease company private Limited (the Company)** as of 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the company considering the essential components of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.





**Harshil Shah & Company,**  
Chartered Accountants

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, 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 31st March, 2020, 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 Financing Reporting issued by the Institute of Chartered Accountants of India.

**For Harshil Shah & Company,**  
**Chartered Accountants**  
**FRN No 141179W**

**CA Harshil Shah**  
**Membership No 124146**  
**Date :- 28<sup>th</sup> August 2020**  
**Place :- Mumbai.**  
**UDIN:20124146AAAADG1668**

**CHIRAG OPERATING LEASE COMPANY PRIVATE LIMITED**

CIN. U71200MH2014PTC255886

**BALANCE SHEET AS AT 31ST MARCH, 2020**

(Amount in Rupees)

Particulars	Note. No.	As at 31st March 2020	As at 31st March 2019
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	1,00,000	1,00,000
(b) Reserves and Surplus	3	(16,10,589)	(9,45,146)
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	1,71,85,50,411	1,90,00,00,000
(b) Other Non-Current Liabilities	5	82,11,83,014	61,80,00,000
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings		-	-
(b) Other Current Liabilities	6	30,00,51,200	11,10,80,000
<b>TOTAL</b>		<b>2,83,82,74,036</b>	<b>2,62,82,34,854</b>
<b>II.ASSETS</b>			
<b>(1) Non-Current Assets</b>			
A. Fixed Assets			
I. Capital Work in Progress			
		2,81,94,75,245	2,60,07,97,260
<b>(2) Current Assets</b>			
(a) Cash and cash equivalents	7	6,82,189	94,37,594
(b) Short Term Loans & Advances	8	1,81,16,602	1,80,00,000
<b>TOTAL</b>		<b>2,83,82,74,036</b>	<b>2,62,82,34,854</b>

Significant Accounting Policies and Notes on Financial Statement 1 to 16

**Auditors' Report**

As per our Report of even date attached

For Harshil Shah & Co.

Chartered Accountants

Firm Reg. No.: 141179W

Sd/-

CA Harshil Shah

(Partner)

Membership No. : 124146

Place: Mumbai

Date: 28th August 2020

For and on behalf of the Board of Directors

Sd/-

Ashok Sarda

Director

(DIN. 00077190)

Sd/-

Vijai Singh Dugar

Director

(DIN : 06463399)

**CHIRAG OPERATING LEASE COMPANY PRIVATE LIMITED**  
**CIN. U71200MH2014PTC255886**  
**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020**

(Amount in Rupees)

Sr. No	Particulars	Note No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
I	Revenue from operations		-	-
II	Other Income			
III	<b><u>Total Revenue (I +II)</u></b>		-	-
IV	<b><u>Expenses:</u></b>			
	Financial Cost	9	4,250	5,795
	Other Expenses	10	6,61,193	98,567
	<b><u>Total Expenses (IV)</u></b>		6,65,443	1,04,362
V	Profit/(Loss) before exceptional and extraordinary items and tax	(III - IV)	(6,65,443)	(1,04,362)
VI	Exceptional Items		-	-
VII	Profit/(Loss) before extraordinary items and tax (V - VI)		(6,65,443)	(1,04,362)
VIII	Extraordinary Items		-	-
IX	(Loss) before tax (VII - VIII)		(6,65,443)	(1,04,362)
X	<b><u>Tax expense:</u></b>			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI	Profit/(Loss) from the period from continuing operations	(IX-X)	(6,65,443)	(1,04,362)
XII	Profit/(Loss) from discontinuing operations			
XIII	Tax expense of discounting operations			
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)			
XV	Profit/(Loss) for the period (XI + XIV)		(6,65,443)	(1,04,362)
	<b>Earnings Per Equity Share of Face Value of Rs. 10 each</b>			
	(1) Basic		- 66.54	- 10.44
	(2) Diluted	11	- 66.54	- 10.44

Significant Accounting Policies and Notes on Financial Statement

1 to 16

Auditors' Report

As per our Report of even date attached

**For Harshil Shah & Co.**

Chartered Accountants

Firm Reg. No.: 141179W

**For and on behalf of the Board of Directors**

**CA Harshil Shah**

**(Partner)**

Membership No. : 124146

Place: Mumbai

Date :- 28th August 2020

Sd/-

**Ashok Sarda**

**Director**

(DIN. 00077190)

Sd/-

**Vijai Singh Dugar**

**Director**

(DIN : 06463399)

**CHIRAG OPERATING LEASE COMPANY PRIVATE LIMITED**  
**CIN. U71200MH2014PTC255886**  
**Notes to Financial Statement for the Year ended 31st March 2020**

**Note No. 1 Significant Accounting Policies**

- a **Basis of Preparation of Financial Statements**
- i These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis . GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.
- b **Use of Estimates:**
- i The presentation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.
- c **Borrowing Cost**
- i Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the statement of Profit and Loss.
- d **Impairment of Assets**
- i The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.
- e **Accounting for Provisions and Contingent Liabilities**
- i The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.
- f **Employee Benefits**
- i The Statutory enactments relating to payment of Provident Fund, ESIC and Gratuity to employees are not applicable to the company. The company does not have any scheme for retirement benefits for its employee and as such no provision towards retirement benefits to employees is considered necessary.
- g **Taxes on Income**
- i Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax resulting from timing difference between taxable incomes and accounting income is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

**CHIRAG OPERATING LEASE COMPANY PRIVATE LIMITED**  
CIN. U71200MH2014PTC255886

Notes to Financial Statement for the Year ended 31st March 2020

**Note : 2 Share Capital**

Particulars	As At 31st March 2020	As At 31st March 2019
<b>AUTHORIZED CAPITAL</b>		
10000 Equity Shares of Rs. 10/- each	1,00,000	1,00,000
	<b>1,00,000</b>	<b>1,00,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
10000 Equity Shares of Rs. 10/- each fully paid up	1,00,000	1,00,000
	<b>1,00,000</b>	<b>1,00,000</b>

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

2.1 The details of Shareholders holding more than 5% shares:

Name of Shareholder	As At 31st March 2020		As At 31st March 2019	
	Numbers of shares	% Holding	Numbers of shares	% Holding
Mr. Ashok Sarda	3200	32.00%	3200	32.00%
Mr. Ravie M Lalpurria	3200	32.00%	3200	32.00%
Future Corporate Resources Private Limited	1800	18.00%	1800	18.00%
Future Capital Investment Private Limited	1800	18.00%	1800	18.00%
<b>Total</b>	<b>10,000</b>	<b>100.00%</b>	<b>10,000</b>	<b>100.00%</b>

2.2 The Reconciliation of number of shares outstanding is set out below:

Name of the Shareholder	As At 31st March 2020	As At 31st March 2019
Equity Shares at the beginning of the year	10,000	10,000
Equity Shares at the end of the year	<b>10,000</b>	<b>10,000</b>

**Note : 3 Reserve & Surplus**

Particulars	As At 31st March 2020	As At 31st March 2019
<b>Profit and Loss Account</b>		
Balance brought forward from previous year	(9,45,146)	(8,40,784)
Add: Profit for the period	(6,65,443)	(1,04,362)
<b>Total</b>	<b>(16,10,589)</b>	<b>(9,45,146)</b>

**Note : 4 Long Term Borrowing**

Particulars	As At 31st March 2020	As At 31st March 2019
<b>Secured Loan</b>		
Indusind Bank Ltd.	1,71,85,50,411	1,90,00,00,000
<b>Total</b>	<b>1,71,85,50,411</b>	<b>1,90,00,00,000</b>

**Note : 5 Other Non-Current liabilities**

Particulars	As At 31st March 2020	As At 31st March 2019
<b>Other payables</b>		
Advances From Customer	72,11,83,014	51,80,00,000
Security Deposit	10,00,00,000	10,00,00,000
<b>Total</b>	<b>82,11,83,014</b>	<b>61,80,00,000</b>

**Note : 6 Other Current liabilities**

Security Deposit	As At 31st March 2020	As At 31st March 2019
<b>Other payables</b>		
Current Maturities of Long Term Debts	30,00,00,000	10,00,00,000
Advances From Customer	7,200	10,40,000
Statutory Liabilities	4,000	1,00,00,000
Audit Fees Payable	40,000	40,000
<b>Total</b>	<b>30,00,51,200</b>	<b>11,10,80,000</b>

**Note : 7 Cash & Cash Equivalent**

Particulars	As At 31st March 2020	As At 31st March 2019
(a)Cash Balance	250	250
(b)Balance With Bank	6,81,939	94,37,344
<b>Total</b>	<b>6,82,189</b>	<b>94,37,594</b>

**Note : 8 Short Term Loans and Advances**

Particulars	As At 31st March 2020	As At 31st March 2019
<b>Unsecured, Considered Good</b>		
Advance Receivable in Cash or Kind	1,81,16,602	1,80,00,000
<b>Total</b>	<b>1,81,16,602</b>	<b>1,80,00,000</b>

**CHIRAG OPERATING LEASE COMPANY PRIVATE LIMITED**

CIN. U71200MH2014PTC255886

Notes to Financial Statement for the Year ended 31st March 2020

**Note : 9 Financial Expenses**

(Amount in Rupees)

Particulars	As At 31st March, 2020	As At 31st March, 2019
Bank Charges	4,250	5,795
<b>Total</b>	<b>4,250</b>	<b>5,795</b>

**Note : 10 Other Administrative Expenses**

Particulars	As At 31st March, 2020	As At 31st March, 2019
Audit Fees	25,000	25,000
Director Sitting Fees	40,000	
Legal and Professional Charges	11,810	19,667
Insurance charges	5,82,783	-
Other Expences	1,600	53,900
<b>Total</b>	<b>6,61,193</b>	<b>98,567</b>

**Note : 10.1 Audit Fees**

Particulars	As At 31st March, 2020	As At 31st March, 2019
Statutory Audit	25,000	25,000
<b>Total</b>	<b>25,000</b>	<b>25,000</b>

**Note : 11 Earning Per Share**

Particulars	As At 31st March, 2020	As At 31st March, 2019
Net Profit after tax as per statement of profit and loss attributable to Equity Shareholders	(6,65,443)	(1,04,362)
Weighted Average number of equity shares outstanding	10,000	10,000
Basic and Diluted Earning Per Share*	(66.54)	(10.44)
Face Value per equity shares	10	10

\*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.

**Note : 12 Related Party Disclosure**

The related party relationships have been determined by the Company on the basis of the requirements of the Accounting Standard (AS)-18 'Related Party Disclosures' and the same have been relied upon by the auditors and as inform to us there is no transaction with related parties during the year.

**Note : 13**

Deferred taxes are recognized for all timing differences of the current year and unreversed timing differences of earlier years. Since there is no such transactions leading to timing difference during the current year as well as previous year, no deferred tax asset or liability as required by AS-22 "Accounting for Taxes on Income", issued by the ICAI, is recognized.

**Note : 14**

The balances in accounts of certain loans and advances given / taken are subject to confirmation, and consequent reconciliations. Adjustments in this respect in the opinion of the management are not likely to be material and would be carried out as and when ascertained.

**Note : 15**

**Security Clause/maturity profiles in respect to secured Long Term Borrowings**

The term loan is secured by exclusive charge by way of hypothecation on all assets (except immovable assets) of Chirag Operating Lease Co.Pvt.Ltd.

Term Loans from Bank is Repayable as follows: Rs. 30,00,00,000 in FY 2020-21, Rs. 40,00,00,000 in FY 2021-22 , Rs.50,00,00,000 in FY 2022-23 and Rs. 70,00,00,000 in FY 2023-24.

**Note : 16**

Previous year's figures have been re-grouped and / or reclassified wherever necessary to made comparable with current

**Auditors' Report**

As per our Report of even date attached

For Harshil Shah & Co.

Chartered Accountants

Firm Reg. No.: 141179W

Sd/-

CA Harshil Shah

(Partner)

Membership No. : 124146

Place: Mumbai

Dated: 28th Augsut 2020

For and on behalf of the Board of Directors

Sd/-

Ashok Sarda

Director

(DIN. 00077190)

Sd/-

Vijai Singh Dugar

Director

(DIN : 06463399)



**Independent Auditors' Report**

To the Members of  
**HARE KRISHNA OPERATING LEASE PRIVATE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **HARE KRISHNA OPERATING LEASE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial statements.

### Opinion

In our opinion and to the best of information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of company as at March 31, 2020, its profit and loss for the year ended on that date.

### 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the Directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.





- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - 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 R.S. AJWANI & CO.  
Chartered Accountants  
Firm Reg. No.:

  
R.S. AJWANI

Proprietor

Membership No. : 035574

Date: 07/08/2020

Place: Mumbai

UDIN: 20035574AAAAADR3347



## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the **HARE KRISHNA OPEARTING LEASE PRIVATE LIMITED** on the financial statements for the year ended March 31, 2020, we report that:

- (i) The Company do not have any fixed assets, hence the requirements of clause (i) of paragraph 3 of the said order is not applicable to the company.
- (ii) 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.
- (iii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (iv) The Company has not accepted any deposits from the public.
- (v) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- (vi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Provident Fund, Employees' State Insurance, custom duty, Income-tax, Sales-tax, Service-tax, Value Added Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, there are no dues of income tax, Sales tax which have not been deposited on account of dispute.
- (vii) Based on our audit procedures and on the basis of information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government and debenture holders during the year.
- (viii) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, paragraph 3 (ix) of the Order is not applicable.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not



material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.

- (x) According to the information and explanations given to us and based on our examination of the records of the company, no excess managerial remuneration has been paid/ provided during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- (xii) According to the information and explanations give 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 of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any private placement of optionally convertible debentures during the year.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.
- (xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For R.S. AJWANI & CO.**  
**Chartered Accountants**  
**Firm Reg. No.:**



**R.S.AJWANI**

**Proprietor**

**Membership No. : 035574**

**Date: 07/08/2020**

**Place: Mumbai**

**UDIN: 20035574AAAADR3347**



**HARE KRISHNA OPERATING LEASE PVT LTD**  
**BALANCE SHEET AS AT 31ST MARCH 2020**  
**CIN No:- U71290MH2016PTC272636**

PARTICULARS	Note No.	As at 31/03/2020	As at 31/03/2019
		Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's funds</b>			
(a) Share Capital	<b>B -1</b>	100,000	100,000
(b) Reserves and Surplus	<b>B -2</b>	(186,165,011)	(143,656)
		(186,065,011)	(43,656)
<b>2. Non Current Liabilities</b>			
(a) Long Term Borrowings	<b>B -3</b>	980,000,000	
(b) Other Long Term Borrowings	<b>B -4</b>	468,797,845	
<b>3 Current Liabilities</b>			
(a) Other current liabilities	<b>B -5</b>	323,220,000	351,800
		1,772,017,845	351,800
<b>TOTAL</b>		<b>1,585,952,834</b>	<b>308,144</b>
<b>II ASSETS</b>			
<b>1. Current assets</b>			
(a) Cash and Cash equivalents	<b>B -6</b>	875,012	308,144
(b) Short Term Loans & Advances	<b>B -7</b>	1,585,077,822	-
		1,585,952,835	308,144
<b>TOTAL</b>		<b>1,585,952,834</b>	<b>308,144</b>
Significant accounting policies and notes to accounts	<b>A &amp; B</b>		

As per our attached report of even date

**For R.S. AJWANI & CO.**

Chartered Accountants

Firm Reg. No.:

*R.S. Ajwani*

**R.S. AJWANI**

Proprietor

Membership No. : 035574

Date: 07/08/2020

Place: Mumbai



For and on behalf of the Board of Directors

*Harshil Shah*  
Harshil Shah  
Director (DIN 07412602 )

*Ritu Shah*  
Ritu Shah  
Director (DIN 07496986 )

UIN: 20035814AAAAR3347

**HARE KRISHNA OPERATING LEASE PVT LTD**  
**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020**  
**CIN No:- U71290MH2016PTC272636**

	PARTICULARS	Note No.	For the Period ended	For the Period ended
			31/03/2020	31/03/2019
			Rs.	Rs.
I	Revenue from operations		-	-
II	<b>Total Revenue (I + II)</b>		-	-
III	<b>Expenses</b>			
	Employee benefits expense	B- 8	-	10,000
	Finance Costs	B- 9	134,834,317	765
	Other expense	B- 10	51,187,039	11,800
	<b>Total Expense</b>		186,021,355	22,565
IV	Profit before exceptional and extraordinary items and tax (III-IV)		(186,021,355)	(22,565)
V	Exceptional Items		-	-
VI	Profit before extraordinary items and tax (V-VI)		(186,021,355)	(22,565)
VII	Profit before tax (VII-VIII)		(186,021,355)	(22,565)
VIII	<b>Tax expense:</b>			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit/(Loss) for the period from continuing operations (IX - X)		(186,021,355)	(22,565)
X	Profit/(Loss) for the period from discontinuing operations			
XI	Tax expense of discontinuing operations			
XII	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XIII	Profit/(Loss) for the period (XI + XIV)		(186,021,355)	(22,565)
XIV	<b>Earnings per equity share:</b>			
	(1) Basic & Diluted	B- 11	(18,602.14)	(2.26)
	See accompanying notes to the financial statements			

As per our attached report of even date

**For R.S. AJWANI & CO.**

Chartered Accountants

Firm Reg. No.:

**R.S. AJWANI**

Proprietor

Membership No. : 035574

Date: 07/08/2020

Place: Mumbai



For and on behalf of the Board of Directors

Harshil Shah  
Director (DIN 07412602)

Ritu Shah  
Director (DIN 07496986)

**HARE KRISHNA OPERATING LEASE PVT LTD**  
**Cash Flow Statement for the year ended March 31, 2020**

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>A Cash Flow from Operating Activities:</b>		
Net Profit before tax and extraordinary items :	(186,021,355)	(22,565)
<b>Adjustments for :</b>		
Interest Paid		
Dividend Income		
<b>Operating profit before working capital changes</b>	<b>(186,021,355)</b>	<b>(22,565)</b>
<b>Adjustments for working capital changes</b>		
Short term provisions		1,800
Other Current Assets		25,000
Long Term Borrowings	980,000,000	
Other Long Term Borrowings	468,797,845	
Other current liabilities	322,868,200	
Short Term Loans & Advances	(1,585,077,822)	
<b>Net Cash from operating activities</b>	<b>566,867</b>	<b>4,235</b>
Less : Income tax paid	-	
<b>Cash before Prior Period Adjustments</b>	<b>566,867</b>	<b>4,235</b>
<b>Net Cash generated from Operating Activity</b>	<b>566,867</b>	<b>4,235</b>
<b>Net increase in cash and cash equivalents</b>	<b>566,867</b>	<b>4,235</b>
<b>Cash and Cash equivalents (Opening)</b>	<b>308,144</b>	<b>303,909</b>
<b>Cash and Cash equivalents (Closing)</b>	<b>875,011</b>	<b>308,144</b>

**Note :**

- 1 Cash and cash equivalent at the end of the year consist of cash in hand and balances with banks and are net of short

Particulars	As at 31.03.2020	As at 31.03.2019
Cash in hand	305,145	308,144
Balances with Bank ( including Fixed Deposit)	569,867	
<b>Total</b>	<b>875,011</b>	<b>308,143</b>

- 2 The previous year's figures have been regrouped, rearranged wherever necessary in order to conform to current year's presentation.

As per our attached report of even date attached

For R.S. AJWANI & CO.

Chartered Accountants

Firm Reg. No.:



R.S. AJWANI

Proprietor


Membership No. : 035574

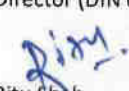
Date: 07/08/2020

Place: Mumbai



For and on behalf of the Board of Directors

  
Harshil Shah  
Director (DIN 07412602)

  
Ritu Shah  
Director (DIN 07496986)

**HARE KRISHNA OPERATING LEASE PVT LTD**

**For the period 01/04/2019 to 31/03/2020**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**NOTE A:- SIGNIFICANT ACCOUNTING POLICIES**

**A.1 Change in Accounting policy**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except as specifically stated otherwise.

**A.2 Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax resulting from timing difference between taxable incomes and accounting income is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

**A.3 Revenue Recognition**

Sales are recorded net of sales return, trade discounts, Sales Tax and VAT. Revenue from sale of goods is recognized when significant risk and rewards of ownership are transferred to the customers.

Revenue from interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**A.4 Provisions and Contingent Liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**A.5 Earning 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.

**A.6 Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.



**HARE KRISHNA OPERATING LEASE PVT LTD**  
For the period 01/04/2019 to 31/03/2020

**NOTE B:- NOTES ON ACCOUNTS**

**B-1 SHARE CAPITAL**

Sr. No	Particulars	As at 31-03-2020	As at 31-03-2019
1	<b>Authorized</b> 10000 (P.Y. 10,000) Equity Shares of Rs. 10/- each,	100,000	100,000
		100,000	100,000
2	<b>Issued, Subscribed and Paid-Up</b> 10,000 (P.Y. 10,000) Equity Shares of Rs. 10/- each, Fully Paid up	100,000	100,000
	<b>Total</b>	<b>100,000</b>	<b>100,000</b>

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 is set out below :-

Particulars	As at 31-03-2020		As at 31-03-2019	
	Numbers	Rs.	Numbers	Rs.
At the beginning of the Period	10,000	100,000	10,000	100,000
Add:- Issued During the Period	-	-	-	-
Outstanding at the end of the period	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

The details of shareholder holding more than 5% shares as at March 31, 2020 is set out below :-

Name of the shareholder	As at 31-03-2020		As at 31-03-2019	
	Numbers	%	Numbers	%
Harshil Shah			5,000	50.00%
Ritu Shah			5,000	50.00%
Niyaman Mall Management Company Pvt Ltd	5,000	50.00%		
Nishta Mall Management Company Pvt Ltd	5,000	50.00%		
<b>Total</b>	<b>10,000</b>	<b>100.00%</b>	<b>10,000</b>	<b>100.00%</b>

**B-2 RESERVES AND SURPLUS**

Particulars	As at 31-03-2020	As at 31-03-2019
<b>Surplus (Deficit) in the statement of Profit &amp; Loss A/c</b>		
Balance as per last financial statements	(143,656)	(121,091)
Add : Profit for the year	(186,021,355)	(22,565)
<b>Closing Balance</b>	<b>(186,165,011)</b>	<b>(143,656)</b>
<b>Total</b>	<b>(186,165,011)</b>	<b>(143,656)</b>

**B-3 Long Term Borrowings**

Investments	As at 31-03-2020	As at 31-03-2019
<b>Secured</b>		
Term Loan	980,000,000	-
<b>Total</b>	<b>980,000,000</b>	<b>-</b>

**B-4 OTHER LONG TERM BORROWINGS**

Particulars	As at 31-03-2020	As at 31-03-2019
<b>Unsecured</b>		
Loans & Advances - Taken	468,797,845	-
<b>Total</b>	<b>468,797,845</b>	<b>-</b>





**HARE KRISHNA OPERATING LEASE PVT LTD**  
For the period 01/04/2019 to 31/03/2020

**B-5 OTHER CURRENT LIABILITIES**

Particulars	As at 31-03-2020	As at 31-03-2019
Trade payable		340,000
Audit Fees Payable	20,000	11,800
Interest Payable on Term Loan	43,200,000	
Current Maturity of Long Term Borrowings	280,000,000	
<b>Total</b>	<b>323,220,000</b>	<b>351,800</b>

**B-6 CASH AND CASH EQUIVALENTS**

Particulars	As at 31-03-2020	As at 31-03-2019
Cash-on-Hand	305144.79	308,145
Balances with Banks-In Current Accounts	569,867.40	-
<b>Total</b>	<b>875,012</b>	<b>308,145</b>

**B-7 Short Term Loans & Advances**

Particulars	As at 31-03-2020	As at 31-03-2019
Short Term Loans & Advances to other Parties	1,576,105,388	-
Balance with Government Authorities	8,972,434	
<b>Total</b>	<b>1,585,077,822</b>	<b>-</b>

**B-8 EMPLOYEE BENEFIT EXPENSES**

Particulars	For The Year ended 31/03/2020	For The Year ended 31/03/2019
Salary		10,000
<b>Total</b>	<b>-</b>	<b>10,000</b>

**B-9 FINANCE COSTS**

Particulars	For The Year ended 31/03/2020	For The Year ended 31/03/2019
Bank Charges	761	765
Interest Paid on Loan	134,833,556	
<b>Total</b>	<b>134,834,317</b>	<b>765</b>

**B-10 OTHER EXPENSES**

Particulars	For The Year ended 31/03/2020	For The Year ended 31/03/2019
Audit Fees	20,000	11,800
General Exp	19,658	
Legal & Professional	22,099,500	
Printing & Stationery	4,200	
Processing Fees	28,000,000	
Registration Charges	2,000	
ROC Fees	11,181	
Stamp Duty / Registration Fees	1,030,500	
<b>Total</b>	<b>51,187,039</b>	<b>11,800</b>



**HARE KRISHNA OPERATING LEASE PVT LTD**  
For the period 01/04/2019 to 31/03/2020

**B-11 EARNING PER SHARE**

Particulars	For The Year ended 31/03/2020	For The Year ended 31/03/2019
Profit / (Loss) after Tax	(186,021,355)	(22,565)
Weighted average Number of Shares outstanding during the year. (Face Value	10,000	10,000
<b>Basic Earnings/(Loss) Per share</b>	<b>(18,602.14)</b>	<b>(2.26)</b>

Company do not have any potential dilutive equity shares, hence dilutive earning per share is same as earning per share.

**B-12 RELATED PARTY TRANSACTIONS**

**Details of Related Parties:**

Description of Relationship	Names of Related Parties
Holding Company	N. A.
Subsidiary Companies	
Associate/Enterprises where control/ significant Key Management Personnel (KMP)	

**Transaction with Related Parties**

Nil

**B-13 Contingent Liability and Event Occurring After Balance Sheet Date**

The management of the company does not anticipate any contingent liability having material effect on financial statements at the

**B-14 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

As verified by management there are no Sundry creditors as on Balance sheet date that are duly registered under Micro and Small


As per our attached report of even date

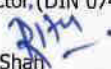
For R.S. AJWANI & CO.  
Chartered Accountants  
Firm Reg. No.:

  
**R.S. AJWANI**  
Membership No. : 035574  
Proprietor  
Place: Mumbai  
Date: 07/08/2020



For and on behalf of the Board of Directors

  
Harshil Shah  
Director (DIN 07412602 )

  
Ritu Shah  
Director (DIN 07496986 )

101, 'B' Wing, Shanti Niwas, Hindu Friends Society, Natvar Nagar Road No. 5, Jogeshwari (E), Mumbai-400 060.

☎ : (O) 2837 4410 ● E-mail : parikhdeepan59@gmail.com

### Independent Auditor's Report

To the Members of  
**Nice Texcot Trading & Agency Private Limited**

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Nice Texcot Trading & Agency Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss and statement of cash flows for the year ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its loss and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and cash flows of the Company in accordance with the accounting



principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143 (3)(1) of the Companies Act, 2013, we are responsible for expressing our opinion on whether the company has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

### **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

- 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Report on Other Legal and Regulatory Requirements**


1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss, and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act., read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting



**Report on Other Legal and Regulatory Requirements (Continued)**

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - 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 during the year ended 31<sup>st</sup> March, 2020.

For Deepan Parikh & Co.  
Chartered Accountants  
Firm Reg. No. 112990W

  
Deepan Parikh  
Proprietor  
M.No.: 046298  
UDIN : 20046298AAAAJX2014



Place: Mumbai  
Date: 2nd September 2020

## Annexure A to the Independent Auditors' Report

(Referred to in Paragraph I under "Report on other legal and regulatory requirements" section of our report to the Members of **Nice Textcot Trading & Agency Private Limited** of even date)

The Annexure referred to in independent Auditor's Report to the Members of the company on the financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

### i. Fixed Assets

According to the information and explanation given to us, the company has no Fixed Assets during the year. Hence Clause (i) of CARO 2016 is not applicable.

### ii. Inventory

According to the information and explanation given to us, the company has no inventory during the year. Hence Clause (ii) of CARO 2016 is not applicable.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore clause 3(iii)(a)(b)(c) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

v. The Company has not accepted any deposits from the public.

vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148 (1) of the Act, for the services of the Company.

### vii. Statutory Dues


a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other material statutory dues applicable to it.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, good and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



- viii. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to financial institution, bank, government or dues to debenture holders.
- ix. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or by way of term loan.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanation given to us and on the basis of our examination of relevant records, no managerial remunerations were paid or provided by the Company during the year under audit.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deepan Parikh & Co.  
Chartered Accountants  
Firm Reg. No. 112990W

  
Deepan Parikh  
Proprietor  
M.No.: 046298  
UDIN : 20046298AAAAJX2014



Place: Mumbai  
Date: 2nd September 2020



## Annexure B to the Independent Auditors' Report

**Re: Nice Texcot Trading & Agency Private Limited**  
**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 **Nice Texcot Trading & Agency Private Limited (the Company)** as of 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the company considering the essential components of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, 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 31st March, 2020, 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 Financing Reporting issued by the Institute of Chartered Accountants of India.

For Deepan Parikh & Co.  
Chartered Accountants  
Firm Reg. No. 112990W

  
Deepan Parikh

Proprietor

M.No.: 046298

UDIN : 20046298AAAAJX2014



Place: Mumbai

Date: 2nd September 2020

## NICE TEXTCOT TRADING &amp; AGENCY PRIVATE LIMITED

## BALANCE SHEET AS AT MARCH 31, 2020

CIN NO : U51909MH2017PTC293564


Particulars	Note No.	As at	As at
		March 31, 2020	March 31, 2019
		Amount in Rs.	Amount in Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	1,00,000	1,00,000
Reserves and Surplus	3	(78,46,62,794)	(56,60,74,935)
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	58,01,59,972	1,01,10,52,572
<b>Current Liabilities</b>			
Short-Term Borrowings	5	1,38,82,08,079	2,70,96,64,516
Trade Payables	6	2,47,31,856	87,80,544
Other Current Liabilities	7	47,91,51,302	96,94,74,144
<b>Total</b>		<b>1,68,76,88,415</b>	<b>4,13,29,96,840</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Capital Work-in-progress		73,85,23,356	73,85,23,356
Non-current investments	8	51,62,12,977	51,62,12,977
Other Non Current Assets	9	1,06,15,000	1,06,55,000
<b>Current Assets</b>			
Inventories		-	7,33,78,229
Trade Receivable	10	84,04,654	5,92,31,765
Cash and Bank Balances	11	4,86,48,286	11,80,53,718
Loans & Advances	12	35,66,12,151	2,60,91,42,923
Other Current Assets	13	86,71,991	77,98,872
<b>Total</b>		<b>1,68,76,88,415</b>	<b>4,13,29,96,840</b>
Significant accounting policies and notes on Financial Statements	1-27		

As per our report of even date attached

For Deepan Parikh &amp; Co.

Chartered Accountant

Firm Reg. No. 112990W

  
Deepan Parikh  
Proprietor

M.No.: 046298



Place: Mumbai

Date: 2<sup>nd</sup> September, 2020

For and on behalf of the Board of Directors  
Nice Textcot Trading & Agency Private Limited



Arun Agarwal  
Director  
DIN: 06963368



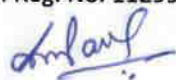
Vikas Kedia  
Director  
DIN: 07059968

**NICE TEXTCOT TRADING & AGENCY PRIVATE LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON MARCH 31, 2020**

CIN NO : U51909MH2017PTC293564

Particulars	Note No	For the year ended	For the year ended
		31st March'2020	31st March'2019
		Amount in Rs.	Amount in Rs.
<b>Income</b>			
Revenue from operations	14	2,57,72,703	60,91,25,611
Other Income	15	33,18,288	90,00,390
<b>Total Revenue</b>		<b>2,90,90,991</b>	<b>61,81,26,001</b>
<b>Expenses</b>			
Purchases	16	-	53,06,92,187
(Increase)/Decrease of Inventory	17	4,85,44,795	5,92,93,518
Financial Costs	18	15,09,97,091	27,18,65,472
Employees Benefit Expenses	19	9,95,000	2,50,443
Other Expenses	20	4,71,41,964	2,80,74,233
<b>Total Expenses</b>		<b>24,76,78,849</b>	<b>89,01,75,854</b>
<b>Profit / (Loss) before tax</b>		<b>(21,85,87,859)</b>	<b>(27,20,49,853)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit/(Loss) for the period</b>		<b>(21,85,87,859)</b>	<b>(27,20,49,853)</b>
<b>Earning per equity share of face Value of Rs.10/- each</b>	21		
(1) Basic		(21,858.79)	(27,204.99)
(2) Diluted		(21,858.79)	(27,204.99)
<b>Significant accounting policies and notes on Financial Statements</b>	1-27		

As per our report of even date attached  
 For Deepen Parikh & Co.  
 Chartered Accountant  
 Firm Reg. No. 112990W

  
 Deepen Parikh  
 Proprietor  
 M.No.: 046298



Place: Mumbai  
 Date: 2<sup>nd</sup> September, 2020

For and on behalf of the Board of Directors  
 Nice Textcot Trading & Agency Private Limited

  
 Arun Agarwal  
 Director  
 DIN: 06963368

  
 Vikas Kedia  
 Director  
 DIN: 07059968

NICE TEXCOT TRADING & AGENCY PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March, 2020

CIN NO: U51909MH2017PTC293564

Particulars	2019-20	2018-19
<b>A Cash Flow from Operating Activities:</b>		
Net Profit before tax and extraordinary items :	(21,85,87,859)	(27,20,49,853)
<b>Adjustments for :</b>		
Interest Received	(33,18,288)	(89,78,220)
Interest Paid	15,09,97,091	27,18,65,472
Dividend Received		-
<b>Operating profit before working capital changes</b>	<b>(7,09,09,056)</b>	<b>(91,62,601)</b>
<b>Change in Working Capital</b>		
Increase / (Decrease) in Other Current Liabilities	(49,03,22,842)	96,94,44,594
Increase / (Decrease) in Trade Payable	1,59,51,312	84,76,472
Increase / (Decrease) in inventories	7,33,78,229	(7,33,78,229)
Increase / (Decrease) in Loans & Advances	2,25,25,30,772	(2,60,91,42,923)
Increase / (Decrease) in Trade Receivable	5,08,27,111	(5,90,20,238)
Increase / (Decrease) in Other Current Assets	(8,33,119)	(1,84,28,872)
<b>Cash generated from operations</b>	<b>1,83,06,22,408</b>	<b>(1,79,12,11,798)</b>
Income Tax Paid		-
<b>Net Cash from Operating Activities</b>	<b>1,83,06,22,408</b>	<b>(1,79,12,11,798)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Investment	-	(51,62,12,977)
Increase in Capital work in Progress	-	(73,85,23,356)
<b>Net Cash from Investment Activities</b>	<b>-</b>	<b>(1,25,47,36,333)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds From Borrowings	(1,75,23,49,037)	3,72,07,17,088
Proceeds From Issue of Capital		-
Interest Paid	(15,09,97,091)	(27,18,65,472)
Interest Received	33,18,288	89,78,220
<b>Net Cash from financing activities</b>	<b>(1,90,00,27,840)</b>	<b>3,45,78,29,836</b>
<b>Net increase in cash and cash equivalents</b>	<b>(6,94,05,432)</b>	<b>41,18,81,705</b>
<b>Cash and Cash equivalents (Opening)</b>	<b>11,80,53,718</b>	<b>1,98,655</b>
Adjustment Pursuant to scheme of amalgamation		(29,40,26,642)
<b>Cash and Cash equivalents (Closing)</b>	<b>4,86,48,286</b>	<b>11,80,53,718</b>

Note :

1 Cash and cash equivalent at the end of the year consist of cash in hand and balances with banks and are net of short term loans and advances from banks as follows :

Particulars	As at	As at
	31.03.2020	31.03.2019
Cash in hand	1,65,536	1,65,536
Balances with Bank ( including Fixed Deposit)	4,84,82,750	11,78,88,182
<b>Total</b>	<b>4,86,48,286</b>	<b>11,80,53,718</b>

2 The previous year's figures have been regrouped, rearranged wherever necessary in order to conform to current year's presentation

As per our attached report of even date

For Deepen Parikh & Co.

Chartered Accountant

Firm Reg. No. 112990W

*Deepen Parikh*



Deepen Parikh

Proprietor

M.No.: 046298

Place : Mumbai

Date: 2<sup>nd</sup> September, 2020

For and on behalf of the Board of Directors

Nice Texcot Trading & Agency Private Limited

*Arun Agarwal*

Arun Agarwal

Director

DIN: 06963368

*Vikas Kedia*

Vikas Kedia

Director

DIN: 07059968

**1. SIGNIFICANT ACCOUNTING POLICIES :**

**1.1 Basis of preparation of financial statements**

The financial statements of the company have been prepared in accordance with generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provision of the Companies Act, 2013 read with general circular 8/2014 Dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statement are consistent with those of previous year, The Company's management believes that the Company will continue to operate as a going concern and meet all its liabilities as they fall due for payment, based on the letter of support received from one of the principal shareholder confirming that they would continue to provide support, financial or otherwise, to ensure that the Company continues to operate as a going concern and meet all its liabilities as they fall due for payment.

**1.2 Revenue recognition**

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

**Sale of Goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

**Interest**

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

**1.3 Taxation**

Tax expense comprises current income tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

**1.4 Provisions**

Provision is recognized when the enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date.

These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

**1.5 Earning Per Share (EPS)**

Basic and Diluted earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.



**NICE TEXTCOT TRADING & AGENCY PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note : 2 SHARE CAPITAL**

Particulars	As at Mar 31,2020		As at Mar 31,2019	
	Number	Amount	Number	Amount
<b>AUTHORIZED CAPITAL</b>				
Equity Shares of Rs. 10/- each (Refer Note No. 2d )	70,000	7,00,000	70,000	7,00,000
	70,000	7,00,000	70,000	7,00,000
<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>				
Equity Shares of Rs. 10/- each	10,000	1,00,000	10,000	1,00,000
	10,000	1,00,000	10,000	1,00,000

**(a) Reconciliation of number of Equity Shares Outstanding**

Particulars	As at Mar 31,2020		As at Mar 31,2019	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	10,000	1,00,000	10,000	1,00,000
Outstanding at the end of the year	10,000	1,00,000	10,000	1,00,000

**b) Details of Shareholders holding more than 5% shares in the Company**

Name of The Shareholders	As at Mar 31,2020		As at Mar 31,2019	
	No's of Shares	Holding %	No's of Shares	Holding %
Mr. Shubham Kabra	5000	50	5000	50
Mr. Rishi Raj Bharati	5000	50	5000	50

**c) Terms/Rights Attached to Equity Shares**

The Ordinary Equity Shares of the Company, having par value of Rs.10/- each is entitled to one Vote per member in case of voting by show of hands and one vote per Ordinary Shares held in case of Voting by poll/ballot. Each holder of Ordinary Share is also entitled to normal dividend as may declared by the Company. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

**(d) Note on Merger**

"Pursuant to the Scheme of Amalgamation of Agrim Multilink Sales and Trading Private Limited and Altogether Trading Private Limited and Ghughuti Trading Private Limited and Parinam Logistic Private Limited and Tyag Logistic Advisors Private Limited and Vrushika Mercantile and Trading Private Limited (Transferor Companies) with the Company ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013, Transferor Companies have been amalgamated with the Company with effect from the Appointed Date (as defined in the Scheme) i.e. 1st April, 2018. The said Scheme has been sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated May 30, 2019 and made effective upon filing of the orders of the NCLT with the Registrar of Companies on July 22, 2019. Pursuant to the Scheme of Amalgamation, the authorised share capital of the Company shall stand increased by INR 6,00,000 and revised authorized share capital of the Company shall be INR 7,00,000.

Pursuant to the Scheme, all the assets and liabilities of the Transferor Companies as on the Appointed Date have been transferred to and vested in the Company. Since the Transferor Companies are wholly owned subsidiary of the Company, no shares shall be issued as a consideration pursuant to amalgamation to the Transferor Companies."



**NICE TEXTCOT TRADING & AGENCY PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note : 3 RESERVES AND SURPLUS</b>		
Capital Reserve - Pursuant to scheme of amalgamation	2,86,899	2,86,899
<b>Statement of Profit and Loss</b>		
Opening Balance	(27,20,49,853)	1,560
Add: Pursuant to Scheme of amalgamation	(29,43,11,981)	(29,43,13,541)
Add: Profit(Loss) for the year	(21,85,87,859)	(27,20,49,853)
	<b>(78,46,62,794)</b>	<b>(56,60,74,935)</b>
<b>Note : 4 LONG-TERM BORROWINGS</b>		
<b>Secured Loan</b>		
Term Loan From Bank	58,01,59,972	1,01,10,52,572
(Secured against hypothecation charge on entire Present and Future assets of the company and pledge of certain investments held by the associates company.)		
	<b>58,01,59,972</b>	<b>1,01,10,52,572</b>
<b>Note : 5 SHORT-TERM BORROWINGS</b>		
<b>UNSECURED</b>		
Loan from Bodies Corporate	1,38,82,08,079	2,70,96,64,516
	<b>1,38,82,08,079</b>	<b>2,70,96,64,516</b>
<b>Note : 6 Trade Payables</b>		
Trade Payable	2,47,31,856	87,80,544
	<b>2,47,31,856</b>	<b>87,80,544</b>
<b>Note : 7 Other Current Liabilities</b>		
Current Maturities of Long term debt	47,78,76,624	56,16,46,097
Audit Fees Payable	58,000	29,000
Other Current Liabilities	-	40,61,79,274
TDS Payable	5,000	4,08,095
Provision for Taxtion	12,11,678	12,11,678
	<b>47,91,51,302</b>	<b>96,94,74,144</b>
<b>Note : 08 Non Current Investment</b>		
<b>(A) Subsidiary- Unquoted (all fully paid up)</b>		
20,01,750 (PY: 20,01,750) Equity Shares of Petunt Food Processors Pvt. Ltd of Rs. 10 each Fully Paid up	2,00,17,500	2,00,17,500
<b>(B) Other Entities- UnQuoted (all fully paid up)</b>		
8,60,000 (PY: 8,60,000) CCD's of Bluerock eServices Pvt Ltd of Rs. 10 each Fully Paid up	49,53,60,000	49,53,60,000
1,800 (PY: 1,800) Equity Shares of Basuti Sales & Trading Pvt. Ltd of Rs. 10 each Fully Paid up	8,35,477	8,35,477
	<b>51,62,12,977</b>	<b>51,62,12,977</b>
<b>Note : 09 Other Non Current Assets</b>		
Security Deposit	1,06,15,000	1,06,55,000
	<b>1,06,15,000</b>	<b>1,06,55,000</b>
<b>Note : 10 Trade Receivable</b>		
<b>(Unsecured, considered Good)</b>		
Debts Outstanding for a period exceeding six months	-	-
Others	84,04,654	5,92,31,765
	<b>84,04,654</b>	<b>5,92,31,765</b>





**NICE TEXTCOT TRADING & AGENCY PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Note : 11 Cash and Bank Balances</b>		
Cash on Hand	1,65,536	1,65,536
Fixed deposit with Bank ( Pledged against Loan)	4,75,00,000	4,75,00,000
Balance with Banks in Current Accounts	9,82,750	7,03,88,182
	<b>4,86,48,286</b>	<b>11,80,53,718</b>
<b>Note : 12 Loan &amp; Advance Given (Unsecured, considered Good)</b>		
Loan & Advance	35,66,12,151	2,60,91,42,923
	<b>35,66,12,151</b>	<b>2,60,91,42,923</b>
<b>Note : 13 Other Assets</b>		
<b>Current Assets</b>		
Accrued Interest on Fixed Deposit	60,48,434	60,48,434
TDS & Income Tax Receivable	20,98,763	17,50,438
GST Receivable	5,24,794	-
	<b>86,71,991</b>	<b>77,98,872</b>
<b>Note : 14 Revenue From Operations</b>		
Sales	5,00,45,406	60,91,25,611
Discount on Sale	(2,42,72,703)	-
	<b>2,57,72,703</b>	<b>60,91,25,611</b>
<b>Note : 15 Other Income</b>		
Interest Received on Fixed Deposit	33,18,288	35,55,190
Interest Received on Loan	-	54,23,030
Other Income	-	22,170
	<b>33,18,288</b>	<b>90,00,390</b>
<b>Note : 16 Purchase</b>		
Purchase	-	53,06,92,187
	<b>-</b>	<b>53,06,92,187</b>
<b>Note : 17 Changes in Inventories</b>		
Increase /(Decrease) in Inventories	4,85,44,795	5,92,93,518
	<b>4,85,44,795</b>	<b>5,92,93,518</b>
<b>Note : 18 Finance Costs</b>		
Interest on Term Loan	15,09,91,858	27,15,99,443
Bank Charges	5,233	2,66,029
	<b>15,09,97,091</b>	<b>27,18,65,472</b>
<b>Note : 19 Employees Benefit Expenses</b>		
Salaries and wages, including bonus	9,95,000	2,50,443
	<b>9,95,000</b>	<b>2,50,443</b>
<b>Note : 20 Other Expenses</b>		
Audit Fees	29,000	29,000
Conveyance Expenses	68,289	49,975
Director Sitting Fees	1,20,000	5,00,000
Rent, Rates & Taxes	1,75,17,486	4,08,500
Legal & Professional Fees	32,91,605	1,36,66,185
ROC Filing Fees	8,800	41,564
Office Expenses	12,73,349	1,33,79,009
Dead Stock W/off	2,48,33,435	-
	<b>4,71,41,964</b>	<b>2,80,74,233</b>



**NICE TEXTCOT TRADING & AGENCY PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note : 21 Basic and Diluted Earning Per Share (EPS)**

For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered :

Particulars	31st March, 2020	31st March, 2019
<b>Basic Earnings Per Share</b>		
Net Profit after tax	(21,85,87,859)	(27,20,49,853)
Weighted average number of equity shares (Nos.)	10,000	10,000
<b>Basic Earnings Per Share of face value of Rs.10/- each</b>	<b>(21,858.79)</b>	<b>(27,204.99)</b>
<b>Diluted Earnings Per Share</b>		
Amount available for calculation of Diluted EPS	(21,85,87,859)	(27,20,49,853)
Weighted average number of equity shares (Nos.)	10,000	10,000
Number of Shares used for calculating Diluted EPS	10,000	10,000
<b>Diluted Earnings Per Share of face value of Rs.10/- each</b>	<b>(21,858.79)</b>	<b>(27,204.99)</b>

**Note : 22 Auditors' remuneration (excluding GST)**

Particulars	31st March, 2020	31st March, 2019
Statutory Audit Fees	15,000	15,000
Tax Audit Fees	14,000	14,000
<b>Total</b>	<b>29,000</b>	<b>29,000</b>

**Note : 23 Dues to Micro Small and Medium Enterprises**

There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2020. This information has been determined to the extent such parties have been identified to the basis of the information available with the Company.

**Note No : 24** In the opinion of the Board, the current assets, Loans and advances are approximately of value stated, if realised in ordinary course of the business. The provisions for all known liabilities are adequate and not in excess of the amount considered reasonably necessary

**Note No : 25** Some of the balances in Loans, Advances and Deposits are subject to confirmations, reconciliations and adjustments if any, which in the opinion of management will not be significant and would be carried out when settled.

**Note No : 26** The Company is primarily engaged in the business of wholesale trading , which in terms of Accounting Standard 17 "Segment Reporting" constitutes a single reporting segment

**Note No : 27** Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current classification / presentation.

As per our report of even date attached

For Deepen Parikh & Co.

Chartered Accountant

Firm Reg. No. 112990W

Deepen Parikh

Proprietor

M.No.: 046298

Mumbai,

Date: 2<sup>nd</sup> September, 2020



For and on behalf of the Board of Directors

Nice Textcot Trading & Agency Private Limited

*(Signature)*

Arun Agarwal

Director

DIN: 06963368

*(Signature)*

Vikas Kedia

Director

DIN: 07059968



# Ashok Bairagra & Associates

Chartered Accountants

Ashok Bairagra, B.Com., L.L.B., F.C.A. • Cell : 93222 79327 Ashish V. Jalan, B.Com., F.C.A. • Cell : 98214 67450

Manish S. Bardia B.Com, A.C.A. • Cell : 99671 25862

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## Independent Auditor's Report

To the Members of M/s. NISHTA MALL MANAGEMENT COMPANY PRIVATE LIMITED

Report on the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of M/s. NISHTA MALL MANAGEMENT COMPANY PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, (changes in equity) and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## 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 Companies Act, 2013 ("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, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

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Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

## Other Matter

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Nil

## Report on Other Legal and Regulatory Requirements

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As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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



- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act") is Not applicable to Company.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

NIL


- 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, in our opinion and to the best of our information and according to the explanations given to us:  
The Company does not have any pending litigations which would impact its financial position.
- i) The Company did not have any Long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- ii) There is no amount required to be transferred, to the Investor Education and Protection Fund by the company

**For ASHOK BAIRAGRA AND ASSOCIATES.**

**Chartered Accountants**

Firm Reg. No.: 118677W

UDIN: 20147220AAAABH3735



**Manish Bardia**  
Partner (M.No. 147220)



Date: 04/09/2020

Place: Mumbai

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our Independent Auditor's Report to the member of NISHTA MALL MANAGEMENT COMPANY PRIVATE LIMITED for the year ended march 31<sup>st</sup>, March 2020.

- 1) In respect of the Company's fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - c. The title deeds of immovable properties are held in the name of the company.
- 2) Since no inventories are maintained by the company the said clause is not applicable.
- 3) 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013; In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



- 7) According to information and explanations given to us and on the basis of our examination of the books of account, and records:
- a. the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
  - c. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or financial institution.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has raised moneys by way of term Loans. The amount so raised has been utilized as per the purpose mentioned in sanction letter.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment of shares during the year under review Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.



- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For ASHOK BAIRAGRA & ASSOCIATES**

Chartered Accountants

Firm Reg. No. 118677W

UDIN: 20147220AAAABH3735



**Manish Bardia**  
Partner (M.No. 147220)



Date: 04/09/2020

Place: Mumbai



## **ANNEXURE B TO THE AUDITOR'S 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 M/s NISHTA MALL MANAGEMENT COMPANY PRIVATE LIMITED (the Company) as of 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conduct our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and 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 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 were 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 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 assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of 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 31<sup>st</sup> March 2020, based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India.

**For ASHOK BAIRAGRA & ASSOCIATES**

Chartered Accountants

Firm Reg. No. 118677W

UDIN: 20147220AAAABH3735



**Manish Bardia**  
Partner (M.No. 147220)



Date: 04/09/2020

Place: Mumbai

NISHTA MALL MANAGEMENT COMPANY PRIVATE LIMITED

CIN No: U70100MH2004PTC148033

Balance sheet as at 31st March 2020

(Amount in Rs.)

Particulars	Note No.	As at	
		31st March, 2020	31st March, 2019
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	41,79,190	41,79,190
(b) Reserves and Surplus	2.2	(3,66,04,278)	94,02,06,628
<b>(2) Non-Current Liabilities</b>			
(a) Borrowings	2.3	4,34,50,47,968	2,48,14,85,162
(b) Other Financial Liabilities	2.4	1,55,00,00,000	1,55,00,00,000
(b) Deferred Tax Liabilities (Net)		5,99,94,275	5,99,94,274
<b>(3) Current Liabilities</b>			
(a) Trade Payables	2.5	8,22,793	52,42,71,415
(b) Other Current Liabilities	2.6	94,13,49,750	2,16,55,32,467
<b>TOTAL</b>		<b>6,86,47,89,698</b>	<b>7,72,56,69,135</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	2.7	4,36,79,19,165	5,17,54,16,548
(b) Non-Current Investments	2.8	1,16,87,21,323	1,15,86,04,190
(c) Long-Term Loans and Advances	2.9	13,91,30,310	11,90,46,777
<b>(2) Current Assets</b>			
(a) Trade Receivables	2.10	1,13,80,97,433	1,16,84,65,933
(b) Cash and Cash Equivalents	2.11	1,70,83,475	3,36,30,060
(d) Other Current Assets	2.12	3,38,37,991	7,05,05,627
<b>TOTAL</b>		<b>6,86,47,89,698</b>	<b>7,72,56,69,135</b>

Significant accounting policies and Notes to Accounts: 01 - 02

The Schedules referred above form an integral part of the Balance Sheet

Auditors' Report

As per our report of even date attached

For Ashok Bairagra & Associates

Chartered Accountants

FRN : 118677W



Manish Bardia

Partner

Membership No. : 147220

UDIN:

Place: Mumbai

Dated: 04 SEP 2020

For and on behalf of the Board of Directors

Alok Tiwary

Director

DIN : 07956580

Anil Biyani

Director

DIN : 00005834

**NISHTA MALL MANAGEMENT COMPANY PRIVATE LIMITED**  
CIN No: U70100MH2004PTC148033  
**Profit & Loss statement for the year ended 31st March 2020**

(Amount in Rs.)

	Particulars	Note No.	Year Ended	
			31st March, 2020	31st March, 2019
I.	Revenue from Operations	2.13	8,38,36,077	1,71,07,67,678
II.	Other Incomes	2.14	32,84,066	1,12,19,584
III.	Total Revenue (I + II)		8,71,20,143	1,72,19,87,262
IV.	Expenses:			
	Cost of Goods Sold / Services	2.15	1,63,19,754	88,50,71,727
	Employee Benefit Expense	2.16	-	10,58,125
	Other Administrative and Others Expenses	2.17	24,93,84,579	54,12,752
	Finance Costs	2.18	22,67,75,736	25,09,79,445
	Depreciation and Amortization Expense	2.7	56,48,99,947	56,48,99,947
	Total Expenses		1,05,73,80,016	1,70,74,21,996
V.	Profit before Exceptional and Extraordinary Items and Tax (III - IV)		(97,02,59,873)	1,45,65,266
VI.	Prior Period Expenses		-	-
VII.	Profit before Extraordinary Items and Tax (V - VI)		(97,02,59,873)	1,45,65,266
VIII.	Extra Ordinary Items		-	-
IX.	Profit before Tax (VII - VIII)		(97,02,59,873)	1,45,65,266
X.	Tax Expense:			
	(1) Current tax		-	(29,98,522)
	(2) Deferred Tax		-	(4,74,13,739)
	(3) Income Tax for Earlier Year		(65,51,033)	1,02,174
	(4) Mat Credit		-	29,98,522
XI.	Profit/ (Loss) for the period from Continuing Operations (IX - X)		(97,68,10,906)	(3,27,46,299)
XII.	Profit/Loss from Discontinuing Operations			
XIII.	Tax Expense of Discontinuing Operations			
XIV.	Profit/ (Loss) from Discontinuing Operations (after Tax) (XII - XIII)			
XV.	Profit/ (Loss) for the Period (XI + XIV)		(97,68,10,906)	(3,27,46,299)
XVI.	Earnings Per Equity Share			
	(1) Basic	2.18	(2,337.32)	(85.47)
	(2) Diluted	2.18	(2,337.32)	(85.47)

Significant accounting policies and Notes to Accounts: 01 - 02  
The Schedules referred above form an integral part of the Balance Sheet

Auditors' Report  
As per our report of even date attached

For Ashok Bairagra & Associates  
Chartered Accountants  
FRN : 118677W

For and on behalf of the Board of Directors





Manish Bardia  
Partner  
Membership No. : 147220



Alok Tiwary  
Director  
DIN : 07956580

Anil Biyani  
Director  
DIN : 00005834

Place: Mumbai  
Dated: 04 SEP 2020

NISHTA MALL MANAGEMENT COMPANY PRIVATE LIMITED			
CIN No: U70100MH2004PTC148033			
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020			
		(Amount in Rs.)	
Particulars		March 31, 2020 Amount in Rs.	March 31, 2019 Amount in Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net Profit/(Loss) Before Tax		(97,68,10,906)	1,45,65,266
Adjustments for :			
Depreciation & Impairment		80,74,97,222	56,48,99,947
Interest Income		(32,84,066)	(1,12,19,584)
Interest Expenses		22,67,75,736	25,09,79,445
		<b>1,03,09,88,892</b>	<b>80,46,59,808</b>
Operating Profit before Working Capital change		<b>5,41,77,986</b>	<b>81,92,25,074</b>
Adjustment for:			
(Increase)/Decrease in Trade and Other Receivable		3,03,68,500	3,52,11,81,281
(Increase)/Decrease in Loans and Advances		(2,00,83,533)	53,41,08,474
(Increase)/Decrease in other current assets		3,66,67,637	2,28,75,235
Increase/(Decrease) in Trade Payable & Provision		(1,74,76,31,338)	(3,37,30,80,370)
		<b>(1,70,06,78,735)</b>	<b>70,50,84,620</b>
<b>Cash generated from operations</b>		<b>(1,64,65,00,749)</b>	<b>1,52,43,09,694</b>
Income Tax (Net of MAT)		-	1,02,174
<b>Net Cash from operating activities</b>	<b>A</b>	<b>(1,64,65,00,749)</b>	<b>1,52,44,11,868</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Addition of Fixed Assets/ CWIP		-	(36,54,41,667)
Sale of Fixed Assets/ CWIP		-	8,500
Purchase (Sale) of Investments		(1,01,17,133)	(1,06,86,00,000)
<b>Net Cash From Investing Activities</b>	<b>B</b>	<b>(1,01,17,133)</b>	<b>(1,43,40,33,167)</b>
<b>CASH FROM FINANCING ACTIVITIES:</b>			
Interest paid		(22,67,75,736)	(25,09,79,445)
Interest Income		32,84,066	1,12,19,584
Proceeds (Repayment) of Long Term Borrowings		1,86,35,62,806	(6,68,59,946)
<b>Net Cash used in Financing Activities</b>	<b>C</b>	<b>1,64,00,71,136</b>	<b>(30,66,19,807)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(A+B+C)</b>	<b>(1,65,46,585)</b>	<b>(21,62,41,105)</b>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>		<b>3,36,30,060</b>	<b>24,98,71,165</b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>		<b>1,70,83,475</b>	<b>3,36,30,060</b>
<b>Notes:</b>			
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by Institute of Chartered Accountants of India.			
Previous year figures have been regrouped wherever necessary to confirm to current years classification			
Significant accounting policies and Notes to Accounts:		01 - 02	
The Schedules referred above form an integral part of the Balance Sheet			
<b>Auditors' Report</b>			
As per our report of even date attached			
For Ashok Bairagra & Associates			
Chartered Accountants			
FRN : 118677W			
 <b>Manish Bardia</b> Partner Membership No. : 147220		 For and on behalf of the Board of Directors	
		 <b>Alok Tiwary</b> Director DIN : 07956580	 <b>Anil Biyani</b> Director DIN : 00005834
Place: Mumbai			
Dated: 04 SEP 2020			

**Note - A**

**Notes to Accounts for the year ended March 31, 2020**

CIN. U70100MH2004PTC148033

**1. Accounting Policies:**

**(a) Basis for Preparation of Financial Statements:**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

**(b) Use of Estimates:**

The presentation of Financial Statements is in conformity with the generally accepted accounting principles (GAAP) requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

**(c) Investments:**

**(i) Recognition and Measurement**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognize a decline, other than temporary, in the value of the investments. Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.

**(ii) Presentation and Disclosure**

Investments, which are readily realizable and intended to be held for not more than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.

**(d) Capital Work-in-Progress**

Expenditure during the construction/ pre-operative period is included under Capital Work-in-Progress and the same is allocated to the respective fixed assets on the completion of their construction.

Capital works in progress includes following costs:

-Land Cost

Pre-operative expenses prior to start commercial operation such as:

-Interest on borrowing cost

-Management Consultancy Fees

-Administrative Expenses



(e) **Provision for Current and Deferred Tax**

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

Deferred tax resulting from "Timing Difference" between Book and Taxable profit is accounted for using the tax rates & laws that have been enacted or substantively enacted on the balance sheet date. The Deferred tax assets is recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that the asset will be realized in future.

Net outstanding balance in deferred tax account is recognized as Deferred Tax Liabilities / Asset.

The Deferred tax account is used solely for reversing timing difference as and when crystalized

(f) **Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(g) **Revenue Recognition:**

Revenue is recognized to the extent that is probable that the economic benefit will flow to the Company and revenue can be reliably measured.

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

(h) **Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Capitalization of borrowing cost is suspended during the extended period in which active development is interrupted.



(i) **Taxation:**

i. Tax expense comprises of current and deferred tax. Current Tax is determined at the amount of tax payable in respect of taxable income for the period as per Income-Tax Act, 1961, based on the enacted Tax Regulations. Deferred Tax Assets and Liabilities are recognized for the future tax consequences of timing differences between the book profit and tax profit. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty, except for carried forward losses and unabsorbed depreciation which is recognized based on virtual certainty, that the assets will be realized in future. Deferred Tax Assets and Liabilities are measured using substantively enacted tax rates. The effect on Deferred Tax Assets and Liabilities of a change in tax rates is recognized in the Statement of Profit & Loss in the period of substantive enactment of the change. Deferred tax assets are reviewed as at each balance sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realized.

(j) **Earnings Per Share:**

Earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive equity shares.

(k) **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2. **Scheme of Amalgamation**

- (a) "Pursuant to the Scheme of Amalgamation of Nishta Mall Management Company Private Limited and Genuine Asset Operators Private Limited ("Transferor Company No.1") and Ritsika Business Ventures Private Limited ("Transferor Company No. 2") with the Company ("the Scheme") under Sections 230 to 232 of the Companies Act, 2013, Transferor Companies shall get amalgamated with the Company with effect from the Appointed Date (as defined in the Scheme) i.e. 1st January, 2018. The said scheme has been approved vide order dated 27-09-2018 by Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'). The Scheme shall be made effective upon filing of the orders of the NCLT with the Registrar of Companies.
- (b) Pursuant to the Scheme, all the assets and liabilities of the Transferor Companies as on the Appointed Date have been transferred to and vested in the Company. As a consideration for the merger of the Transferor Companies shall issue 34,785 equity shares of INR 10/- each, fully paid up to the shareholders of Genuine Asset Operators Private Limited and Ritsika Business Ventures Private Limited as per the Scheme."
- (c) The Company has accounted for the amalgamation of Genuine Asset Operators Private Limited and Ritsika Business Ventures Private Limited in its books of account with effect from the appointed date as per AS 14.
- (d) In accordance with the Scheme; (a) All assets, liabilities and reserves in the books of Genuine Asset Operators Private Limited and Ritsika Business Ventures Private Limited has been transferred to the Company at their respective carrying values as on the Appointed Date. (b) The excess, in the value of net assets and reserves to be vested in the Company, has been credited to the 'Capital Reserve Account'.





NISHTA MALL MANAGEMENT COMPANY PRIVATE LIMITED  
CIN No: U70100MH2004PTC148033  
Notes on Financial Statement for the year ended 31st March' 2020

**NOTE : 2.1**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Share Capital</b>		
<b>Authorised Capital</b> 4,55,10,000 (4,55,10,000) Equity Shares of Rs 10/- each	45,51,00,000	45,51,00,000
<b>Issued, Subscribed and Paid up</b> 4,17,919 (4,17,919) Equity Shares of Rs 10/- each	41,79,190	41,79,190
<b>Total</b>	<b>41,79,190</b>	<b>41,79,190</b>

"Pursuant to the Scheme of Amalgamation of Genuine Asset Operators Private Limited and Ritsika Business Ventures Private Limited ('Transferor Companies') with the Company ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013, Transferor Companies shall get amalgamated with the Company with effect from the Appointed Date (as defined in the Scheme) i.e. 1st January, 2018. The Company has received order on 27th September 2018, approving the amalgamation from the NCLT. Pursuant to the Scheme of Amalgamation, the authorised share capital of the Company shall stand increased by INR 45,01,00,000 and revised authorized share capital of the Company shall be INR 45,51,00,000. The same shall be updated in the records of the Registrar of Companies upon approval of the requisite forms to be filed with the Registrar of Companies.

Pursuant to the Scheme, all the assets and liabilities of the Transferor Companies as on the Appointed Date have been transferred to and vested in the Company. As a consideration for the merger of the Transferor Companies, the Transferee Company shall issue 34,785 equity shares of INR 10/- each, fully paid up to the shareholders of Genuine Asset Operators Private Limited and Ritsika Business Ventures Private Limited as per the Scheme."

**2) Following Share holders holding more than 5% Equity Shares :**

Name of Shareholders	As at 31st March 2020		As at 31st March 2019	
	No of Shares	% Held	No of Shares	% Held
Taquito Lease Operators Private Limited	34,785	8.32%	34,785	8.32%
Precision Realty Developers Private Limited	33,582	8.04%	33,582	8.04%
Rivaaz Trade Ventures Pvt. Ltd.	-	-	33,582	8.04%
Unique Malls Private Limited	33,582	8.04%	33,582	8.04%
Niyman Mall Management Company Pvt Ltd	33,582	8.04%	33,582	8.04%
Acute Retail Infra Private Limited	67,164	16.07%	33,582	8.04%
Harmony Mall Management Private Limited	43,582	10.42%	43,582	10.42%
Suhani Mall Management Company Pvt Ltd	33,582	8.04%	33,582	8.04%
Bansi Mall Management Company Pvt. Ltd	67,164	16.07%	67,164	16.07%
Iskrupa Mall Management Company Private Limited	70,896	16.96%	70,896	16.96%

\*Equity Shares are carrying voting rights of 1 Share 1 Vote.

**(3) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Number of Shares</b>		
Opening	4,17,919	3,83,134
Addition during the year (Pursuant to amalgamation scheme)	-	34,785
Closing	4,17,919	4,17,919
<b>Value of shares</b>		
Opening	41,79,190	38,31,340
Addition during the year	-	3,47,850
Closing	41,79,190	41,79,190



**NOTE : 2.2**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
(a) Securities Premium		
As per last Balance Sheet	49,62,68,220	49,62,68,220
Addition during the year	-	-
	<b>49,62,68,220</b>	<b>49,62,68,220</b>
(b) Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	(57,90,242)	2,69,56,057
Addition during the year	(97,68,10,906)	(3,27,46,299)
	<b>(98,26,01,148)</b>	<b>(57,90,242)</b>
(b) Capital Reserve		
As per last Balance Sheet	44,97,28,650	44,97,20,150
Addition during the year (Pursuant to scheme of amalgamation)	-	8,500
	<b>44,97,28,650</b>	<b>44,97,28,650</b>
<b>Total</b>	<b>(3,66,04,278)</b>	<b>94,02,06,628</b>

"Pursuant to the Scheme of Amalgamation of Genuine Asset Operators Private Limited and Ritsika Business Ventures Private Limited ('Transferor Companies') with the Company ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013, Transferor Companies shall get amalgamated with the Company with effect from the Appointed Date (as defined in the Scheme) i.e. 1st January, 2018. The Company has received order on 27th September 2018, approving the amalgamation from the NCLT. Pursuant to the Scheme of Amalgamation, the authorised share capital of the Company shall stand increased by INR 45,01,00,000 and revised authorized share capital of the Company shall be INR 45,51,00,000. The same shall be updated in the records of the Registrar of Companies upon approval of the requisite forms to be filed with the Registrar of Companies.

Pursuant to the Scheme, all the assets and liabilities of the Transferor Companies as on the Appointed Date have been transferred to and vested in the Company. As a consideration for the merger of the Transferor Companies, the Transferee Company shall issue 34,785 equity shares of INR 10/- each, fully paid up to the shareholders of Genuine Asset Operators Private Limited and Ritsika Business Ventures Private Limited as per the Scheme."

**NOTE : 2.3**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
<b>Borrowings</b>		
<b>Secured</b>		
From Banks and NBFCs	52,82,03,015	1,37,47,16,439
<b>Unsecured</b>		
From Others Parties	3,81,68,44,953	1,10,67,68,723
<b>Total</b>	<b>4,34,50,47,968</b>	<b>2,48,14,85,162</b>

Term loan security clause : 1. Tangible movable fixed assets including lease hold equipments, plant and machinery, furniture and fixture, electrical installation, computer & IT equipments, etc. 2. Escrow of lease rental receivable from FRL by way of triparties agreement between the company, FRL and the bank. 3. Exclusive first charge on the fixed assets procured out of the sanction facilities through a deed of hypothication. 4. pledge of 100% shareholding of the borrower, held by respective shareholders. 5. corporate guarantee of Future Brand Limited. 6. Personal Guarantee by promoter viz., Shri Kishore Biyani & Shri Vijay Biyani.

<u>Term Loan from Bank</u>	<u>Interest Rate</u>
IFCI Limited Term Loan A/c-	12.40%
Syndicate Bank Term Loan A/c Q24QSLB150840001	11.80%
Syndicate Bank Term Loan A/c. Q24QSLB141780001	12.45%

**NOTE : 2.4**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
<b>Other Financial liabilities</b>		
<b>Security Deposit</b>	1,55,00,00,000	1,55,00,00,000
<b>Total</b>	<b>1,55,00,00,000</b>	<b>1,55,00,00,000</b>



<b>NOTE : 2.5</b>		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Trade Payable</b>		
Unsecured, Considered Good		
- Outstanding for a period exceeding six months	8,22,793	-
- Others	-	52,42,71,415
<b>Total</b>	<b>8,22,793</b>	<b>52,42,71,415</b>
<b>* Details of Dues to Micro, Small &amp; Medium Enterprises as defined under MSMED Act, 2006.</b>		
The information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
<b>NOTE : 2.6</b>		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Other Current Liabilities</b>		
Current Maturity of long term debt	92,96,00,000	91,66,27,358
Statutory Dues Payable	4,750	11,250
Other Payable	1,17,45,000	1,24,88,93,858
<b>Total</b>	<b>94,13,49,750</b>	<b>2,16,55,32,467</b>
<b>NOTE : 2.8</b>		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>NON CURRENT INVESTMENTS</b>		
<b>Unquoted fully paid up Equity Shares</b>		
98,094 (P.Y. 98,094) Equity Shares of Acute Retail infra Pvt. Ltd. Rs 10/-each	6,00,00,830	6,00,00,830
20,00,000 (P.Y. 20,00,000) Equity Shares of Precision Realty Developers Pvt.Ltd. of Rs 10/-each	2,00,00,000	2,00,00,000
1,80,547 (P.Y. 90,272) Equity Shares of Unique Malls Pvt.Ltd. of Rs 10/-each	2,00,66,493	99,99,360
400 (P.Y. 400) Equity Shares of Galaxy Mega Food Park Pvt. Ltd. of Rs 10/-each (formerly known as Galaxy Rain Restaurants Pvt. Ltd.)	4,000	4,000
5000(P.Y. Nil)Equity share-Hare Krishna Operating Lease Private Limited of Rs.10/-each	50,000	-
8,85,000 (P.Y. 8,85,000) Equity Shares of Nufuture Digital India.Ltd.	1,06,86,00,000	1,06,86,00,000
<b>Total</b>	<b>1,16,87,21,323</b>	<b>1,15,86,04,190</b>
** Unquoted shares are valued at cost		
<b>NOTE : 2.9</b>		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Long-Term Loans and Advances</b>		
Loans to others	13,91,30,310	11,90,46,777
<b>Total</b>	<b>13,91,30,310</b>	<b>11,90,46,777</b>
<b>NOTE : 2.10</b>		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>TRADE RECEIVABLES</b>		
Unsecured, Considered Good		
- Outstanding for a period exceeding six months	57,95,271.60	-
- Others	1,13,23,02,161	1,16,84,65,936
<b>Total</b>	<b>1,13,80,97,433</b>	<b>1,16,84,65,936</b>



<b>NOTE : 2.11</b>		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Cash and Cash Equivalents</b>		
Balance with Banks	1,66,27,384	3,31,97,708
Cash on Hand	2,24,156	2,24,156
Deposits	2,31,935	2,08,196
<b>Total</b>	<b>1,70,83,475</b>	<b>3,36,30,060</b>

<b>NOTE : 2.12</b>		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Other Current Assets</b>		
Prepaid Expenses	13,62,596	4,79,410
Receivable from Government authorities	3,24,75,395	7,00,26,217
<b>Total</b>	<b>3,38,37,991</b>	<b>7,05,05,627</b>



NISHTA MALL MANAGEMENT COMPANY PRIVATE LIMITED

CIN No: U70100MH2004PTC148033

Notes on Accounts for the Year ended March 31, 2020

**NOTE : 2.13**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Revenue From Operations</b>		
Sales and other revenue	8,38,36,077	1,71,07,67,678
<b>Total</b>	<b>8,38,36,077</b>	<b>1,71,07,67,678</b>

**NOTE : 2.14**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Other Incomes</b>		
Interest on Electricity Deposit	1,96,768	1,67,598
Interest on Fixed Deposit	23,739	23,430
Interest on Vat Refund	30,63,559	1,10,28,551
Interest on Income Tax Refund	-	5
<b>Total</b>	<b>32,84,066</b>	<b>1,12,19,584</b>

**NOTE : 2.15**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Cost of good sold</b>		
Trading Purchase	1,63,19,754	88,50,71,727
<b>Total</b>	<b>1,63,19,754</b>	<b>88,50,71,727</b>

**NOTE : 2.16**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Employee Benefit Expense</b>		
Salary	-	10,58,125
<b>Total</b>	<b>-</b>	<b>10,58,125</b>

**NOTE : 2.17**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Other Administrative Expenses</b>		
Insurance	8,52,513	2,39,979
Rates & Taxes	28,52,908	30,42,859
Legal & Professional Charges	4,69,251	16,69,287
Imparement Loss on Fixed Assets	24,25,97,274	-
Auditors' Remuneration	50,000	71,000
Other Expences	25,62,632	3,89,627
<b>Total</b>	<b>24,93,84,579</b>	<b>54,12,752</b>

**NOTE : 2.17(a)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>PAYMENT TO AUDITORS</b>		
<u>Auditor</u>		
Statutory Audit	50,000	50,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>



<b>NOTE : 2.18</b>		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Finance Costs</b>		
<b>Interest Expense</b>		
on Secured Loans	22,66,19,981	24,14,97,813
on Unsecured Loans	-	94,55,592
<b>Bank Charges</b>	1,55,755	26,040
<b>Total</b>	<b>22,67,75,736</b>	<b>25,09,79,445</b>

<b>NOTE : 2.18</b>		
	As at 31st March, 2020	As at 31st March, 2019
<b>Contingent Liability not provided for</b>		
Service Tax upto 30/09/2011 (Net of Advances Rs. 23,51,237/-)	46,88,097	46,88,097
Income Tax Demand	42,52,769	42,52,769

As per order of Hon'ble supreme court directing all members of Retail Association of India to deposit 50% of the arrears upto 30<sup>th</sup> Septmeber 2011 towards service tax renting of immovable property the Tenant has paid an amount of Rs.23,51,237/-

Corporate Guarantee given to bank on behalf of a body corporate - Rs.150.00 Crores/- (2019: Rs.150.00 Crores/-)

<b>NOTE : 2.19</b>		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Earnings per Share</b>		
Profit attributable to Equity Shareholders	(97,68,10,906)	(3,27,46,299)
Weighted Average of Equity shares	4,17,917	3,83,134
Nominal Value per share	10	10
Basic Earnings Per Share	(2,337.33)	(85.47)
Diluted Earnings Per Share	(2,337.33)	(85.47)

**NOTE : 2.20**  
**Related Party Disclosure**  
 As per accounting standard 18 Related Party Disclosure issued by the institute of Chartered Accountant of India. The company has entered in the normal course of business with the related parties as per details below.  
 Note : Related Party Relationship is identified by the management of the company and relied upon by the auditors.

Name of Related Parties	Relationship	Nature of Transaction	Amount
Anil Laxminarayan Biyani	Director	NIL	NIL
Alok B Tiwary	Director	NIL	NIL

**NOTE : 2.21**  
**Segment Reporting**  
 The Company is exclusively engaged in providing business center services during the year. The business segment constitutes one single primary segment in the context of Accounting Standard 17 on Segmental Reporting issued by the Institute of Chartered Accountants of India. There are no geographical reportable segments since the Company provides business centre services in the Indian market only and does not distinguish any reportable regions within India.

**NOTE : 2.22**  
**Deferred Taxation:**  
 The company has not recognised any deferred tax assets following the concept of prudence.

**NOTE : 2.23**  
**Micro and Small Enterprises**  
 There are no Sundry creditors as on Balance sheet date that are duly registered under Micro and Small Enterprises in view of Section 22 of the MSMEDA Act 2006.



**NOTE : 2.24**

In the opinion of the Board, current assets, loans and advances have a value of at least equal to the amounts shown in the Balance Sheet, if realised in the ordinary course of the business. The provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.

**NOTE : 2.25**

The Company has considered the possible effect that may result from the pandemic relating to covid-19 on the carrying amounts of receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as of the date of approval of these financial statements has used internal information and based on the current estimates, the company expects that the carrying amount of the receivables and other current assets will be recovered. The impact of covid-19 on the company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**NOTE : 2.26**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For Ashok Bairagra & Associates  
Chartered Accountants  
FRN : 118677W



Manish Bardia  
Partner  
Membership No. : 147220  
UDIN  
Place: Mumbai  
Dated



For and on behalf of the Board of Directors



Alok Tiwary  
Director  
DIN : 07956580



Anil Biyani  
Director  
DIN : 00005834

Tangible Assets as on 31st March, 2020

S.NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK				
		COST AS ON 01.04.2019	ADDITIONS DURING THE YEAR	SALE/ DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2020	UPTO 01.04.2019	ADDITIONS FOR THE YEAR	ADJUSTMENT	UPTO 31.03.2020	IMPAIRMENT LOSSES**	NET CARRYING AMOUNT AS ON 31.03.2020	NET CARRYING AMOUNT AS ON 31.03.2019
1	Building & Improvements	21,83,32,279	-	-	21,83,32,279	1,50,36,504	36,38,871	-	1,86,75,375	-	19,96,56,904	20,32,95,775
2	Leasehold Improvements	1,10,14,01,605	-	-	1,10,14,01,605	29,36,45,163	3,25,10,313	-	1,39,50,46,978	4,26,18,196	23,26,01,733	80,72,56,412
3	Plant & Equipments	1,01,40,63,236	-	-	1,01,40,63,236	28,15,43,020	8,62,29,592	-	1,30,18,35,748	3,21,96,569	63,91,01,254	76,25,20,216
4	Office Equipments	12,21,68,977	-	-	12,21,68,977	6,90,65,140	1,17,58,239	-	1,90,46,92,156	22,76,668	3,91,20,730	5,31,35,657
5	IT Equipments	1,98,73,66,148	-	-	1,98,73,66,148	5,49,69,662	16,81,86,256	-	2,61,93,22,066	7,00,92,561	1,20,43,17,639	1,44,25,96,456
6	Furniture, Fixtures & Other Fittings	2,76,29,92,060	-	-	2,76,29,92,060	3,11,95,75,610	23,02,46,071	-	6,10,28,13,741	7,77,24,371	1,33,54,40,008	1,64,34,16,641
7	Electrical Installations	32,89,74,680	-	-	32,89,74,680	6,62,79,469	3,23,31,404	-	4,14,75,65,553	1,26,68,999	21,76,74,897	26,26,95,211
	TOTAL	7,56,55,28,985	-	-	7,56,55,28,985	2,39,01,12,598	56,48,99,947	-	2,95,50,12,545	24,25,97,274	4,36,99,19,165	5,17,54,16,548

\*\* The management has decided to book impairment loss of 5.5% on written down value of the assets, the decision has been taken post consideration in to Covid-19 impact in coming months.







**S I G M A C & C O**  
**Chartered Accountants**

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**Independent Auditor's Report**

To  
The Members of  
**Ojas Tradelease & Mall Management Private Limited,**

**Report on the Financial Statements**

**Qualified Opinion**

We have audited the accompanying financial statements of **Ojas Tradelease & Mall Management Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss for the year, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances,

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204, Kalpataru Plaza, Chincholi Bunder Road, Off S.V. Road, Malad (West), Mumbai – 400 064. Tel: 022-40029852.



## SIGMAC & CO

Chartered Accountants

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but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

1. Attention is invited to note no 1 to the Notes regarding the financial statements being prepared on a going concern basis, notwithstanding the fact that the Company's net worth is eroded (Negative Net worth as at March 31, 2020 Rs. 1,73,50,19,674/- lacs)
2. Refer note no. 10 regarding Non current investment of Rs. 94,55,16,000/- to 2 companies, net worth of one of the company to whom investment made of Rs 18,04,66,000/- have been eroded significantly, investment value has been reduced to that extend.
3. Refer note no. 9 regarding Long term loans and advances given of Rs. 54,79,66,296/- are subject confirmation and reconciliation.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in paragraphs 1 to 4 of the Basis for Qualified Opinion paragraph, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2020;
- b) in the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements:**

1. Statement required, on matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2017 ("the Order") issued by the Central Government of India 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, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



**S I G M A C & C O**  
**Chartered Accountants**

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- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company and going concern;
- f. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial position;
  - 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.

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**For S I G M A C & C O**  
Chartered Accountants  
(Firm Reg No 116351W)

Rahul  
Kailani

Digitally signed by Rahul Kailani  
DN: cn=Rahul Kailani, o=Sigma & Co, ou=Chartered Accountants, email=rahul.kailani@sigmaco.com, c=IN  
c=IN, o=Sigma & Co, ou=Chartered Accountants, email=rahul.kailani@sigmaco.com, c=IN  
Date: 2020.09.01 16:52:40 +05'30'

Rahul Kailani  
Partner  
M. No. 425627  
UDIN : 20425627AAAABL7111

Place: MUMBAI  
Date: 01-09-2020



**S I G M A C & C O**  
**Chartered Accountants**

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**“Annexure A” to the Independent Auditor’s Report on the Standalone Financial Statements of Ojas Tradelease & Mall Management Private Limited:**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

- i)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed;
  - c) The title deeds of immovable properties are held in the name of the company.
- ii) The Company does not have any physical inventory. Accordingly, the provisions of clause 3 (ii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- iii) 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security are subject to compliance.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



**S I G M A C & C O**  
**Chartered Accountants**

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vii)

a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally

regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except income tax Demand of Rs. **1714.86** lakh pending before CIT and Service tax Demand of Rs. **186.53 lakh**.

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

xi) The Company being a private limited company the provisions of section 197 read with Schedule V of the Companies Act, 2013 regarding managerial remuneration are not applicable to it. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.

xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) Based upon the audit procedures performed and the information and explanations



**S I G M A C & C O**  
**Chartered Accountants**

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given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

- xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.
- 

**For S I G M A C & C O**  
Chartered Accountants  
(Firm Reg No 116351W)

Rahul  
Kailani

Digitally signed by Rahul Kailani  
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c=IN, o=SIGMA & CO, postalCode=400006,  
st=Maharashtra,  
serialNumber=01=011084402017101  
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ou=SIGMA & CO, cn=Rahul Kailani  
Date: 2020.09.01 16:53:17 +05'30'

Rahul Kailani  
Partner  
M. No. 425627  
UDIN : 20425627AAAABL7111

Place: MUMBAI  
Date: 01-09-2020

**OJAS TRADELEASE AND MALL MANAGEMENT PRIVATE LIMITED**  
(formally known as Ojas Mall Management Pvt. Ltd.)  
**BALANCE SHEET AS AT MARCH 31, 2020**  
CIN - U70102MH2006PTC161887

( In Rupees)

	Note	As at March 31, 2020	As at March 31, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	8,54,12,040	8,54,12,040
Reserves and Surplus	3	(1,73,50,19,674)	(87,78,80,569)
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	4,12,52,34,310	3,34,85,87,620
Security Deposit	5	79,00,00,000	79,00,00,000
Deferred Tax Liabilities	24	36,33,33,553	9,53,85,863
<b>Current Liabilities</b>			
Trade Payables	6	4,02,39,070	73,89,84,941
Other Current Liabilities	7	39,93,82,700	42,82,26,115
<b>TOTAL</b>		<b>4,06,85,81,999</b>	<b>4,60,87,16,010</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
(i) Tangible Assets	8	2,30,78,89,134	2,69,26,30,399
(ii) Intangible Assets		5,15,93,984	10,31,87,879
Long-Term Loans and Advances	9	56,33,68,680	3,54,38,384
Non Current Investments	10	94,55,16,000	94,55,16,000
<b>Current Assets</b>			
Trade Receivables	11	12,62,17,391	70,32,69,811
Cash and Cash Equivalents	12	58,42,873	3,52,51,002
Short Term Loans and Advances	13	6,73,09,302	9,32,46,023
Other Current Assets	14	8,44,634	1,76,511
<b>TOTAL</b>		<b>4,06,85,81,999</b>	<b>4,60,87,16,010</b>

The accompanying notes are an integral part of these financial statements.

1-26

As per our Report of even date attached

For SIGMAC & CO.

Chartered Accountants

FRN No 116351W

Rahul  
Kailani

Rahul Kailani

Partner

Mem. No. 425627

Place: Mumbai

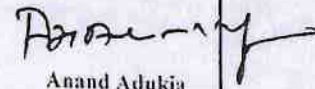
Date :

For and on behalf of Board of Directors



Sharad Rustagi  
Director

DIN: 07232913



Anand Adukia  
Director

DIN: 00311783

**OJAS TRADELEASE AND MALL MANAGEMENT PRIVATE LIMITED**  
(formally known as Ojas Mall Management Pvt. Ltd.)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**  
CIN - U70102MH2006PTC161887

		Year Ended March 31, 2020	Year Ended March 31, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net Profit/(Loss) Before Tax		(85,71,39,105)	48,94,114
Adjustments for :			
Depreciation		43,63,35,250	48,79,29,144
Interest Income		58,64,551	1,05,56,825
Interest Expenses		16,89,22,737	17,47,09,035
		<b>61,11,22,538</b>	<b>67,31,95,005</b>
Operating Profit before Working Capital change		(24,60,16,567)	67,80,89,119
Adjustment for:			
Trade and Other Receivable		57,70,52,420	(68,38,25,002)
Loans and Advances		(52,79,30,296)	(74,09,125)
Increase in Short Loans and Advances		2,59,36,721	(6,49,47,091)
Increase in other current assets		(6,68,123)	(18,650)
Trade Payable, Other Liabilities & Provisions		(72,75,89,286)	81,18,92,717
Cash Generated from Operations		(89,92,15,131)	73,37,81,968
Taxes Paid		(26,79,47,690)	26,96,292
Net Cash from Operating Activities	<b>A</b>	<b>(63,12,67,441)</b>	<b>73,10,85,676</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest received		(58,64,551)	(1,05,56,825)
Sale/Purchase of Fixed Assets		-	(1,95,50,40,867)
Purchase of Investment		-	(94,55,16,000)
Net Cash Used In Investing Activities	<b>B</b>	<b>(58,64,551)</b>	<b>(2,91,11,13,692)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from paid up capital(Pursuant to Scheme of Amalgamation)		-	8,44,12,040
Security Deposit Received		-	-
Net Proceeds of Long Term Borrowings		77,66,46,690	2,21,47,64,646
Interest Paid		(16,89,22,737)	(17,47,09,035)
Net Cash Provided by Financing Activities	<b>C</b>	<b>60,77,23,953</b>	<b>2,12,44,67,651</b>
Net (Decrease)/ Increase In Cash and Cash Equivalents	<b>(A+B+C)</b>	<b>(2,94,08,039)</b>	<b>(5,55,60,366)</b>
Cash and Cash Equivalents (Opening Balance)		3,52,51,002	1,12,09,649
Adjustment pursuant to the scheme of amalgamation		-	7,96,01,719
Cash and Cash Equivalents (Closing Balance)		<b>58,42,873</b>	<b>3,52,51,002</b>

As per our Report of even date attached

For SIG MAC & CO.

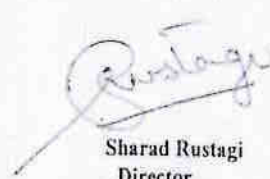
Chartered Accountants

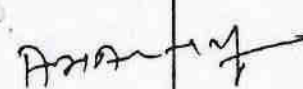
FRN No 116351W

Rahul  
Kailani

Rahul Kailani  
Partner  
Mem No 425627  
Place: Mumbai  
Date :

For and on behalf of Board of Directors

  
Sharad Rustagi  
Director  
DIN: 07232913

  
Anand Adukin  
Director  
DIN: 00311783



**OJAS TRADELEASE AND MALL MANAGEMENT PRIVATE LIMITED**  
(formally known as Ojas Mall Management Pvt. Ltd.)  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**  
CIN - U70102MH2006PTC161887

( In Rupees)

	Note	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>INCOME</b>			
Revenue From Operations	15	3,91,00,525	1,72,78,30,784
Other Income	16	58,64,551	1,05,56,825
<b>Total Revenue</b>		<b>4,49,65,076</b>	<b>1,73,83,87,609</b>
<b>EXPENSES</b>			
Cost of Goods Sold	17	85,23,200	1,05,80,26,729
Employee Benefits Expense	18	13,32,600	8,01,687
Finance Cost	19	16,89,22,737	17,47,09,035
Depreciation and Amortisation Expense	8	43,63,35,250	48,79,29,144
Other Expenses	20	1,76,87,373	1,20,26,899
<b>Total Expenses</b>		<b>63,28,01,160</b>	<b>1,73,34,93,495</b>
<b>Profit/(Loss) Before Tax For The Year</b>		<b>(58,78,36,085)</b>	<b>48,94,114</b>
<b>Tax Expense:</b>			
Current Tax		-	50,06,995
Deferred Tax Liabilities	24	26,79,47,690	9,31,14,290
Tax adjustment for earlier year		(13,55,330)	39,130
<b>Profit/(Loss) After Tax For The Year</b>		<b>(85,71,39,105)</b>	<b>(9,31,88,041)</b>
<b>Earnings Per Equity Share</b>	21		
Basic		(100.35)	(93.19)
Diluted		(21.14)	(2.30)
The accompanying notes are an integral part of these financial statements.	1-26		

As per our Report of even date attached

**For SIGMAC & CO.**

Chartered Accountants

FRN No 116351W

Rahul Kailani

**Rahul Kailani**

Partner

Mem. No. 425627

Place: Mumbai

Date :

For and on behalf of Board of Directors

  
**Sharad Rustagi**

Director

DIN: 07232913

  
**Anand Adukia**

Director

DIN: 00311783

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2 Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorized Capital</b>		
190,80,000 (10,70,000) Equity Shares of Rs 10/- each	19,08,00,000	1,07,00,000
60,00,000 (60,00,000) Pref Shares of Rs 1/- each	60,00,000	60,00,000
<b>Total</b>	<b>19,68,00,000</b>	<b>1,67,00,000</b>
Authorized capital has been increased as per approved scheme of merger duly approved by the NCLT on the basis of swap ratio. Under the scheme the authorized capital of the transferee company since automatically stand increase due to merger. (Refer Note no. 26)		
<b>Issued, Subscribed and Paid up</b>		
85,41,204(1,00,000) Equity Shares of Rs 10/- each	8,54,12,040	10,00,000
Share Capital Suspense Account (Pursuant to Scheme of Amalgamation) (Refer note no. 26)	-	8,44,12,040
<b>Total</b>	<b>8,54,12,040</b>	<b>8,54,12,040</b>

2.1- Reconciliation of Number of Shares

Equity Share of Rs 10/-each

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance		
Issued	1,00,000	1,00,000
Closing Balance	84,41,204	-
	<b>85,41,204</b>	<b>1,00,000</b>

2.2 The details of Shareholders holding more than 5% shares:

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% Of Holding	No. of Shares held	% Of Holding
Harmony Malls Management Pvt, Ltd	90,000	1.05%	45,000	45%
Navika Developers Private Limited	-	-	45,000	45%
Future Market Network Limited (1 Share Jointly With Pawan Agarwal)	10,000	0.12%	10,000	10%
Anant Merchants & Traders Pvt Ltd	84,41,204	98.83%	-	-
<b>Total</b>	<b>85,41,204</b>	<b>100%</b>	<b>1,00,000</b>	<b>100%</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

Particulars		As at March 31, 2020	As at March 31, 2019
<b>3</b>	<b>Reserve and Surplus</b>		
<b>A)</b>	<b>Profit and Loss Account</b>		
	Opening Balance	(95,74,82,288)	(86,42,94,247)
	Add: Profit / (Loss) for the year	(85,71,39,105)	(9,31,88,041)
		<b>(1,81,46,21,393)</b>	<b>(95,74,82,288)</b>
<b>B)</b>	<b>Capital Reserve</b>		
	Opening Balance	7,96,01,719	-
	Add: Arising pursuant to scheme of amalgamation (Refer Note no.26)	-	7,96,01,719
		7,96,01,719	7,96,01,719
		<b>(1,73,50,19,674)</b>	<b>(87,78,80,569)</b>
<b>4</b>	<b>Long Term Borrowings</b>		
	<b>(i) Secured</b>		
	Term Loan from Bank	1,09,31,12,130	1,07,08,14,491
	Less: Current Maturities	39,92,00,000	42,79,40,200
		<b>69,39,12,130</b>	<b>64,28,74,291</b>
	<b>Terms &amp; Conditions</b>		
(i)	Registered Mortgage Charge over The property, comprising 133500 sq.ft. in :The Acropolis Mall" and exclusive hypothecation over all assets to be acquired by the company out of the term loan both present and future with Allahabad Bank.		
(ii)	The term loan of Rs.60.52 Cr. from Dena Bank is bearing interest is secured to the extent of outstanding of loan amount by charge over Movable Fixed Assets acquired out of the loan and Lease Rental Receivables. The said loan is repayable in 42 monthly installments.		
(iii)	The term loan of Rs. 31.54 Cr. from Oriental Bank of Commerce is secured by charge on Movable Fixed Assets acquired out of loan and Lease Rental Receivables. The said loan is repayable in 17 monthly installments		
	<b>(ii) Unsecured</b>		
	Loan taken from others	3,11,13,22,180	2,38,57,13,329
	<b>(iii) Debentures</b>		
	3200 (3200) 0.1% Compulsory Convertible Debentures (CCD) of Rs. 1,00,000/-each and each CCD is convertible into 10,000 equity shares of Rs. 10 each within 5 years from the date of allotment (Feb 4, 2015)	32,00,00,000	32,00,00,000
		<b>4,12,52,34,310</b>	<b>3,34,85,87,629</b>
<b>5</b>	<b>Security Deposit</b>		
	Interest free deposit for property given on lease	79,00,00,000	79,00,00,000
		<b>79,00,00,000</b>	<b>79,00,00,000</b>

NOTES FORMING PART OF THE FINANCIAL		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>6 Trade Payables</b>		
SSI	-	-
Other than SSI (To the extent information available with the company, trade payables in respect of MSME registered under the act)	4,02,39,070	73,89,84,941
	<b>4,02,39,070</b>	<b>73,89,84,941</b>
<b>7 Other Current Liabilities</b>		
Current Maturity of Long Term Borrowings	39,92,00,000	42,79,40,200
Other Payables	1,82,700	2,85,915
	<b>39,93,82,700</b>	<b>42,82,26,115</b>
<b>9 Long-Term Loans and Advances</b>		
Loans and Advances to others	54,79,66,296	2,00,00,000
Security Deposit With Govt. and others	1,54,02,384	1,54,38,384
	<b>56,33,68,680</b>	<b>3,54,38,384</b>
<b>10 Non Current Investments</b>		
<b>Trade Investment</b>		
<b>Unquoted Shares</b>		
6,35,000 (6,35,000) Equity Shares of Nufuture Digital India Ltd. of 10/- each fully paid up	76,50,50,000	76,50,50,000
18,04,660 (18,04,660) Preference Shares of Syntex Trading And Agency Pvt. Ltd. of Rs. 100/- each fully paid up	18,04,66,000	18,04,66,000
	<b>94,55,16,000</b>	<b>94,55,16,000</b>
<b>11 Trade Receivables (Unsecured &amp; Considered good)</b>		
Outstanding for a period exceeding six months	-	5,60,28,746
Other Receivables	12,62,17,391	64,72,41,066
	<b>12,62,17,391</b>	<b>70,32,69,811</b>
<b>12 Cash and Cash Equivalents</b>		
Balance with Scheduled Bank in Current A/c	56,57,544	3,50,85,572
Balance with Scheduled Bank in FDR	72,058	69,180
Cash In hand	1,13,271	96,249
	<b>58,42,873</b>	<b>3,52,51,002</b>
<b>13 Short-Term Loans and Advances</b>		
Balance with Govt. Authority	6,73,09,302	9,32,46,023
	<b>6,73,09,302</b>	<b>9,32,46,023</b>
<b>14 Other Current Assets</b>		
Prepaid & Others	8,44,634	1,76,511
	<b>8,44,634</b>	<b>1,76,511</b>

Note No.8: Schedule of Fixed Assets as per Companies Act,2013

Particular	Gross Block				Total	Upto March 31, 2019	Depreciation			Net Block		
	Gross Block As On April 2019	Additions During the year	Additions due to Merger	Sale/Disposal during the year			Dep Due to Merger	For the Year	Adjustment	Upto March 31, 2020	As at March 31, 2020	As at March 31, 2019
Building & Improvements	1,30,00,61,098	-	-	-	1,30,00,61,098	26,77,17,009	-	7,07,95,245	-	22,55,12,263,56	1,07,60,48,844,44	1,09,89,64,289
Leasehold Improvement	30,86,55,152	-	-	-	30,86,55,152	17,45,18,785	-	2,63,19,092	-	15,06,67,877	15,79,67,275	18,43,16,380
Furniture & Fixings	71,96,45,070	-	-	-	71,96,45,070	26,07,42,560	-	6,44,59,236	-	31,52,01,796	39,44,43,174	41,89,02,490
Plant & Equipments	17,61,08,866	-	-	-	17,61,08,866	7,06,80,178	-	2,25,18,980	-	8,37,19,158	8,78,89,708	10,14,18,688
Computers	1,11,96,96,266	-	-	-	1,11,96,96,266	53,04,88,412	-	21,01,70,161	-	24,05,63,773	37,92,12,499	58,52,31,834
Office Equipments	32,43,73,789	-	-	-	32,43,73,789	14,39,12,043	-	3,77,96,027	-	18,11,08,060	14,30,65,734	18,10,61,713
Electric	10,20,27,731	-	-	-	10,20,27,731	2,72,95,542	-	31,97,338	-	3,04,85,678	7,15,41,856	7,47,34,190
<b>Total</b>	<b>4,05,06,67,928</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,05,06,67,928</b>	<b>1,35,60,37,528</b>	<b>-</b>	<b>38,47,61,265</b>	<b>-</b>	<b>1,74,27,76,793</b>	<b>2,30,78,89,194</b>	<b>2,69,26,30,199</b>
Previous Year	1,34,62,45,891	24,53,68,581	2,45,89,93,456	-	4,05,06,67,928	1,35,60,37,528	72,93,61,169	38,47,61,265	-	1,35,60,37,528	2,69,26,30,199	1,10,23,30,801
Intangible Assets												
Goodwill	51,59,39,398	-	-	-	51,59,39,398	47,77,51,629	-	5,15,99,984	-	46,43,45,414	3,15,99,984	10,37,87,969
<b>Total</b>	<b>4,56,66,07,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,56,66,07,326</b>	<b>1,77,07,89,957</b>	<b>-</b>	<b>43,63,35,250</b>	<b>-</b>	<b>2,20,71,24,207</b>	<b>2,35,94,89,119</b>	<b>2,79,58,18,868</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### I Significant Accounting Policies

#### A General

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

#### B Use of Estimates

Preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in differences between the actual results and estimates which are recognised in future period.

#### C Tangible Fixed Assets

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided pro rata for the period of use on straight line basis as per the useful life of the assets prescribed under Schedule II of the Companies Act, 2013.

#### D Income Taxes

Tax expense includes provision for current tax and deferred tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted as at the Balance Sheet date. Deferred tax assets arising from timing differences, are recognised to the extent there is reasonable / virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

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

The deferred tax for timing differences between the book and tax profits for the year are accounted based on tax rates in force and tax laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences, are recognised to the extent there is reasonable / virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

#### E Operating Cycle:

Assets and Liabilities have been classified in to current and Non-Current based on the Operating Cycle.

#### F Revenue Recognition:

- (i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sales are recognised when significant risk and rewards of ownership of the goods have passed to the buyer which coincides with delivery and are recorded net of trade discounts VAT /GST.
- (ii) Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of GST.
- (iii) Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable rate.

#### G Provisions, Contingent Liabilities, Contingent Assets

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

#### H Leases

Lease where the lessor effectively retains substantially all the risk and rewards of ownership of the leased term are classified as operating leases.

#### I Borrowing Costs

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

#### J Merger Treatment

Under the pooling of interests method, the assets, liabilities and reserves of the transferor company are recorded by the transferee company at their existing carrying amounts and difference if any is transferred to capital reserve account

NOTES FORMING PART OF THE FINANCIAL STATEMENT

21 Earnings Per Share

Particulars	Unit	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit/(Loss) After Tax		(85,71,39,105)	(9,31,88,041)
Weighted Average number of equity shares outstanding	Nos.	85,41,204	10,00,000
Basic Earning per share	₹	(100.35)	(93.19)
Diluted Earning per share	₹	(21.14)	(2.30)
Face value per equity share	₹	10.00	10.00

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

22 Related Party Disclosure

The related party relationships have been determined by the Company on the basis of the requirements of the Accounting Standard (AS)-18 . transaction with related parties during the year.

Name of Related Parties	Relationship	Nature of Transaction	Amount
Sharad Rustagi	Director	Sitting Fee	40,000
Anand Adukia	Director	Sitting Fee	40,000

Particular	2019-20	2018-19
Contingent Liability not provided for	Amount( in Lac)	Amount( in Lac)
Service Tax up to 30/09/2011*	186.53	186.53
(Net of Advances Rs. 93.26 Lacs)		
Income Tax Demand pending CIT	1714.96	1714.96

\*As per order of Hon'ble supreme court directing all members of Retail Association of India to deposit 50% of the arrears upto 30<sup>th</sup> September 2011 towards service tax renting of immovable property the Tenant has paid an amount of Rs.93.26 lacs

23 Payment to Auditors

Particulars	2019-20	2018-19
Statutory Audit Fees	30,000	30,000
Tax Audit fees	20,000	20,000
Total	50,000	50,000

NOTES FORMING PART OF THE FINANCIAL STATEMENT

24 Deferred Tax Assets/ liability

Particulars	2019-20	2018-19
Deferred Tax Assets(Net)	-	-
Deferred Tax Liabilities (Net)	-	-
Deferred Tax Liabilities Arise Due To Merger	36,33,33,553	9,53,85,863
Debit / (Credit) to Profit & Loss Account	-	22,71,573
	36,33,33,553	9,31,14,290

25 These Financial Statement have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 2013. Previous Year figures have been recast / restated as required.

26 Note: "Pursuant to the Scheme of Amalgamation of Grihith Trade Ventures Private Limited and Heenal Operating Lease Co. Private Limited (Transferor Companies) with the Company ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013, Transferor Companies have been amalgamated with the Company with effect from the Appointed Date (as defined in the Scheme) i.e. 1st April, 2018. The said Scheme has been sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated February 08, 2019 and made effective upon filing of the orders of the NCLT with the Registrar of Companies on March 13, 2019. Pursuant to the Scheme of Amalgamation, the authorised share capital of the Company shall stand increased by INR 18,01,00,000 and revised authorized share capital of the Company shall be INR 19,68,00,000 (Rs. Ninty Crore Sixty Eight Lakh divided into 1,90,80,000 (One Crore Ninty Lakh and Eighty Thousand) Equity Shares of 10 Each and 60,00,000 (Sixty Lakh Only) Preferences Share of INR 1 Each. The same shall be updated in the records of the Registrar of Companies upon approval of the requisite form filed with the Registrar of Companies.

Pursuant to the Scheme, all the assets and liabilities of the Transferor Companies as on the Appointed Date have been transferred to and vested in the Company. As a consideration for the merger of the Transferor Companies, the Company shall issue 44,41,204 equity shares of Rs. 10/- each, fully paid up to the shareholders of Heenal Operating Lease Co. Pvt. Ltd, Grihith Trade Ventures Pvt. Ltd as per the Scheme.


For SIGMA C & CO.  
Chartered Accountants  
FRN No 116351W

Rahul  
Kailani

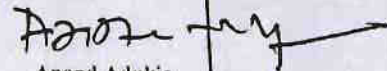
Rahul Kailani  
Partner  
Mem. No. 425627

Place: Mumbai  
Date :

For and on behalf of Board of Directors



Sharad Rustagi  
Director  
DIN: 07232913



Anand Adukia  
Director  
DIN: 00311783



**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
<b>15</b>	<b>Revenue From Operations</b>		
	Revenue from sale	88,38,618	1,62,42,63,177
	Revenue from service	3,02,61,907	10,35,67,607
		<b>3,91,00,525</b>	<b>1,72,78,30,784</b>
<b>16</b>	<b>Other Income</b>		
	Interest on loans & Advances	26,38,192	23,98,570
	Interest On Vat Refund	31,81,500	79,33,582
	Interest On IT Refund	41,981	2,12,993
	Interest on FD	2,878	11,680
		<b>58,64,551</b>	<b>1,05,56,825</b>
<b>17</b>	<b>Cost of Traded Goods</b>	85,23,200	1,05,80,26,729
		<b>85,23,200</b>	<b>1,05,80,26,729</b>
<b>18</b>	<b>Employee Benefits Expenses</b>		
	Salaries	13,32,600	8,01,687
		<b>13,32,600</b>	<b>8,01,687</b>
<b>19</b>	<b>Finance Costs</b>		
	Interest Expense	16,89,22,737	17,47,09,035
		<b>16,89,22,737</b>	<b>17,47,09,035</b>
<b>20</b>	<b>Other Expenses</b>		
	Director Sitting Fees	80,000	80,000
	Insurance	5,83,396	6,04,868
	Rates & Taxes	84,02,333	75,77,450
	Legal & Professional Fees	69,10,532	17,58,893
	Merger Expenses	-	11,11,170
	Auditors' Remuneration	75,000	50,000
	Miscellaneous Expenses	16,36,109	8,44,518
		<b>1,76,87,370</b>	<b>1,20,26,899</b>

<b>NOTES FORMING PART OF THE FINANCIAL</b>		
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>6 Trade Payables</b>		
SSI	-	-
Other than SSI (To the extent information available with the company, trade payables in respect of MSME registered under the act)	4,02,39,070	73,89,84,941
	<b>4,02,39,070</b>	<b>73,89,84,941</b>
<b>7 Other Current Liabilities</b>		
Current Maturity of Long Term Borrowings	39,92,00,000	42,79,40,200
Other Payables	1,82,700	2,85,915
	<b>39,93,82,700</b>	<b>42,82,26,115</b>
<b>9 Long-Term Loans and Advances</b>		
Loans and Advances to others	54,79,66,296	2,00,00,000
Security Deposit With Govt. and others	1,54,02,384	1,54,38,384
	<b>56,33,68,680</b>	<b>3,54,38,384</b>
<b>10 Non Current Investments</b>		
<b>Trade Investment</b>		
<b>Unquoted Shares</b>		
6,35,000 (6,35,000) Equity Shares of Nufuture Digital India Ltd. of 10/- each fully paid up	76,50,50,000	76,50,50,000
18,04,660 (18,04,660) Preference Shares of Syntex Trading And Agency Pvt. Ltd. of Rs. 100/- each fully paid up	18,04,66,000	18,04,66,000
	<b>94,55,16,000</b>	<b>94,55,16,000</b>
<b>11 Trade Receivables</b> <b>(Unsecured &amp; Considered good)</b>		
Outstanding for a period exceeding six months	12,62,17,391	5,60,28,746
Other Receivables	-	64,72,41,066
	<b>12,62,17,391</b>	<b>70,32,69,811</b>
<b>12 Cash and Cash Equivalent</b>		
Balance with Scheduled Bank in Current A/c	56,57,544	3,50,85,572
Balance with Scheduled Bank in FDR	72,058	69,180
Cash In hand	1,13,271	96,249
	<b>58,42,873</b>	<b>3,52,51,002</b>
<b>13 Short-Term Loans and Advances</b>		
Balance with Govt. Authority	6,73,09,302	9,32,46,023
	<b>6,73,09,302</b>	<b>9,32,46,023</b>
<b>14 Other Current Assets</b>		
Prepaid & Others	8,44,634	1,76,511
	<b>8,44,634</b>	<b>1,76,511</b>



# Ashok Bairagra & Associates

Chartered Accountants

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Manish S. Bardia B.Com, A.C.A. • Cell : 99671 25862

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## Independent Auditor's Report

To the Members of M/s. PRECISION REALTY DEVELOPERS PRIVATE LIMITED

Report on the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of M/s. PRECISION REALTY DEVELOPERS PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, (changes in equity) and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Management's Responsibility for the Standalone Financial Statements

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The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

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Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

## Other Matter

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Nil

## Report on Other Legal and Regulatory Requirements

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As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.



- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act") is Not applicable to Company.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: NIL
- 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, in our opinion and to the best of our information and according to the explanations given to us:

The Company does not have any pending litigations which would impact its financial position.

- i) The Company did not have any Long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- ii) There is no amount required to be transferred, to the Investor Education and Protection Fund by the company

**For ASHOK BAIRAGRA AND ASSOCIATES.**

**Chartered Accountants**

Firm Reg. No.: 118677W

UDIN: 20125707AAAAAZ1367



**Ashish Jalan**  
Partner (M.No. 125707)



Date: 04/09/2020

Place: Mumbai

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our Independent Auditor's Report to the member of M/s PRECISION REALTY DEVELOPERS PRIVATE LIMITED for the year ended March 31st, March 2020.

- 1) In respect of the Company's fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - c. The title deeds of immovable properties are held in the name of the company.
- 2) Since no inventories are maintained by the company the said clause is not applicable.
- 3) 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013; In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



- 7) According to information and explanations given to us and on the basis of our examination of the books of account, and records:
- a. the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
  - c. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or financial institution.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has raised moneys by way of term Loans. The amount so raised has been utilized as per the purpose mentioned in sanction letter.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment of shares during the year under review Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.



- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For ASHOK BAIRAGRA & ASSOCIATES**

Chartered Accountants

Firm Reg. No. 118677W

UDIN: 20125707AAAAAZ1367



**Ashish Jalan**

Partner (M.No. F 125707)



Date: 04/09/2020

Place: Mumbai



## **ANNEXURE B TO THE AUDITOR'S 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 M/s PRECISION REALTY DEVELOPERS PRIVATE LIMITED (the Company) as of 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conduct our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and 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 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 were 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 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 assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of 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 31<sup>st</sup> March 2020, based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India.

**For ASHOK BAIRAGRA & ASSOCIATES**

Chartered Accountants

Firm Reg. No. 118677W

UDIN: 20125707AAAAAZ1367



**Ashish Jalan**  
Partner (M.No. F 125707)



Date: 04/09/2020

Place: Mumbai

**PRECISION REALTY DEVELOPERS PVT.LIMITED**  
CIN : U70200MH2007PTC166932  
Balance Sheet as at year ended 31st March, 2020

(Amount in Rs.)

	Note No	As at	
		31st March, 2020	31st March, 2019
<b>I. EQUITY AND LIABILITIES</b>			
(1) <b>Shareholder's Funds</b>			
(a) Share Capital	B-01	33,35,99,300	33,35,99,300
(b) Reserves and Surplus	B-02	(32,21,89,397)	1,30,58,432
(2) <b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	B-03	-	1,14,34,33,433
(b) Other Long Term Liabilities	B-04	2,75,15,49,722	1,59,06,17,962
(c) Deferred Tax Liabilities	B-05	3,98,43,584	3,98,43,584
(3) <b>Current Liabilities</b>			
(a) Trade Payable	B-06	9,43,42,855	34,37,51,439
(b) Other Current Liabilities	B-07	1,69,30,97,188	1,24,37,09,496
(c) Short-Term Provisions	B-08	49,500	40,500
<b>TOTAL</b>		<b>4,59,02,92,752</b>	<b>4,70,80,54,147</b>
<b>II. ASSETS</b>			
(1) <b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	B-09	3,40,17,33,337	3,52,98,21,241
(ii) In-Tangible Assets		15,45,00,000	15,45,00,000
(iii) Capital work-in-progress	B-10	-	6,71,60,865
(b) Non-Current Investments	B-11	11,50,00,070	11,50,00,070
(c) Long-Term Loans and Advances	B-12	85,97,71,046	33,13,31,620
(2) <b>Current Assets</b>			
(a) Trade Receivables	B-13	4,56,88,561	47,91,45,668
(b) Cash and Cash Equivalents	B-14	16,76,290	2,10,49,376
(c) Other Current Assets	B-15	1,19,23,448	1,00,45,305
<b>TOTAL</b>		<b>4,59,02,92,752</b>	<b>4,70,80,54,147</b>

Significant Accounting Policies & Notes to Accounts A-B  
The Notes referred above form an integral part of the Balance Sheet

As per our Report of even date attached  
For Ashok Bairagra & Associates  
Chartered Accountants  
Firm Reg. No. 118677W

  
Ashish Jalan  
Partner  
Membership no. 125707



For and Behalf of Board of Directors

   
Ashok Sarda      Damoder Jhawar  
Director              Director  
DIN:00077190      DIN:02259218

Place : Mumbai  
Dated : 04 SEP 2020

Shikha Shah  
(Company Secretary)

**PRECISION REALTY DEVELOPERS PVT.LIMITED**  
CIN : U70200MH2007PTC166932  
Profit & Loss Statement for the period ended 31st March, 2020

(Amount in Rs.)

	Note No	Year Ended 31st March, 2020	Year Ended 31st March, 2019
I. Revenue from Operations	B-16	2,10,90,816	1,44,43,00,816
II. Other Incomes	B-17	2,22,406	15,01,826
<b>III. Total Revenue (I + II)</b>		<b>2,13,13,222</b>	<b>1,44,58,02,642</b>
IV. Expenses:			
Trading Purchase		-	1,02,27,50,000
Employers Benefits Expenses	B-18	2,40,067	5,59,518
Finance Costs	B-19	15,62,28,987	18,95,12,422
Administrative & Other Expenses	B-20	26,30,776	1,16,66,470
Depreciation	B-09	19,62,65,719	19,62,65,719
<b>Total Expenses</b>		<b>35,53,65,549</b>	<b>1,42,07,54,129</b>
V. Profit before Exceptional and Extraordinary Items and Tax (III - IV)		(33,40,52,327)	2,50,48,513
VI. Exceptional Items		-	-
VII. Profit before Extraordinary Items and Tax (V - VI)		(33,40,52,327)	2,50,48,513
VIII. Extra Ordinary Items			
Prior Period Item			
IX. Profit before Tax (VII - VIII)		(33,40,52,327)	2,50,48,513
X. Tax Expense:			
(1) Current tax		-	(52,70,640)
(2) Mat credit entitlement		-	51,56,687
(3) Deferred Tax		-	83,36,188
(4) Income Tax of Ealrier Year		(11,95,501)	(2,88,612)
XI. Profit/ (Loss) for the period from Continuing Operations (IX - X)		(33,52,47,828)	3,29,82,136
XII. Profit/Loss from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Profit/ (Loss) from Discontinuing Operations (after Tax) (XII - XIII)		-	-
XV. Profit/ (Loss) for the Period (XI + XIV)		(33,52,47,828)	3,29,82,136
XVI. Earnings Per Equity Share	B-21		
(1) Basic		(1.07)	1.32
(2) Diluted		(1.07)	1.32

Significant accounting policies & Notes to Accounts: A-B  
The Notes referred above form an integral part of the Profit & Loss Account

As per our Report of even date attached  
For Ashok Bairagra & Associates  
Chartered Accountants  
Firm Reg. No. 118677W

Ashish Jalan  
Partner  
Membership no. 125707

Place : Mumbai  
Dated : 04 SEP 2020

For and Behalf of Board of Directors

Ashok Sarda  
Director  
DIN:00077190

Damoder Jhawar  
Director  
DIN:02259218

Shikha Shah  
(Company Secretary)

PRECISION REALTY DEVELOPERS PVT.LIMITED (Merged)  
CIN : U70200MH2007PTC166932  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2020

(Amount in Rs.)

Particulars	March 31, 2020 Amount in Rs.	March 31, 2019 Amount in Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) Before Tax	(33,52,47,828)	2,50,48,513
Adjustments for :		
Depreciation	19,62,65,719	19,62,65,719
Interest Income	2,22,406	15,01,826
Interest Expences	15,62,28,987	18,95,12,422
	35,27,17,112	38,72,79,967
Operating Profit before Working Capital change	1,74,69,284	41,23,28,481
Adjustment for:		
Increase in Loans and Advances	(52,84,39,426)	56,09,48,431
Increase in Trade Receivables	43,34,57,107	(23,33,39,227)
Increase in Other Current Assets	(18,78,143)	(12,74,615)
Increase in Trade Payable & Provision	19,99,88,107	(76,26,42,873)
	10,31,27,646	(43,63,08,285)
Cash generated from operations	12,05,96,929	(2,39,79,804)
Income Tax	-	(52,70,640)
Net Cash from operating activities	12,05,96,929	(2,92,50,445)
	A	
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sales(Purchase in Fixed Assets/ CWIP	(10,16,950)	(17,13,82,897)
Interest received	(2,22,406)	(15,01,826)
Net Cash From Investing Activities	(12,39,356)	(17,28,84,723)
	B	
<b>CASH FROM FINANCING ACTIVITIES:</b>		
Proceed (payment) from long Term Borrowing	1,74,98,327	34,82,59,784
Proceed from Issue of Shares	-	-
Interest Expences	(15,62,28,987)	(18,95,12,422)
Net Cash used in Financing Activities	(13,87,30,660)	15,87,47,362
	C	
NET INCREASE IN CASH AND CASH EQUIVALENT	(1,93,73,086)	(4,33,87,805)
	(A+B+C)	
CASH AND CASH EQUIVALENT AT THE BEGINING OF THE YEAR	2,10,49,377	6,44,37,183
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	16,76,290	2,10,49,377

**Notes:**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by Institute of Chartered Accountants of India.  
Previous year figures have been regrouped wherever necessary to confirm to current years classification

**Auditors' Report**

As per our Report of even date attached

For Ashok Bairagra & Associates  
Chartered Accountants  
Firm Reg. No. 118677W

Ashish Jalan  
Partner  
Membership no. 125707



For and on behalf of the Board of Directors

Ashok Sarda  
Director  
DIN:00077190

Damoder Jhawar  
Director  
DIN:02259218

Place: Mumbai

Dated: 04 SEP 2020

Shikha Shah  
(Company Secretary)

1. Accounting Policies:

(a) Basis for Preparation of Financial Statements:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

(b) Use of Estimates:

The presentation of Financial Statements is in conformity with the generally accepted accounting principles (GAAP) requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialize.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

(c) Investments:

(i) Recognition and Measurement

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognize a decline, other than temporary, in the value of the investments. Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.

(ii) Presentation and Disclosure

Investments, which are readily realizable and intended to be held for not more than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.

(d) Capital Work-in-Progress

Expenditure during the construction/ pre-operative period is included under Capital Work-in-Progress and the same is allocated to the respective fixed assets on the completion of their construction.

Capital works in progress includes following costs :

-Land Cost

Pre-operative expenses prior to start commercial operation such as:

-Interest on borrowing cost

-Management Consultancy Fees

-Administrative Expenses



(e) Provision for Current and Deferred Tax

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

Deferred tax resulting from "Timing Difference" between Block and Taxable profit is accounted for using the tax rates & laws that have been enacted or substantively enacted on the balance sheet date. The Deferred tax assets is recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that the asset will be realized in future.

Net outstanding balance in Deferred tax account is recognized as Deferred tax liabilities / asset.

The Deferred tax account is used solely for reversing timing difference as and when crystalized

(f) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(g) Revenue Recognition:

Revenue is recognized to the extent that is probable that the economic benefit will flow to the Company and revenue can be reliably measured.

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

(h) Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Capitalization of borrowing cost is suspended during the extended period in which active development is interrupted.

(i) Taxation:

i. Tax expense comprises of current and deferred tax. Current Tax is determined at the amount of tax payable in respect of taxable income for the period as per Income-Tax Act, 1961, based on the enacted Tax Regulations.

Deferred Tax Assets and Liabilities are recognized for the future tax consequences of timing differences between the book profit and tax profit. Deferred tax assets are recognized and carried forward only to the extent that there is a



reasonable certainty, except for carried forward losses and unabsorbed depreciation which is recognized based on virtual certainty, that the assets will be realized in future. Deferred Tax Assets and Liabilities are measured using substantively enacted tax rates. The effect on Deferred Tax Assets and Liabilities of a change in tax rates is recognized in the Statement of Profit & Loss in the period of substantive enactment of the change. Deferred tax assets are reviewed as at each balance sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realized.

(j) **Earnings Per Share:**

Earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive equity shares.

(k) **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**2. Scheme of Amalgamation**

- (a) "Pursuant to the Scheme of Amalgamation of Precision Realty Developers Pvt Ltd and Kaa Vee Retail Infra Pvt Ltd (Transferor Company) with the Company ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013, Transferor Companies shall get amalgamated with the Company with effect from the Appointed Date (as defined in the Scheme) i.e. 1st April, 2017. The said scheme has been approved vide order dated 08-05-2019 by Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'). The Scheme shall be made effective upon filing of the orders of the NCLT with the Registrar of Companies. Pursuant to the Scheme of Amalgamation, the authorized share capital of the Company shall stand increased by INR 83,599,300 and revised authorized share capital of the Company shall be INR 33,35,99,300. The same shall be updated in the records of the Registrar of Companies upon approval of the requisite forms to be filed with the Registrar of Companies.
- (b) Pursuant to the Scheme, all the assets and liabilities of the Transferor Companies as on the Appointed Date have been transferred to and vested in the Company. As a consideration for the merger of the Transferor Companies shall issue 83,59,930 equity shares of INR 10/- each, fully paid up to the shareholders of Kaa Vee Retail Infra Pvt Ltd as per the Scheme."
- (c) The Company has accounted for the amalgamation of Kaa Vee Retail Infra Pvt Ltd in its books of account with effect from the appointed date as per AS 14.
- (d) In accordance with the Scheme; (a) All assets, liabilities and reserves in the books of Kaa Vee Retail Infra Pvt Ltd has been transferred to the Company at their respective carrying values as on the Appointed Date. (b) The excess, in the value of net assets and reserves to be vested in the Company, has been credited to the 'Capital Reserve Account'.





		As At 31st March, 2020	As At 31st March, 2019
Note B-2	<b>RESERVE AND SURPLUS</b>		
	(a) Surplus i.e. Balance in the Statement of Profit & Loss		
	As per last Balance Sheet	(34,42,269)	(3,64,24,405)
	Add: Pursuant to Amalgamation	-	-
	Addition during the year	(33,52,47,828)	3,29,82,136
		(33,86,90,097)	(34,42,269)
	<b>Capital Reserve</b>		
	Opening Balance	1,65,00,700	1,65,00,700
	Add: Addition During the Year	-	-
	Closing Balance	1,65,00,700	1,65,00,700
	<b>Total</b>	<b>(32,21,89,397)</b>	<b>1,30,58,431</b>
<b>LONG TERM BORROWINGS</b>			
		As At 31st March, 2020	As At 31st March, 2019
Note B-3	<b>LONG TERM BORROWINGS</b>		
	Secured Loan		
	Term Loan from L&T Finance Ltd	-	1,14,34,33,433
		-	1,14,34,33,433
Term Loan from L & T Finance Ltd. is against exclusive charge on the Fixed Assets procured out of the Sanctioned Facility.			
<b>OTHER LONG TERM LIABILITIES</b>			
		As At 31st March, 2020	As At 31st March, 2019
Note B-4	<b>OTHER LONG TERM LIABILITIES</b>		
	Deposits	2,75,15,49,722	1,59,06,17,962
		2,75,15,49,722	1,59,06,17,962
<b>DEFERRED TAX LIABILITY</b>			
		As At 31st March, 2020	As At 31st March, 2019
Note B-5	<b>DEFERRED TAX LIABILITY</b>		
	Deffered tax Liability (Net)	3,98,43,584	4,81,79,772
		3,98,43,584	4,81,79,772
<b>TRADE PAYABLES</b>			
		As At 31st March, 2020	As At 31st March, 2019
Note B-6	<b>TRADE PAYABLES</b>		
	Creditors	9,43,42,855	34,37,51,439
		9,43,42,855	34,37,51,439
* Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006.			
*The Company has not received any information regarding the status under the Micro, Small and Medium Enterprise Development ( MSMED) Act, 2006 and hence disclosures as required under section 22 of the Micro, Small and Medium Enterprise Development ( MSMED ) Act regarding below mentioned details have not been given.			
(a) Amount due and outstanding to suppliers as at the end of the accounting year			
(b) Interest paid during the year;			
(c) Interest payable at the end of the accounting year; and			
(d) Interest accrued and unpaid at the end of the accounting year			
<b>Other Current Liabilities</b>			
		As At 31st March, 2020	As At 31st March, 2019
NOTE B-7	<b>Other Current Liabilities</b>		
	Other Payables	1,20,31,064	15,10,341
	Current Maturities of Long Term Debts	1,17,04,57,146	30,97,98,184
	Trade Advance received	51,06,08,978	93,24,00,971
		1,69,30,97,188	1,24,37,09,496
<b>SHORT TERM PROVISIONS</b>			
		As At 31st March, 2020	As At 31st March, 2019
NOTE B-8	<b>SHORT TERM PROVISIONS</b>		
	Provision for Expenses	49,500	40,500
		49,500	40,500



		As At 31st March, 2020	As At 31st March, 2019
Note B-10	<b>NON CURRENT ASSETS</b>		
	Capital Work in Progress		
	Opening	6,71,60,865	5,02,77,968
	Add : During the year	10,16,950	1,68,82,897
	Less :Transfer to Assets	(6,81,77,815)	-
		-	6,71,60,865
		As At 31st March, 2020	As At 31st March, 2019
Note B-11	<b>NON CURRENT INVESTMENTS</b>		
	Unquoted Fully Paid up Equity Share**		
	98,094 (P.Y.98,094)Equity shares of Acute Retail Infra Pvt.Ltd.	6,00,00,830	6,00,00,830
	33,582 (P.Y.33,582) Equity shares of Nishta Mall Management Co.Pvt.Ltd.	4,49,99,880	4,49,99,880
	90,272 (P.Y.90,272)Equity shares of Unique Malls Pvt.Ltd.	99,99,360	99,99,360
		11,50,00,070	11,50,00,070
** Unquoted Investment in shares have been valued at cost.			
		As At 31st March, 2020	As At 31st March, 2019
Note B-12	<b>LONG TERM LOANS AND ADVANCES</b>		
	Capex Advances	85,66,16,940	32,83,00,000
	Security Deposits	9,29,000	9,29,000
	Fixed Deposit with Banks*	22,25,106	21,02,620
		85,97,71,046	33,13,31,620
*Note : Fixed deposit with bank is having tenure of more than 12 months. Bank Deposit - The company has executed a fixed deposit of Rs.6,25,000/- & Rs.7,50,000/- with Oreintal Bank of Commerce against Bank Gurantee executed by Oriental Bank of Commerce in favour of Joint Commissioner, Commercial Taxes, Government of West Bengal for Waiver of taxes relating to Pre-Engineered Building Material and Accesories.			
		As At 31st March, 2020	As At 31st March, 2019
Note B-13	<b>TRADE RECEIVABLE</b>		
	Outstanding more than six months	-	-
	Others	4,56,88,561	47,91,45,668
		4,56,88,561	47,91,45,668
		As At 31st March, 2020	As At 31st March, 2019
Note B-14	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash In hand	1,47,296	1,47,296
	Balance with Banks	15,28,993	2,09,02,080
		16,76,289	2,10,49,376
		As At 31st March, 2020	As At 31st March, 2019
Note B-15	<b>OTHER CURRENT ASSETS</b>		
	Receivables		
	Other Receivbles	14,94,426	1,90,008
	MAT Credit Entilement	77,53,950	77,53,950
	GST Input	26,75,072	21,01,347
		1,19,23,448	1,00,45,305
		As At 31st March, 2020	As At 31st March, 2019
Note B-16	<b>Revenue from Operations</b>		
	Revenue from Operations	2,10,90,816	1,44,43,00,816
		2,10,90,816	1,44,43,00,816
		As At 31st March, 2020	As At 31st March, 2019
Note B-17	<b>OTHER INCOMES</b>		
	Interest Income	2,22,406	15,01,826
		2,22,406	15,01,826



		As At 31st March, 2020	As At 31st March, 2019
Note B-18	Employers Benefits Expenses		
	Salary Expenses	2,40,067	5,59,518
		2,40,067	5,59,518

		As At 31st March, 2020	As At 31st March, 2019
Note B-19	Finance Cost		
	Bank Charges	8,620	18,783
	Interest on Term Loan	15,62,20,367	18,94,93,639
		15,62,28,987	18,95,12,422

		As At 31st March, 2020	As At 31st March, 2019
Note B-20	Administrative & Other Expenses		
	Director Sitting Fees	80,000	80,000
	Legal & Professional Fees	8,51,100	63,91,988
	Audit Fees	55,000	55,000
	Insurance	6,48,939	3,85,390
	Others Expenses	9,95,737	33,53,047
	Professional Tax	-	2,500
	Rent Paid	-	13,98,545
		26,30,776	1,16,66,470

		As At 31st March, 2020	As At 31st March, 2019
	PAYMENT TO AUDITORS		
	Auditor		
	Statutory Audit	40,000	40,000
	Tax Audit	5,000	5,000
		45,000	45,000

		31-03-2020	31-03-2019
Note B-21	Net Profit/(Loss) considered for basic EPS Calculation	(3,55,50,275)	3,29,82,136
	Weighted average number of equity shares	3,33,59,930	2,50,00,000
	Nominal value per share	10	10
	Basic EPS	(1.07)	1.32

Basic and Diluted EPS has been computed as per AS20 issued by the ICAI i.e. by dividing the net profit after tax for the year attributable to equity shareholders by weighted average number of equity shares

#### Note B-22 RELATED PARTY DISCLOSURE

The related party relationships have been determined by the Company on the basis of the requirements of the Accounting Standard (AS)-18 . transaction with related parties during the year.

Name of Related Parties	Transaction	Amount
Damodar Jhawar	Director Sitting Fees	40000
Ashok Sarda	Director Sitting Fees	40000

Note B-23 Contingent Liabilities  
Directors do not perceive any Contingent Liabilities

Note B-24 Micro and Small Enterprises  
There are no Sundry creditors as on Balance sheet date that are duly registered under Micro and Small Enterprises in view of Section 22 of the MSMEDA Act 2006.

Note B-25 In the opinion of the Board , Current Assets ,loans and advances have a value of at least equal to the amount show in the Balance Sheet , if realised in the ordinary course of the business. The provision for all the know liabilities is adequate and not in excess of the amount reasonably necessary.

For ASHOK BAIRAGRA & ASSOCIATES  
Chartered Accountants  
Firm Reg. No. 118677W

Ashish Jalan  
Partner  
Membership no. 125707  
Place : Mumbai  
Dated 04 SEP 2020



For and Behalf of Board of Directors

Ashok Sarda  
Director  
DIN:00077190

Damoder Jhawar  
Director  
DIN:02259218

Shikha Shah  
(Company Secretary)

**PRECISION REALTY DEVELOPERS PVT.LIMITED**  
**CIN : U70200MH2007PTC166932**  
**Notes on Financial Statements for the year ended 31st March, 2020**

		As at 31st March, 2020	As at 31st March, 2019
Note B-1	<b>SHARE CAPITAL</b>		
	Authorised Capital (Refer below note) 3,50,10,000 Equity Shares of Rs 10/- each (P.Y. 2,50,00,000 Equity Shares of Rs. 10/- each)	35,01,00,000	25,00,00,000
	Issued, Subscribed and Paid up Capital 3,33,59,930 Equity Shares of Rs 10/- each (P.Y. 2,50,00,000 Equity Shares of Rs. 10/- each) Share Capital Suspense Account (Pursuant to Scheme of Amalgamation) (Refer below note)	33,35,99,300	25,00,00,000
		<b>33,35,99,300</b>	<b>8,35,99,300</b> <b>33,35,99,300</b>

"Pursuant to the Scheme of Amalgamation of Kaa Vee Retail Infra Private Limited (Transferor Company) with the Company ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013, Transferor Company shall get amalgamated with the Company with effect from the Appointed Date (as defined in the Scheme) i.e. 1st April, 2017. The Company has received order on 08th May 2019 approving the amalgamation by the NCLT. The Scheme became effective on 16th May 2019 upon filing of the orders of the NCLT with the Registrar of Companies. Pursuant to the Scheme of Amalgamation, the authorised share capital of the Company shall stand increased by INR 10,01,00,000 and revised authorized share capital of the Company shall be INR 35,01,00,000.

Pursuant to the Scheme, all the assets and liabilities of the Transferor Companies as on the Appointed Date have been transferred to and vested in the Company. As a consideration for the merger, the transferee Company has issued 83,59,930 equity shares of INR 10/- each, fully paid up to the shareholders of Kaa Vee Retail Infra Private Limited as per the Scheme."

**(i) Details of shareholders holding more than 5% of shares.**

Name of Shareholders	As At 31st March, 2020		As At 31st March, 2019	
	No. of Shares	% Held	No. of Shares	% Held
Nishta Mall Management Company Pvt. Ltd	2000000	5.99%	2000000	8%
Iskrupa Mall Management Company Private Limited	4500000	13.50%	4500000	18%
Bansi Mall Management Company Pvt. Ltd	6504176	19.50%	4500000	18%
Acute Retail Infra Private Limited	2000000	5.99%	2000000	8%
Rivaaz Trade Ventures Pvt. Ltd.	-	-	2000000	8%
Niyman Mall Management Company Pvt Ltd	2000000	5.99%	2000000	8%
Unique Malls Pvt. Ltd.	2000000	5.99%	2000000	8%
Harmony Malls Management Private Limited	4000000	12%	2000000	8%
Suhani Mall Management Company Pvt Ltd	2000000	6%	2000000	8%
Ujjain Future Bazaar Private Limited( Merged with harmony Mall)	-	-	1990000	7.96%
Kyal Trading Pvt. Ltd.	8355754	25.05%	-	-

1. The Company has only one class of Equity Shares having a par value of Rs. 10/- each. Each Equity Shareholder is entitled to one vote per share. The Dividend if proposed by the Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

As at 31st March 2019		Number of share		Amount
Opening			2,50,00,000	25,00,00,000
Issued During the Period			-	-
Closing			2,50,00,000	25,00,00,000
As at 31st March 2020		Number of share		Amount
Opening			2,50,00,000	25,00,00,000
Issued During the Period			83,59,930	8,35,99,300
Closing			3,33,59,930	33,35,99,300



PRECISION REALTY DEVELOPERS PVT.LIMITED  
 CIN : U70200MH2007PTC166932  
 Notes on Accounts for the year ended March 31, 2020

Note B-8 Fixed Assets

PARTICULARS	(Amount in Rupees)											
	Gross Block				Depreciation					Net Block		Net Block
	As at April 1, 2019	Additions (Merger)	Additions during the year	Sale/Disposal during the year	As at March 31, 2020	Upto April 1, 2019	Additions (Merger)	For the year	Adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Lease Hold Land	16,13,03,696	-	-	-	16,13,03,696	-	-	-	-	-	16,13,03,696	16,13,03,696
Building and Improvements	86,02,64,878	-	6,81,77,815	-	92,84,42,693	6,07,82,330	-	2,72,41,721	-	8,80,34,051	84,04,08,642	79,94,72,548
Leasehold Improvement	2,74,46,84,189	-	-	-	2,74,46,84,189	17,56,49,192	-	16,90,23,998	-	34,46,73,190	2,40,00,20,999	2,56,90,44,997
<b>Total</b>	<b>3,76,62,62,763</b>	<b>-</b>	<b>6,81,77,815</b>	<b>-</b>	<b>3,83,44,40,578</b>	<b>23,64,41,522</b>	<b>-</b>	<b>19,62,65,719</b>	<b>-</b>	<b>43,27,07,241</b>	<b>3,40,17,33,337</b>	<b>3,52,98,71,241</b>
Previous Year	3,76,62,62,763	-	-	-	3,76,62,62,763	4,01,75,502	-	19,62,65,719	-	23,64,41,522	3,52,98,71,241	3,72,60,86,961



20125707AAAAAZ1367



**Independent Auditor's Report**

**To the Members of M/s. Rivaaz Trade Ventures Private Limited**  
**Report on the audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **M/s. Rivaaz Trade Ventures Private Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, (statement of changes in equity) and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, and profit/loss, changes in equity and its Cash Flows for the year ended on that date.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.



### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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. However, as per notification number G.S.R. 583(E) dated 13th June 2017 issued by the Government of India, amending the notification number G.S.R. 464(E) dated 5th June 2015, reporting on adequate internal financial controls system in place and the operating effectiveness of such controls, is not applicable on private companies satisfying certain conditions. The Company is satisfying the conditions mentioned therein and hence such report is not applicable to the company.





- 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Report on Other Legal and Regulatory Requirements**

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

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 purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and its cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



- g. 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - 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 R.S. AJWANI & CO.**

Chartered Accountants

Firm Regn.No.: 131853W



R.S.AJWANI

Proprietor

Membership No. : 035574

Place: Mumbai

Date: 07/08/2020

UDIN: 20035574AAAADS7707



**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RIVAAZ TRADE VENTURES PRIVATE LIMITED**

The Annexure referred to in our Independent Auditors' Report to the Members of the Company on the Financial Statements of **RIVAAZ TRADE VENTURES PRIVATE LIMITED** for the year ended 31<sup>st</sup> March 2020, We report that:

- (i) (a) According to information and explanations given to us, the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanations given to us, the fixed assets have been physically verified by the Management during the year at reasonable intervals. In our opinion, the program of such physical verification of fixed assets is reasonable, having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, there was no material discrepancies noticed on such verification.
- (c) According to information and explanations given to us, the title deeds of immovable properties are not held in the name of the Company which are pending for registration in the name of the company pursuant to the scheme of amalgamation. (Refer Note 29 of the Financial Statements).
- (ii) According to information and explanations given to us, physical verification of inventories have been conducted by the management of the company at reasonable intervals and as informed, no material discrepancy was noticed on physical verification of inventories.
- (iii) According to information and explanations given to us, the Company has not granted any long term loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013 during the year.
- (iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
- (v) According to information and explanations given to us, The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
- (vi) According to the information and explanation given to us the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the activities carried out by the company during the year. Hence clause (vi) of the CARO, 2016 is not applicable to the company.
- (vii) (a) According to information and explanation given to us and on the basis of our examination of the records of the company, the Company is generally regular in depositing undisputed statutory dues including as applicable, provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax cess and any other statutory dues with the appropriate authorities.



- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (viii) According to information and explanations given to us, the Company has not defaulted in repayment of any long term loans or borrowings from financial institution.
- (ix) According to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments). Term Loan has been applied for the purposes for which those are raised.
- (x) According to the information and explanations given to us, any fraud by the Company or any fraud on the Company by its officers or employees has not been noticed or reported during the year.
- (xi) According to the information and explanations given to us, managerial remuneration paid or provided is in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not Nidhi Company. Hence clause (xii) of the CARO, 2016 is not applicable to the company.
- (xiii) According to the information and explanations given to us, in our opinion, transaction with the related parties in compliance with sections 177 and 188 of the Act, where applicable, have been disclosed in the financial statement etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence clause (xiv) of the CARO, 2016 is not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Hence clause (xv) of the CARO, 2016 is not applicable to the company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For R.S. AJWANI & CO.**

Chartered Accountants

Firm Regn.No.: 131853W



R.S.AJWANI

Proprietor

Membership No. : 035574

Place: Mumbai

Date: 07/08/2020

UDIN: 20035574AAAADS7707



## **ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RIVAAZ TRADE VENTURES PRIVATE LIMITED**

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 RIVAAZ TRADE VENTURES PRIVATE LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 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. 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance



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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, 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, 2020, based on 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 R.S. AJWANI & CO.**

Chartered Accountants  
Firm Regn.No. 131853W



R.S.AJWANI

Proprietor

Membership No. : 035574

Place: Mumbai

Date: 07/08/2020

UDIN: 20035574AAAADS7707



**RIVAAZ TRADE VENTURES PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2020**

CIN. U74999MH2012PTC232339

(Amount in INR)

Particulars	Note. No.	As at 31st March 2020	As at 31st March 2019
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	40,40,330	1,18,080
(b) Reserves and Surplus	3	(97,56,948)	1,96,76,34,698
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	5,52,50,00,000	8,18,72,48,331
(b) Deferred Tax Liabilities	22	4,44,55,092	4,44,55,092
(C) Other Long Term Liabilities	5	21,07,47,49,923	4,54,95,43,110
<b>(3) Current Liabilities</b>			
(a) Trade Payable	6	34,30,568	1,21,37,49,386
(b) Other Current Liabilities	7	98,65,35,268	3,15,39,62,664
(c) Short Term Provisions	8	-	1,60,02,536
<b>Total Equity &amp; Liabilities</b>		<b>27,62,84,54,233</b>	<b>19,13,27,13,897</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	11,28,34,35,503	13,15,70,86,558
(b) Non-Current Investment	10	-	1,24,03,153
<b>(2) Current Assets</b>			
(a) Current Investment	10	2,23,24,50,830	2,40,75,50,070
(b) Inventories	11	1,99,74,375	50,37,556
(c) Trade Receivable	12	10,46,03,656	98,11,62,417
(d) Cash and cash equivalents	13	2,48,94,778	18,79,18,983
(e) Short term loan and advance	14	13,96,30,95,090	2,38,15,55,161
<b>Total Assets</b>		<b>27,62,84,54,233</b>	<b>19,13,27,13,897</b>

See accompanying notes to the financial statements

1 to 29

As per Our Report of Even Date

For R.S. AJWANI & CO.

Chartered Accountants

Firm Reg. No.:

*R.S. Ajwani*



R.S. AJWANI

Proprietor

Membership No. : 035574

Date: 07/08/2020

Place: Mumbai

For and on behalf of the Board of Directors

*Ravindra Lalpurria*

Ravindra Lalpurria

Director

DIN.: 02707789

*Arun Agrawal*

Arun Agrawal

Director

DIN.: 06963368

U.DIN: 20035574AAAAD57707

**RIVAAZ TRADE VENTURES PRIVATE LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2020**

CIN. U74999MH2012PTC232339

(Amount in INR)

Particulars	Note No.	F.Y. 2019-20	F.Y. 2018-19
Revenue from Operations & Service	15	25,36,81,118	4,94,47,62,463
Other Income	16	5,27,44,148	5,91,24,127
<b>Total Revenue</b>		<b>30,64,25,266</b>	<b>5,00,38,86,590</b>
<b>Expenses:</b>			
Cost of Goods Sold / Services	17	29,99,73,938	2,67,13,42,467
Employee Benefits Expenses	18	26,32,524	36,83,464
Financial Cost	19	1,03,54,69,004	54,04,37,148
Other Expenses	20	34,42,83,096	10,32,17,828
Depreciation and Amortisation Expense	9	1,63,23,00,073	1,60,74,89,753
<b>Total Expenses</b>		<b>3,31,46,58,635</b>	<b>4,92,61,70,659</b>
Profit/(Loss) before exceptional and extraordinary items and tax		(3,00,82,33,369)	7,77,15,931
Exceptional Items			
Profit/(Loss) before extraordinary items and tax (V - VI)		(3,00,82,33,369)	7,77,15,931
Extraordinary Items			
Profit / (Loss) before tax		(3,00,82,33,369)	7,77,15,931
<b>Tax expense:</b>			
(1) Current tax		-	1,60,02,536
(-) Mat Credit Entitlement		-	-1,60,02,536
(2) Short Provision of Earlier Years		2,36,026	
Profit/(Loss) for the period		(3,00,84,69,395)	7,77,15,931

See accompanying notes to the financial statements

1 to 29

As per Our Report of Even Date

For R.S. AJWANI & CO.

Chartered Accountants

Firm Reg. No.:

For and on behalf of the Board of Directors



**R.S. AJWANI**

Proprietor

Membership No. : 035574

Date: 07/08/2020

Place: Mumbai





**Ravie Lalpurria**

Director

DIN.: 02707789



**Arun Agrawal**

Director

DIN.: 06963368



**RIVAAZ TRADE VENTURES PRIVATE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENT AS ON & FOR THE YEAR ENDED ON 31ST MARCH 2020**

**Note : 25**

1) The balances in accounts of certain trade receivables, trade payables and loan and advances given/ taken are subject to confirmation, and consequent reconciliations. Adjustments in this respect in the opinion of the management are not likely to be material and would be carried out as and when ascertained.

2) In the opinion of the management, current assets and current liabilities have a value on realisation in the ordinary course of business at the amount at which they are stated.

**Note : 26 Micro, Small and Medium Enterprises**

The Company did not have any transactions with Industrial undertakings registered under the Micro, Small and Medium Enterprises Development Act 2006, during the year ended March 31, 2020 and March 31, 2019 hence there are no amounts due to such undertakings. The identification of units is based on the management's knowledge of their status.

**Note : 27**

Contingent liabilities & commitments to the extent not provided for in the financials are Nil (PY: Nil).

**Note : 28**

Deferred taxes are recognized for all timing differences of the current year and unreversed timing differences of earlier years. Since there is no such transactions leading to timing difference during the current year as well as previous year, no deferred tax asset or liability as required by AS-22 "Accounting for Taxes on Income", issued by the ICAI, is recognized.

**Note : 29**

The previous year figures have been reclassified/regrouped wherever considered necessary to conform with current year's classification.

See accompanying notes to the financial statements

1 to 29

As per Our Report of Even Date

For R.S. AJWANI & CO.

Chartered Accountants

Firm Reg. No.:

For and on behalf of the Board of Directors



R.S.AJWANI

Proprietor

Membership No. : 035574

Date: 07/08/2020

Place: Mumbai



Ravie Lalpurria  
Director  
DIN.: 02707789



Arun Agrawal  
Director  
DIN.: 06963368

**RIVAAZ TRADE VENTURES PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENT AS ON & FOR THE YEAR ENDED ON 31ST MARCH 2020**

CIN. U74999MH2012PTC232339

**Note 1 Significant Accounting Policies**

**a Basis of Preparation of financial statements**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

**b Use of Estimates:**

The presentation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

**c Revenue Recognition:**

- i Revenue from sales is recognised on dispatch of material and when risk and reward are transferred to the buyer.
- ii Dividend income is recognized when the Company's right to receive dividend is established.
- iii Revenue from sale of shares is recognised on the basis of broker's contract note.

**d Borrowing Cost**

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the statement of Profit and Loss.

**e Accounting for Provisions and Contingent Liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

**f Employee Benefits**

The Statutory enactments relating to payment of Provident Fund, ESIC and Gratuity to employees are not applicable to the company. The company does not have any scheme for retirement benefits for its employee and as such no provision towards retirement benefits to employees is considered necessary.

**g Inventories**

Inventories are valued at cost or net realizable value whichever is lower. Cost of inventories comprises of all cost of purchases and other cost incurred in bringing the inventories to their present location and condition.

**h Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax resulting from timing difference between taxable incomes and accounting income is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of Profit & Loss as Current Tax. The company recognizes MAT credit available as an Asset only to the extent there is convincing evidence that the company will pay normal Income Tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an Asset in accordance with the Guidance note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said Asset is created by way of credit to the statement of Profit & loss & shown as "MAT Credit Entitlement". The company reviews the "MAT Credit Entitlement" asset at each reporting date & writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

**i Investments**

Investments that are readily realized and intended to be held for not more than a year are classified as current investment. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**j Contingent Liability**

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



**RIVAAZ TRADE VENTURES PRIVATE LIMITED**

**Note : 2 Share Capital**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>AUTHORIZED CAPITAL (Refer Note 2a)</b>		
3,00,60,000 (3,00,60,000) Equity Shares of Rs. 10/- each	30,06,00,000	30,06,00,000
	<b>30,06,00,000</b>	<b>30,06,00,000</b>
<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
4,04,033 (11,808) Equity Shares of Rs. 10/- each fully paid up	40,40,330	1,18,080
	<b>40,40,330</b>	<b>1,18,080</b>

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

**2.1 The details of Shareholders holding more than 5% shares: as on 31.03.2020 & 31.03.2019 :-**

Name of the Shareholder	Number of Shares as on 31.03.2020	Number of Shares as on 31.03.2019
Arun Agarwal	5,029	5,029
Nidhi Gupta	5,000	5,000
Syntex Trading & Agency Pvt Ltd	3,21,544	1,544
R.K.P. Business Concepts Pvt Ltd.	72,225	-

**2.2 The Reconciliation of number of shares outstanding is set out below:**

Name of the Shareholder	Number of Shares as on 31.03.2020	Number of Shares as on 31.03.2019
Equity Shares at the beginning of the year	11,808	11,808
Add: Shares issued during the year	3,92,225	-
Equity Shares (Incl Shares relating to Share capital suspense account) at the end of the year	<b>4,04,033</b>	<b>11,808</b>

**Note : 3 Reserve & Surplus**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Capital Reserve</b>		
Opening Balance	2,00,68,90,171	
Add : Pursuant to Scheme of Amalgamation	-	
Closing Balance	2,00,68,90,171	2,00,68,90,171
<b>Share Premium</b>	1,03,10,77,750	
<b>Profit and Loss Account</b>		
Balance brought forward from previous year	(3,92,55,473)	-11,69,71,404
Add: Profit / (Loss) for the year	(3,00,84,69,395)	7,77,15,931
Closing Balance	(3,04,77,24,869)	(3,92,55,473)
<b>Total</b>	<b>(97,56,948)</b>	<b>1,96,76,34,698</b>

**Note: 4 Long Term Borrowings**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Debentures (Refer Note No 23)</b>		
<b>Secured Redeemable Non Convertible Debenture</b>	<b>Total</b>	
4,000 (4,000) 11.50% Non-Convertible Debentures (NCD) of Rs. 1000000/- each	3,40,00,00,000	3,40,00,00,000
2,500 (2500) 12.25% Non-Convertible Debentures (NCD) of Rs. 1000000/- each	2,12,50,00,000	2,37,50,00,000
Nil (2,987) 11.90% Non-Convertible Debentures (NCD) of Rs. 1000000/- each	-	53,67,08,331
Nil (2,985) 11.90% Non-Convertible Debentures (NCD) of Rs. 1000000/- each	-	19,28,40,000
<b>Unsecured Redeemable Non Convertible Debenture</b>		
Nil (5,00,000) 1% Optionally Convertible Debentures (OCD) of Rs. 1000/-each*	-	50,00,00,000
Nil (5,350) 0.01% Un secured Optionally Convertible Debentures (OCD) of Rs. 1,00,000/-each**	-	53,50,00,000
<b>Secured Loan***</b>		
	-	64,77,00,000
<b>Total</b>	<b>5,52,50,00,000</b>	<b>8,18,72,48,331</b>

\*Each OCD is convertible into 100 equity shares of Rs. 10 each at the end of five years from the date of issue (19/08/2014).

\*\* Each UOCD is Optionally convertible into 2500 equity shares of Rs. 10 each at Premium of Rs.30 each the end of Six years from the date of issue (04/07/2016).

\*\*\* Secured loan is availed at rate of interest of 10% payable quarterly in 22 equal installments on hypothecation of movable assets procured through this facility & lease rentals received from them.



**RIVAAZ TRADE VENTURES PRIVATE LIMITED**

**Note : 5 Other Long Term Liabilities**

Particulars	As at 31st March 2020	As at 31st March 2019
Security Deposit		
Other Long Term Liabilities	3,48,00,00,000	3,48,00,00,000
	17,59,47,49,923	1,06,95,43,110
<b>Total</b>	<b>21,07,47,49,923</b>	<b>4,54,95,43,110</b>

**Note: 6 Trade Payable**

Particulars	As at 31st March 2020	As at 31st March 2019
Micro, Small and Medium Enterprises (Refer Note No 26)		
Trade Payable others	34,30,568	1,21,37,49,386
<b>Total</b>	<b>34,30,568</b>	<b>1,21,37,49,386</b>

**Note : 7 Other Current Liabilities**

Particulars	As at 31st March 2020	As at 31st March 2019
Statutory Dues		
Audit Fees Payable	18,07,185	80,59,532
Current Maturity of Long Term Borrowings		1,35,000
Trade Advance Received from Costumer	97,95,48,333	3,14,51,55,000
Payable for Expenses	6,82,986	-
Other Liabilities	44,24,264	6,13,132
	72,500	-
<b>Total</b>	<b>98,65,35,268</b>	<b>3,15,39,62,664</b>

**Note : 8 Short Term Provisions**

Particulars	As at 31st March 2020	As at 31st March 2019
Income Tax Provision		1,60,02,536
<b>Total</b>	<b>-</b>	<b>1,60,02,536</b>

**Note : 10 Investment**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Note : 10A - Non-Current Investment</b>		
<b>Quoted Equity Instruments</b>		
NIL (5,12,163) Equity shares of M/s Future Market Network Limited of Rs. 10 each fully paid up		1,24,03,153
<b>Total</b>	<b>-</b>	<b>1,24,03,153</b>

**Note : 10B - Current Investment**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Trade Investments *</b>		
<b>Unquoted Instruments</b>		
2,560 (2,560) 0.01% CCD of Ojas Mall Management Pvt Ltd of Rs. 1,00,000 each fully paid up	25,60,00,000	25,60,00,000
98,094 (98,094) Equity Share of Acute Retail Infra Pvt. Ltd. Of Rs. 10 each fully paid up	6,00,00,830	6,00,00,830
Nil (33,582) Equity Share of Nishta Mall Management Co. Pvt. Ltd. Of Rs. 10 each fully paid up		4,49,99,880
Nil (20,00,000) Equity Share of Precision Realty Developers Pvt. Ltd. Of Rs. 10 each fully paid up		2,00,00,000
Nil (90,272) Equity Share of Unique Malls Pvt. Ltd. Of Rs. 10 each fully paid up		99,99,360
Nil (1,00,00,000) Equity Share of Grihith Trade Ventures Pvt. Ltd. of Rs 10 each fully paid up		10,00,00,000
47,68,993 (47,68,993) Preference Share of Syntex trading & Agency Private Limited of Rs. 100 each fully paid up	57,51,00,000	57,51,00,000
Nil (10,000) Equity Share of Heenal Operating Co. Pvt. Ltd. Of Rs. 10 each fully paid up		1,00,000
11,11,000 (11,11,000) Equity Share of Nufuture Digital (India) Ltd. Of Rs. 10 each fully paid up	1,34,13,50,000	1,34,13,50,000
<b>Total</b>	<b>2,23,24,50,830</b>	<b>2,40,75,50,070</b>
<b>Total</b>	<b>2,23,24,50,830</b>	<b>2,41,99,53,223</b>

**Note 10.C**

Market Value of Quoted Equity Shares as on 31st March 2020 was Rs. NA (In 31st March 2019 Rs. 83,87,422/-)



RIVAAZ TRADE VENTURES PRIVATE LIMITED

Note : 11 Inventories

Particulars	As at 31st March 2020	As at 31st March 2019
Stock-In-Trade	1,99,74,375	50,37,556
<b>Total</b>	<b>1,99,74,375</b>	<b>50,37,556</b>

Note : 12 Trade Receivable

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the due date of payment	81,55,328	62,94,700
Outstanding for a period less than six months from the due date of payment	9,64,48,328	97,48,67,717
<b>Total</b>	<b>10,46,03,656</b>	<b>98,11,62,417</b>

Note : 13 Cash & Cash Equivalent

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Cash on Hand		
(b) Balance With Bank	7,71,695	7,71,468
In Current Account		
(c) FD with Banks	2,38,68,043	16,93,95,600
<b>Total</b>	<b>2,48,94,778</b>	<b>18,79,18,983</b>

Note : 14 Short term loans and advance

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good		
Short Term Loan and Advances to other Parties		
Trade Advance Paid to Supplier	13,73,64,99,728	2,16,54,73,964
Accrued Interest	4,12,418	-
Balances with Government Authorities (Indirect Taxes)	-	23,040
Balances with Government Authorities (Direct Tax)	14,48,15,439	12,41,60,750
Mat Credit Receivable	2,81,06,836	3,86,36,738
Deposits	5,17,83,170	5,17,83,170
<b>Total</b>	<b>13,96,30,95,090</b>	<b>2,38,15,55,161</b>



**RIVAAZ TRADE VENTURES PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENT AS ON & FOR THE YEAR ENDED ON 31ST MARCH 2020**  
**CIN. U74999MH2012PTC232339**

**Note : 15 Revenue from Operations**

Particulars	F.Y. 2019-20	F.Y. 2018-19
Sale of Product and Other Revenue	25,36,81,118	4,94,47,62,463
<b>Total</b>	<b>25,36,81,118</b>	<b>4,94,47,62,463</b>

**Note : 16 Other Income**

Particulars	F.Y. 2019-20	F.Y. 2018-19
Profit on sale of shares	26,93,216	-
Misc. Income	-	1,03,348
Interest Income	5,00,50,932	5,90,20,779
<b>Total</b>	<b>5,27,44,148</b>	<b>5,91,24,127</b>

**Note : 17 Cost of Goods Sold / Services**

Particulars	F.Y. 2019-20	F.Y. 2018-19
Cost of Goods / Services sold	29,99,73,938	2,67,13,42,467
<b>Total</b>	<b>29,99,73,938</b>	<b>2,67,13,42,467</b>

**Note : 18 Employee Benefits Expenses**

Particulars	F.Y. 2019-20	F.Y. 2018-19
Salary & Staff Welfare Expenses	26,32,524	36,83,464
<b>Total</b>	<b>26,32,524</b>	<b>36,83,464</b>

**Note : 19 Finance Cost**

Particulars	F.Y. 2019-20	F.Y. 2018-19
Interest Expenses	1,03,54,69,004	54,04,37,148
<b>Total</b>	<b>1,03,54,69,004</b>	<b>54,04,37,148</b>

**Note : 20 Other Expenses**

Particulars	F.Y. 2019-20	F.Y. 2018-19
Audit Fees	30,000	1,50,000
Bank Charges	21,080	46,130
Business Promotion Expenses	6,565	-
Commission Paid	-	4,24,250
Conveyance and Travelling Expenses	75,931	2,59,395
Demat Charges	-	1,280
Donation	-	2,100
Director Remuneration	60,000	-
Electricity Expense	1,61,152	1,83,761
Freight Charges	81,95,127	1,28,154
General Office Expenses	2,24,965	1,30,303
Guest House Expenses	2,69,455	1,69,059
Insurance Expenses	-	5,95,168
Interest on TDS Paid	1,017	1,68,492
Legal & Professional Fees	9,27,53,368	9,05,47,449
Loss on Sale of Shares	75,37,604	35,17,294
LC Charges	16,520	-
Printing & Stationery Expenses	3,26,104	36,068
Rates and Taxes	2,42,940	12,19,290
Rent Expenses	45,42,032	51,27,645
Loss on Impairment of Fixed Assets	22,76,95,589	-
Repair & Maintenance Expenses	74,914	3,64,798
ROC Filling Fees	55,490	90,400
Hard Tag Expenses	19,64,589	-
Securities Transaction Tax	-	14,810
Telephone & Communication Expenses	28,654	41,982
<b>Total</b>	<b>34,42,83,096</b>	<b>10,32,17,828</b>



**RIVAAZ TRADE VENTURES PRIVATE LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS ON & FOR THE YEAR ENDED ON 31ST MARCH 2020

**Note : 20.1 Audit Fees**

Particulars	F.Y. 2019-20	F.Y. 2018-19
Tax Audit	15,000	30,000
Statutory Audit	15,000	1,20,000
<b>Total</b>	<b>30,000</b>	<b>1,50,000</b>

**Note : 21 Earning Per Share**

Particulars	F.Y. 2019-20	F.Y. 2018-19
Net Profit after tax as per statement of profit and loss attributable to Equity Shareholders	(3,00,84,69,395)	7,77,15,931
Weighted Average number of equity shares outstanding	4,04,033	11,808
Basic and Earning Per Share*	(7,446)	6,581.63
Diluted Earning Per Share		
Face Value per equity shares	10	10

\*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.

**Note No: 22 Deferred Tax Assets/ liability**

Particulars	F.Y. 2019-20	F.Y. 2018-19
Balance of Deferred tax Liabilities	4,44,55,092	4,44,55,092

**Note : 23 Security Clause/maturity profiles in respect to secured Borrowings**

**(A) Non Convertible Debenture**

Rs. 53.671 Crore (2019 : Rs.177.71 Crore) are Secured by First pari-Passu Charge on Fixed Assets (excluding specific fixed assets charged in favour of exclusive charge lenders), carries coupon rate of 11.90% per annum.

Rs. 19.284 Crore (2019: Rs.147.03 Crore) are Secured by by way of Hypothecation on Movable Fixed Assets Personal Guarantee of Directors of respective company, carries coupon rate of 11.90% per annum.

Rs. 340 Crore (2019 : Rs. 380 Crore) are secured by an exclusive mortgage created by the company over certain identified movable and

immovable property which shall be more particularly specified in the debenture trust deed, carries coupon rate of 11.50% per annum.

Rs. 237.50 Crore (2019 : Rs. 250 Crore) are secured by an exclusive mortgage created by the company over certain identified movable and immovable property which shall be more particularly specified in the debenture trust deed, carries coupon rate of 11.50% per annum.

**(B) Term Loan**

Nil (2019: 75 Crore) is secured by first charge on Movable Fixed Assets of the company, Mortgage of property of Future Market Networks Limited situated at Mulund, Mumbai and carry interest rate 10% per annum and repayable in 22 equal quarterly installments from September 2019. The loan is repaid in full in FY 2019-20.

**Note : 24 Related Party Disclosure**

The related party relationships have been determined by the Company on the basis of the requirements of the Accounting Standard (AS)-18 'Related Party Disclosures' and the same have been relied upon by the auditors. As inform to us there is no transaction with related parties other than following. Figures in bracket represents previous year figures.

Name and Relationship	Amount (In Rs.)
Mr Ravie Lalpurria (Director remuneration)	60,000
Repayment of loan to Syntex Trading & Agency Pvt Ltd (Holding Company)	41,05,40,700
Loan received from Syntex Trading & Agency Pvt Ltd (Holding Company)	81,07,50,231



IVA AZ TRADE VENTURES PRIVATE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENT

Note 9: Fixed Assets

Description	Gross Block			Depreciation					Loss on Impairment of Assets	Net Block	
	As at April 1, 2019	Additions	Deletion	As at March 31, 2020	Upto March 31, 2019	For the Year	Deduction during the year	Upto March 31, 2020		As at March 31, 2020	As at March 31, 2019
Household Improvement	9,21,23,67,779	-	-	9,21,23,67,779	3,17,91,61,351	72,03,86,658	-	3,89,95,48,009	11,40,71,773	5,19,87,47,997	6,03,32,06,428
Plant & Equipments	1,25,71,49,779	2,00,000	1,85,77,566	1,23,87,72,213	37,11,90,126	11,88,20,347	55,73,270	48,44,37,203	1,47,52,840	73,95,82,171	88,59,59,654
Office Equipments	62,53,45,218	50,000	-	62,53,95,218	28,79,12,904	6,56,27,945	-	35,35,40,850	53,83,777	26,64,70,591	33,74,32,313
IT Equipments	4,73,09,09,215	-	-	4,73,09,09,215	2,08,93,51,531	44,73,68,308	-	2,53,67,19,840	4,86,31,492	2,14,55,57,883	2,64,15,57,683
Furniture Fittings	3,41,10,46,364	12,25,195	-	3,41,22,71,559	1,06,81,84,855	28,00,96,814	-	1,34,82,81,669	4,48,55,707	2,01,91,34,184	2,34,28,61,509
Free Hold Land	12,90,180	-	-	12,90,180	-	-	-	-	-	12,90,180	12,90,180
Prepaid Exp	21,78,790	-	21,78,790	-	-	-	-	-	-	-	21,78,790
Grand Total	91,26,00,000	-	-	91,26,00,000	-	-	-	-	-	91,26,00,000	91,26,00,000
Total	20,15,28,87,325	14,75,195	2,07,56,356	20,13,36,06,164	6,99,58,00,767	1,63,23,00,073	55,73,270	8,62,25,27,570	22,76,96,689	11,28,34,35,503	13,15,70,86,558
Previous Year's Figure	18,03,08,68,723	2,12,20,18,602	-	20,15,28,87,325	5,38,83,11,014	1,60,74,89,753	-	6,99,58,00,767	-	13,15,70,86,558	-







**R. S. AJWANI & CO.**  
CHARTERED ACCOUNTANTS

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✉ : rajwani1115@rediffmail.com

**Independent Auditors' Report**

To the Members of  
**Syntex Trading & Agency Private Limited**

**Report on the audit of Financial Statements**

We have audited the accompanying financial statements of **Syntex Trading & Agency Private Limited (BESPL)** ("the Company") which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement for the year then ended, Statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statement").

**Management's Responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Companies Act.

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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

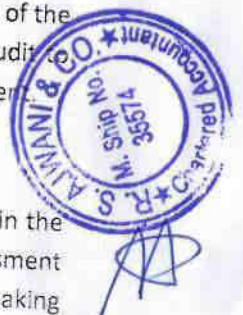
**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making



those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial statements.

### **Opinion**

In our opinion and to the best of information and according to the explanation given to us, financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of company as at March 31, 2020, its profit and its cash flow and changes in equity for the year ended on that date.

### **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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of written representations received from the Directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of Internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "Annexure B" and



g. 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, in our opinion and to the best of our information and according to the explanation given to us:

- i. The Company does not have any pending litigations which would impact its financial position in its 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.
- iv. The company has provided requisite disclosures in its financial statements as to holdings and these are in accordance with the books of accounts maintained by the company.

**For R.S. AJWANI & CO.**  
Chartered Accountants  
Firm Reg. No.: 131853W



**R.S. AJWANI**  
Proprietor  
Membership No. : 035574  
Date: 07/08/2020  
Place: Mumbai  
UDIN: 20035574AAAADT9902



## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the **Syntex Trading & Agency Private Limited** on financial statements for the year ended March 31, 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
  
(c) According to the information provided to us, the company does not own any immovable property.
- (ii) The company is dealing with IT Support services, hence company did not have inventory. Thus company paragraph 3(ii) of the order is not applicable.
- (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, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public. Thus para 3(v) of the Order is not applicable to the company.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues material statutory dues (to the extent applicable), have been regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, Sales tax which have not been deposited on account of dispute.



- (viii) Based on our audit procedures and on the basis of information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government and debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, no excess managerial remuneration has been paid/ provided during the year.
- (xii) In our opinion and according to the information and explanations 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 give 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 of such transactions have been disclosed in financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any private placement of optionally convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with 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 R.S. AJWANI & CO.**  
Chartered Accountants  
Firm Reg. No.: 131853W



**R.S. AJWANI**  
Proprietor  
Membership No. : 035574  
Date: 07/08/2020  
Place: Mumbai  
UDIN: 20035574AAAADT9902



## **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 **Syntex Trading & Agency Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 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 Ind AS 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 Ind AS 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 assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, 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, 2020, 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 R.S. AJWANI & CO.  
Chartered Accountants  
Firm Reg. No.: 131853W

  
R.S. AJWANI

Proprietor  
Membership No. : 035574  
Date: 07/08/2020  
Place: Mumbai  
UDIN: 20035574AAAADT9902



**SYNTEX TRADING & AGENCY PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2020**  
CIN : U51909MH2016PTC287425

Particulars	Note No.	As at 31st March 2020		As at 31st March 2019	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>I. EQUITY AND LIABILITIES</b>					
<b>1 Shareholder's Funds</b>					
(a) Share Capital	2	657,553,700		657,553,700	
(b) Reserves and Surplus	3	(11,518,766)	646,034,934	1,733,526,717	2,391,080,417
<b>2 Share Application Money Pending Allotment</b>					
<b>3 Non-Current Liabilities</b>					
(a) Long Term Borrowings	4	9,789,906,096		2,278,012,033	
(b) Deferred Tax Liabilities		87,215,607		87,215,607	
(c) Other Long Term Liabilities	5	3,502,062,324	13,379,184,027	2,909,345,264	5,274,572,904
<b>4 Current Liabilities</b>					
(a) Trade Payable	6	354,763,823		189,909,612	
(b) Other Current Liabilities	7	904,355,361		736,002,399	
<b>TOTAL</b>			<b>1,259,119,184</b>		<b>925,912,011</b>
			<b>15,284,338,144</b>		<b>8,591,565,333</b>
<b>II ASSETS</b>					
<b>1 Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	8	2,723,898,729		4,264,962,757	
(ii) Intangible assets		222,700,000		222,700,000	
(b) Long-term Loans and Advances	9	113,819,811		142,743,591	
<b>2 Current Assets</b>			<b>3,060,418,540</b>		<b>4,630,406,348</b>
(a) Investment	10	3,670,290,624		3,768,723,947	
(b) Trade Receivables	11	45,168,403		32,966,073	
(c) Cash and Cash Equivalents	12	6,993,475		75,704,828	
(d) Short-Term Loans and Advances	13	8,501,467,102		83,764,136	
<b>TOTAL</b>			<b>12,223,919,603</b>		<b>3,961,158,984</b>
			<b>15,284,338,144</b>		<b>8,591,565,333</b>

The accompanying notes are an integral part of these financial statements

As per our Report of even date attached

For R.S. AJWANI & CO.  
Chartered Accountants  
Firm Reg. No.: 131853W

R.S. AJWANI  
Proprietor  
Membership No.: 035574  
Date: 07/08/2020  
Place: Mumbai



For and on behalf of the Board of Directors  
SYNTEX TRADING & AGENCY PRIVATE LIMITED

Director  
Ajay Gurav  
DIN 05172058

Director  
Vinod Yadav  
DIN 08582156

UDIN: 20035574AAAADT9902



**SYNTEX TRADING & AGENCY PRIVATE LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH 2020**

**CIN : U51909MH2016PTC287425**

	Particulars	Note No.	Period Ended 31st March 2020		Period Ended 31st March 2019	
			Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>I</b>	<b>A. Continuing Operations</b>					
	<b>Revenue From Operations</b>					
<b>II</b>	Revenue From Operations		51,011,739		1,961,238,879	
<b>III</b>	Other Income		221,339,310		24,837,538	
	<b>Total Revenue</b>	<b>14</b>		<b>272,351,049</b>		<b>1,986,076,417</b>
<b>IV</b>	<b>Expenses:</b>					
	Cost of Goods Sold / Services	<b>15</b>	50,498,530		639,908,794	
	Employee Benefits Expense	<b>16</b>	580,903		2,451,157	
	Finance Cost	<b>17</b>	352,365,113		394,865,882	
	Depreciation and Amortisation Expense	<b>8</b>	772,046,753		765,734,915	
	Other Expenses	<b>18</b>	841,905,233		169,495,364	
	<b>Total Expense</b>			<b>2,017,396,532</b>		<b>1,972,456,112</b>
<b>V</b>	<b>Profit (Loss) Before Tax</b>			<b>(1,745,045,483)</b>		<b>13,620,305</b>
<b>VI</b>	<b>Tax Expense:</b>					
	(1) Current Tax				-	2,849,127
	Less: Mat credit entitlement				-	(2,849,127)
	(2) Deferred Tax Asset				-	29,483,424
	(3) Prior Period Income				-	209,079
<b>VII</b>	<b>Profit/(Loss) for the year</b>			<b>(1,745,045,483)</b>		<b>43,312,808</b>
<b>VIII</b>	<b>Earnings per equity share of Rs. 10 each</b>					
	Basic and Diluted	<b>17</b>		<b>(174,505)</b>		<b>4,331</b>
	The notes form an integral part of these financial statements					

As per our Report of even date attached

For and on behalf of

For **R.S. AJWANI & CO.**

Chartered Accountants

Firm Reg. No.: 131853W



**R.S. AJWANI**

Proprietor

Membership No. : 035574

Date: 07/08/2020

Place: Mumbai



For and on behalf of the Board of Directors

**SYNTEX TRADING & AGENCY PRIVATE LIMITED**



Director

Ajay Gurav

DIN 05172058



Director

Vinod Yadav

DIN 08582156

**SYNTEX TRADING & AGENCY PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

	YEAR ENDED MARCH 31, 2020	YEAR ENDED MARCH 31, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax	(1,745,045,483)	13,620,305
Adjusted for:		
Depreciation and Amortization Expense	772,046,753	765,734,915
Interest Expenses	340,245,913	392,623,882
Add :- Prior Period Income	-	209,079
<b>Operating Profit Before Working Capital Change</b>	<b>(632,752,817)</b>	<b>1,172,188,180</b>
Adjusted for:		
Trade and Other Receivable	(12,202,330)	228,022,194
Loans and Advances	(8,388,779,185)	496,777,032
Trade Payable, Other Liabilities & Provisions	156,716,951	(246,744,539)
<b>Cash Generated from Operations</b>	<b>(8,877,017,381)</b>	<b>1,650,242,867</b>
Taxes Paid (Net)/Deffered tax	-	29,483,424
<b>Net Cash from Operating Activities</b>	<b>(8,877,017,381)</b>	<b>1,679,726,291</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	769,017,275	(350,296,428)
Purchase of Investment	98,433,323	(2,132,580,229)
<b>Net Cash Used In Investing Activities</b>	<b>867,450,598</b>	<b>(2,482,876,657)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Capital Suspense Account (Pursuant to Scheme of Amalgamation)	-	
Net Proceeds of Long Term Borrowings	7,688,384,284	(718,409,323)
Other Long Term Liabilities	592,717,060	1,909,345,264
Interest Paid	(340,245,913)	(392,623,882)
<b>Net Cash from Financing Activities</b>	<b>7,940,855,431</b>	<b>798,312,060</b>
Net (Decrease)/ Increase In Cash and Cash Equivalents	(68,711,352)	(4,838,306)
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>75,704,828</b>	<b>80,543,134</b>
<b>Add: Adjustment pursuant to the scheme of Amalgamation</b>	<b>-</b>	
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>6,993,474</b>	<b>75,704,828</b>

As per our Report of even date attached  
For R.S. AJWANI & CO.  
Chartered Accountants  
Firm Reg. No.: 131853W

  
**R.S. AJWANI**  
Proprietor  
Membership No. : 035574  
Date: 07/08/2020  
Place: Mumbai



For and on behalf of Board of Directors  
SYNTEX TRADING & AGENCY PRIVATE LIMITED

  
Director  
Ajay Gurav  
DIN 05172058

  
Director  
Vinod Yadav  
DIN 08582156

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### NOTE A:- SIGNIFICANT ACCOUNTING POLICIES

#### A-1 General

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of the Companies Act, 2013 read together with the paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except as specifically stated otherwise.

#### A-2 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between taxable incomes and accounting income is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

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

#### A-3 Use of Estimate

Preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in differences between the actual results and estimates which are recognized in future period.

#### A-4 Provisions and Contingent Liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### A-5 Earning 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.

#### A-6 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

#### A-8 Revenue Recognition

Sales are recorded net of sales return, trade discounts, Sales Tax and VAT. Revenue from sale of goods is recognized when significant risk and rewards of ownership are transferred to the customers. Revenue from interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the Company's right to receive dividend is established.

#### A-9 Inventory

Stock is valued at cost or net realizable value whichever is lower. Cost includes purchase cost and direct expenses and indirect expenses incurred in bringing the inventories to their present location and condition. Purchase costs of trading goods are valued on FIFO basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

#### A-10 Borrowing Costs

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

#### A-11 Leases

Lease where the lessor effectively retains substantially all the risk and rewards of ownership of the leased term are classified as operating leases.

#### A-12 Tangible Fixed Assets

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.



**Note 2 - Share Capital**

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>Share Capital</b>		
<b>Authorised Capital (Refer below note)</b>		
1,17,90,000 (1,17,90,000) Equity Shares of Rs.10/- each fully paid up.	117,900,000.00	117,900,000
65,75,000 (65,75,000) Preference Shares of Rs.100/- each	657,500,000	657,500,000
<b>Total</b>	<b>775,400,000</b>	<b>775,400,000</b>
<b>Issued, Subscribed and Paid up</b>		
10,000 (P.Y.10,000) Equity Shares of Rs 10/- each, fully paid	100,000	100,000
65,74,537 (65,74,537) Preference Shares of Rs 100/- each, fully paid	657,453,700	657,453,700
Share Capital Suspense Account (Pursuant to Scheme of Amalgamation) (Refer below note)		
<b>Total</b>	<b>657,553,700</b>	<b>657,553,700</b>

Note: "Pursuant to the Scheme of Amalgamation of Anjana Retail Infra Private Limited and RJ Texcot Private Limited and White Circle Mercantile Private Limited (Transferor Companies) with the Company ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013, Transferor Companies have been amalgamated with the Company with effect from the Appointed Date (as defined in the Scheme) i.e. 1st April, 2017. The said Scheme has been sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated August 02, 2018 and shall be made effective upon filing of the orders of the NCLT with the Registrar of Companies. Pursuant to the Scheme of Amalgamation, the authorised share capital of the Company shall stand increased by INR 77,52,00,000 and revised authorized share capital of the Company shall be INR 77,53,00,000. The same shall be updated in the records of the Registrar of Companies upon approval of the requisite forms to be filed with the Registrar of Companies.

Pursuant to the Scheme, all the assets and liabilities of the Transferor Companies as on the Appointed Date have been transferred to and vested in the Company. As a consideration for the merger of the Transferor Companies, during the year the transferee company have issue 65,74,537 redeemable preference shares of INR 100/- each, fully paid up to the shareholders of Anjana Retail Infra Private Limited and RJ Texcot Private Limited and White Circle Mercantile Private Limited as per the Scheme."

**a. Reconciliation of the number of shares outstanding is set out below**

Particulars	As at 31.03.2020		As at 31.03.2019	
	Equity Shares		Equity Shares	
	Number	Amount(Rs)	Number	Amount(Rs)
Equity Shares at the beginning of the year	10,000	100,000	10,000	100,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Equity Shares at the end of the year</b>	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

**b. Terms/rights attached to the equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share (member). The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting, except in case of Interim Dividend. In the event of Liquidation, the equity shareholders will be entitled to receive the remaining assets of the company, after distribution of all preferential amount. The distributions will be in proportion to the number of equity shares held by shareholder.

**c. Details of the shareholders holding more than 5% shares in the company**

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Neeraj Kabra	5,000	50	5,000	50
Mr Rishi Raj Bharati	5,000	50	5,000	50



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Note No</b>	<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>3</b>	<b>Reserve and Surplus</b>		
	<b>Capital Reserve</b>		
	Opening Balance	1,798,029,590	1,798,029,590
	Add:- Addition During the Year	-	-
	Closing Balance	<b>1,798,029,590</b>	<b>1,798,029,590</b>
	<b>Profit and Loss Account</b>		
Opening Balance	(64,502,872)	(107,815,680)	
Add: Profit for the year	(1,745,045,483)	43,312,808	
	<b>(11,518,766)</b>	<b>1,733,526,717</b>	
<b>4</b>	<b>Long Term Borrowings Secured (Refer Note No.16)</b>		
	Term Loan from Banks	2,814,433,518	2,278,012,032.99
	<b>Unsecured</b>		
	From Other Parties	6,975,472,578	-
	<b>9,789,906,096</b>	<b>2,278,012,032.99</b>	
<b>5</b>	<b>Other Long Term Liabilities</b>		
	Security Deposits	1,000,000,000	1,000,000,000.00
	Other Long Term Liabilities	2,502,062,324	1,909,345,264.10
		<b>3,502,062,324</b>	<b>2,909,345,264</b>
<b>6</b>	<b>Trade Payables</b>		
	Trade Payables	354,763,823	189,909,612
	<b>354,763,823</b>	<b>189,909,612</b>	
<b>7</b>	<b>Other Current Liabilities</b>		
	Current Maturity of Long Term Borrowings	902,322,921	725,832,700
	Provision For Tax	-	7,562,259
	Other Payables	2,032,440	2,607,440
	<b>904,355,361</b>	<b>736,002,399</b>	



Notes forming part of Financial Statement for the year ended March 31, 2020

S.NO.	PARTICULARS	GROSS BLOCK ADDITIONS DURING THE YEAR		DEPRECIATION BLOCK FOR THE PERIOD		Loss on Impairment of Fixed assets	NET BLOCK	
		COST AS ON 01.04.2019	UPTO 01.04.2019	UPTO 31.03.2020	UPTO 31.03.2020		NET CARRYING AMOUNT AS ON 31.03.2020	NET CARRYING AMOUNT AS ON 01.04.2019
			TOTAL AS ON 31.03.2020					
1	(i) Tangible Assets	334,110	334,110	-	-		334,110	334,110
2	Building & Improvements			1,302,388,098	326,425,951	1,628,814,049	1,903,469,788	2,767,469,403
3	Leasehold Improvements & Furniture	4,069,857,501	4,069,857,501	169,238,584	45,006,384	214,244,968	382,131,106	534,980,876
4	Fittings	704,219,460	704,219,460	138,644,254	37,461,240	176,105,494	47,177,564	97,953,053
5	Plant & Equipments	236,597,307	236,597,307	1,047,107,202	363,153,178	1,410,260,381	390,786,160	864,225,316
	Office Equipments	1,911,332,518	1,911,332,518	-	-	769,017,275	2,723,898,729	4,264,962,757
	IT Equipments							
	<b>TOTAL</b>	<b>6,922,340,896</b>	<b>6,922,340,896</b>	<b>2,657,378,138</b>	<b>772,046,753</b>	<b>3,429,424,892</b>	<b>222,700,000</b>	<b>222,700,000</b>
	(ii) Intangible assets							
	Brands	222,700,000	222,700,000	-	-	-	222,700,000	222,700,000
	<b>TOTAL</b>	<b>222,700,000</b>	<b>222,700,000</b>	<b>6,922,340,896</b>	<b>924,668,744</b>	<b>2,657,378,138</b>	<b>4,264,962,758</b>	<b>222,700,000</b>
1	Previous Year							



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No	Particulars	As at March 31, 2020	As at March 31, 2019
<b>9</b>	<b>Long-Term Loans and Advances</b>		
	Balance with Government Authorities	113,819,811	142,743,591
		<b>113,819,811</b>	<b>142,743,591</b>
<b>10</b>	<b>Current investment</b>		
	<b>Trade Investment</b>		
	<b>Quoted Equity Instruments</b>		
	NIL (81,553) Equity shares of M/s Future Market Network Limited of Rs. 10 each fully paid up	-	4,717,841
	NIL (1,99,905) Equity shares of M/s Kamadgiri Fashion Limited of Rs. 10 each fully paid up	-	13,715,482
		-	<b>18,433,323</b>
	<b>Trade Investment**</b>		
	<b>UnQuoted Instruments</b>		
	640 (640) 0.01% Compulsary Convertible Debenture Ojas TradeLease And Mall Management Pvt Ltd (Heenal Operating Lease Co Pvt. Ltd.) of Rs. 1,00,000 each fully paid up	64,000,000	64,000,000
	321544(1544) Equity Shares of Equity Rivaaz Trade Ventures Pvt Ltd of Rs. 10 each fully paid up	749,910,000	329,910,000
	Nil (5,00,000) 1% OCD of Rivaaz Trade Ventures Pvt Ltd (Earlier known as U Phase Infra Project Pvt Ltd)		500,000,000
	92,24,172 (92,24,172) Equity Shares of Brattel Foods Pvt Ltd	549,127,774	549,127,774
	13,700 (13,700) CCPS of Brattel Foods Pvt Ltd of Rs. 20/- each	827,850	827,850
	39,89,000 (39,89,000) Equity Shares of Nufuture Digital (I) ltd	2,306,425,000	2,306,425,000
		<b>3,670,290,624</b>	<b>3,768,723,947.10</b>
	<b>** Trade investments are held for sale</b>		
<b>11</b>	<b>Trade Receivables (Unsecured, Considered Good)</b>		
	Outstanding for a period more than Six Months from the date they are due for payment	45,168,403	-
	Other Receivables		32,966,073
		<b>45,168,403</b>	<b>32,966,073</b>
<b>12</b>	<b>Cash and Cash Equivalents</b>		
	Balance with Banks in Current Account	6,645,221	75,455,321
	Fixed Deposit With bank	148,972	140,908
	Cash on Hand	199,282	108,600
		<b>6,993,475</b>	<b>75,704,828</b>
<b>13</b>	<b>Short Term Loans &amp; Advances</b>		
	Short Term Loans & Advances to other Parties	<b>8,501,467,102</b>	83,764,136
		<b>8,501,467,102</b>	<b>83,764,136</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

<b>Note No</b>	<b>Particulars</b>	<b>Year Ended March 31, 2020</b>	<b>Year Ended March 31, 2019</b>
<b>14</b>	<b>Other Income</b>		
	Dividend received	399,810	399,987
	Prior Period Bal W/back	216,322,130	-
	Sundry Balances W/Off	844,348	-
	Interest Income	3,773,022	24,275,521
	Misc. Income	-	162,030
		<b>221,339,310</b>	<b>24,837,538</b>
<b>15</b>	<b>Cost of Goods Sold / Services</b>		
	Purchase Fabrics (New)	8,755,796	276,533,794
	Purchase Others	41,742,734	-
	Purchase Shares	-	363,375,000
		<b>50,498,530</b>	<b>639,908,794</b>
<b>16</b>	<b>Employee Benefits Expense</b>		
	Salaries	580,903	2,451,157
		<b>580,903</b>	<b>2,451,157</b>
<b>17</b>	<b>Finance Costs</b>		
	Interest Expense	352,365,113	394,865,882
		<b>352,365,113</b>	<b>394,865,882</b>
<b>18</b>	<b>Other Expenses</b>		
	Audit Fees	30,000	29,500
	Legal and Professional Fees	52,386,977	27,007,400
	ROC Expenses	36,790	66,610
	Loss on sale of Investments	769,017,275	112,197,247
	Miscellaneous Expenses	20,434,191	30,194,607
		<b>841,905,233</b>	<b>169,495,364</b>





**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

**19 Earnings Per Share**

Particulars	Unit	Year Ended March	Year Ended March
		31, 2020	31, 2019
Profit/(Loss) After Tax		<b>(1,745,045,483)</b>	<b>43,312,808</b>
Weighted Average number of equity shares outstanding	No.	10,000	10,000
Basic and Diluted Earnings Per Share*		<b>(174,505)</b>	<b>4,331</b>
Face Value per equity share		<b>10.00</b>	<b>10.00</b>

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

**20 Security Clause/maturity profiles in respect to secured Long Term Borrowings**

**A** The term loan is secured by first charge by way of Hypothecation on Movable Fixed Assets of the company and Personal Guarantee of Directors of Lease Company and Corporate Guarantee of a Body Corporate.

**B** Term Loans from Banks are Repayable as follows: Rs. 7258.33 Lakhs in FY 2019-20, Rs. 7749.25 Lakhs in FY 2020-21, Rs. 7091.85 Lakhs in FY 2021-22, Rs. 4679.63 Lakhs in FY 2022-23

**21 Related Party Disclosure**

The related party relationships have been determined by the Company on the basis of the requirements of the Accounting Standard (AS)-18 and the same have been relied upon by the auditors and as inform to us there is no transaction with related parties during the year.

**22 Payment to Auditors**

Particulars	2019-20	2018-19
Statutory Audit Fees	20000	29000
Tax Audit fees	10000	
<b>Total</b>	<b>30000</b>	<b>29000</b>

**23 Deferred Tax Assets/ liability**

Particulars	2019-20	2018-19
<b>Deferred Tax Liabilities (Net)</b>		
Deferred Tax Liabilities		
On Fixed Assets	(1,856.59)	1,166.99
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation	-	
	<b>(1,856.59)</b>	<b>1,166.99</b>



*Handwritten signature/initials*

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

**24** There are no Micro, Small and Medium Enterprises, to whom the company owes dues which are outstanding for more than 45 days during the year. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company

**25** "Pursuant to the Scheme of Amalgamation of Anjana Retail Infra Private Limited and RJ Texcot Private Limited and White Circle Mercantile Private Limited (Transferor Companies) with the Company ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013, Transferor Companies have been amalgamated with the Company with effect from the Appointed Date (as defined in the Scheme) i.e. 1st April, 2017. The said Scheme has been sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated August 02, 2018 and shall be made effective upon filing of the orders of the NCLT with the Registrar of Companies. Pursuant to the Scheme of Amalgamation, the authorised share capital of the Company shall stand increased by INR 77,52,00,000 and revised authorized share capital of the Company shall be INR 77,53,00,000. The same shall be updated in the records of the Registrar of Companies upon approval of the requisite forms to be filed with the Registrar of Companies.

Pursuant to the Scheme, all the assets and liabilities of the Transferor Companies as on the Appointed Date have been transferred to and vested in the Company. As a consideration for the merger of the Transferor Companies, during the year the transferee company have issue 65,74,537 redeemable preference shares of INR 100/- each, fully paid up to the shareholders of Anjana Retail Infra Private Limited and RJ Texcot Private Limited and White Circle Mercantile Private Limited as per the Scheme."

**26** These Financial Statement have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 2013. Previous Year figures have been recast / restated as required.


**As per our Report of even date attached  
For R.S. AJWANI & CO.  
Chartered Accountants  
Firm Reg. No.: 131853W**


  
**R.S. AJWANI  
Proprietor**

**Membership No. : 035574  
Date: 07/08/2020  
Place: Mumbai**



**SYNTEX TRADING & AGENCY PRIVATE LIMITED**

  
**Director  
Ajay Gurav  
DIN 05172058**

  
**Director  
Vinod Yadav  
DIN 08582156**



# Ashok Bairagra & Associates

Chartered Accountants

**Ashok Bairagra**, B.Com., L.L.B., F.C.A. \* Cell : 93222 79327 **Ashish V. Jalan**, B.Com., F.C.A. \* Cell : 98214 67450

**Manish S. Bardia**, B.Com., A.C.A. \* Cell : 97739 60392

404, SHUBHAM CENTRE - 2, B - WING, 4TH FLOOR, CARDINAL GRACIOUS ROAD, ANDHERI (E), MUMBAI - 400 099

TEL.: + 91 22 2825 9939 / 2825 9940 \* FAX : 2825 9942 \* E-mail : ashokbairagra@gmail.com

## Independent Auditor's Report

To the Members of M/s. **TAQUITO LEASE OPERATORS PRIVATE LIMITED**

Report on the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of M/s. **TAQUITO LEASE OPERATORS PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, (changes in equity) and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters except;

### 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 Companies Act, 2013 ("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, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and



detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

#### Other Matter

Nil

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act") is Not applicable to Company.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

NIL

- 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, in our opinion and to the best of our information and according to the explanations given to us:

The Company does not have any pending litigations which would impact its financial position.

- i) The Company did not have any Long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- ii) There is no amount required to be transferred, to the Investor Education and Protection Fund by the company

**For ASHOK BAIRAGRA AND ASSOCIATES.**

**Chartered Accountants**

Firm Reg. No.: 118677W

UDIN: 20147220AAAABI4056



**Manish Bardia**

Partner (M.No. 147220)



Date: 04/09/2020

Place: Mumbai

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our Independent Auditor's Report to the member of TAQUITO LEASE OPERATORS PRIVATE LIMITED for the year ended march 31<sup>st</sup>, March 2020.

- 1)
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - c. The title deeds of immovable properties are held in the name of the company.
- 2)
  - a. Since the company does not have any inventory the said clause is not applicable.
- 3)
  - a. The terms and conditions of the grant of such loan are not prejudicial to the company's interest.
  - b. The schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular.
  - c. No amount is overdue for more than 90 days.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013; In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



- 7)
- a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
  - b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has availed loans from body corporates. However, the Company has not defaulted in the repayment of dues to body corporates.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has raised moneys by way of Non- Convertible Debentures - Punjab National bank. The NCDs is secured by first charge by way of Hypothecation on Movable Fixed Assets of the company and Personal Guarantee of Directors of Lessee Company. Term Loans from Banks are Repayable as follows: Rs 191.25 Crores in FY 2023-24, Rs 63.75 Lakhs in FY 2024-25.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment or private placement of shares during the year under review. The amount has been utilized for the purpose for which the funds were raised.




- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For ASHOK BAIRAGRA & ASSOCIATES**

Chartered Accountants

Firm Reg. No. 118677W

UDIN: 20147220AAAABI4056



**Manish Bardia**

Partner (M.No. 147220)



Date: 04/09/2020

Place: Mumbai



## **ANNEXURE B TO THE AUDITOR'S 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 M/s TAQUITO LEASE OPERATORS PRIVATE LIMITED (the Company) as of 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conduct our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and 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 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 were 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 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 assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of 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 31<sup>st</sup> March 2020, based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India.

**For ASHOK BAIRAGRA & ASSOCIATES**

Chartered Accountants

Firm Reg. No. 118677W

UDIN: 20147220AAAABI4056



**Manish Bardia**  
Partner (M.No. 147220)



Date: 04/09/2020

Place: Mumbai

**TAQUITO LEASE OPERATORS PRIVATE LIMITED**  
**[CIN - U70103MH2012PTC231662]**  
**Balance Sheet as at 31st March 2020**

Amount In INR Lakhs

	Notes	Amount In INR Lakhs	
		As at 31-Mar-20	As at 31-Mar-19
<b>ASSETS</b>			
<u>Non- Current Assets</u>			
i. Property Plant & Equipment	3	35,211.08	37,941.37
ii. Intangible Assets	4	5,244.00	5,244.00
iii. Capital Work in Progress		-	-
iv. Financial Assets	5		
-Loans	5(a)	5,793.26	1,031.76
v. Deferred Tax Assets	15	-	444.27
vi. Other Non Current Assets	6	283.42	304.07
		46,531.76	44,965.48
<u>Current Assets</u>			
i. Financial Assets	5		
-Investment	5(b)	3.48	4,500.00
-Trade Receivable	5(c)	18.02	2,770.19
-Cash and Cash Equivalents	5(d)	1.96	308.53
ii. Other Current Assets	6	8.05	5.17
		31.52	7,583.89
<b>Total Assets</b>		<b>46,563.27</b>	<b>52,549.37</b>
<b>EQUITY AND LIABILITIES</b>			
<u>Equity</u>			
i. Equity Share Capital	7		
7(a)		11,000.00	11,000.00
ii. Other equity	7(b)	-11,735.47	-1,058.28
		-735.47	9,941.72
<u>Non-current liabilities</u>			
i. Financial Liabilities	8		
-Borrowings	8(a)	25,244.95	25,244.95
-Other Financial Liability	8(b)	91.85	43.69
ii. Deferred tax Liability		-	-
		25,336.80	25,288.64
<u>Current Liabilities</u>			
i. Financial Liabilities			
-Borrowings	8(a)	10,768.44	-
-Trade Payable	8(c)	11,192.43	17,292.32
ii. Other Current Liabilities	9	1.10	26.72
		21,961.98	17,319.03
<b>Total equities and liabilities</b>		<b>46,563.27</b>	<b>52,549.37</b>

**Significant Accounting Policies**

see accompanying Notes to the Financial Statements

As per our report of even date  
For Ashok Bairagra & Associates  
Chartered Accountants  
FRN No. 118677W

For and on behalf of Board of Directors

Manish Bardia

Partner

UDIN:

Mem.No 147220

Place: Mumbai

Date



Nidhi Bajaj

Director

DIN: 05279182

Place: Mumbai

Nand Kishore Attal

Director

DIN: 00074434

Place: Mumbai

04 SEP 2020

**TAQUITO LEASE OPERATORS PRIVATE LIMITED**  
**[CIN - U70103MH2012PTC231662]**  
**Statement of Profit and Loss for the year ended March 31, 2020**

Amount In INR Lakhs

	Notes	Year Ended	
		31-Mar-20	31-Mar-19
<b>Income</b>			
Revenue From Operations	10	-	3,721.44
Other Income	11	1.31	45.32
		<b>1.31</b>	<b>3,766.76</b>
<b>Expenses</b>			
Purchase of Stock-in-Trade		-	119.43
Employee Benefits Expenses	12	10.26	8.63
Finance Cost	13	2,483.33	2,529.42
Depreciation and amortization	3	2,730.30	2,730.30
Other Expenses	14	513.83	33.99
Total Expenses		<b>5,737.71</b>	<b>5,421.75</b>
Profit before exceptional items and tax		<b>(5,736.41)</b>	<b>(1,654.99)</b>
Exceptional items		-	-
Profit Before Tax		<b>(5,736.41)</b>	<b>(1,654.99)</b>
Tax Expense		-	-
- Current Tax		-	-
- Deferred Tax	15	444.27	(511.39)
Total Tax Expense		<b>444.27</b>	<b>(511.39)</b>
Profit / (Loss) for the year		<b>(6,180.68)</b>	<b>(1,143.60)</b>
Other Comprehensive Income		-	-
Items that will not be reclassified to profit or loss		-	-
Equity instruments through other comprehensive income		(4,496.52)	-
Income Tax relating to items that will not be reclassified to profit & loss Account		-	-
Equity instruments through other comprehensive income		-	-
Other comprehensive income for the year, net of tax		<b>(4,496.52)</b>	<b>-</b>
Total Comprehensive Income for the year		<b>(10,677.20)</b>	<b>(1,143.60)</b>
Earning Per Equity Share of face value of Rs 10 each			
Basic (In INR)	20	(5.62)	(1.04)
Diluted (In INR)	20	(5.62)	(1.04)

Significant Accounting Policies  
see accompanying Notes to the Financial Statements

As per our report of even date  
For Ashok Bairagra & Associates  
Chartered Accountants  
FRN No. 118677W

For and on behalf of Board of Directors

Manish Bardia  
Partner  
UDIN:  
Mem.No 147220  
Place: Mumbai  
Date: 17 SEP 2020



*Nidhi*  
*Nandkishore Attal*

Nidhi Bajaj  
Director

Nand Kishore Attal  
Director

DIN: 05279182  
Place: Mumbai

DIN: 00074434  
Place: Mumbai

**TAQUITO LEASE OPERATORS PRIVATE LIMITED**  
**[CIN - U70103MH2012PTC231662]**  
**Statement of Changes in Equity for the year ended March 31, 2020**

(A) Equity share capital	Amount
Balance as at 1 April 2018	1,10,00,00,000.00
Changes in Equity share capital during 2018-19	-
Equity Share capital as at 31 March 2019	1,10,00,00,000.00
Changes in Equity share capital during 2019-20	-
Equity Share capital as at 31 March 2020	1,10,00,00,000.00

(B) Other equity	Retained earnings	Total
Balance as at April 01, 2018	85.32	85.32
Profit/ (Loss) for the period	(1,143.60)	(1,143.60)
Other Comprehensive Income	-	-
Balance as at March 31, 2019	(1,058.28)	(1,058.28)
Additions/ Deductions during the year	-	-
Profit/ (Loss) for the period	(10,677.20)	(10,677.20)
Other Comprehensive Income	-	-
Balance as at March 31, 2020	(11,735.47)	(11,735.47)

The accompanying Notes are an integral part of the Standalone Financial Statements.

For Ashok Bairagra & Associates  
Chartered Accountants  
FRN No. 118677W

For and behalf of Board of Directors

*[Signature]*



*[Signature]*

*Nandkishore Attal*

Manish Bardia  
Partner  
UDIN:  
Mem.No 147220  
Place: Mumbai  
Date: 04 SEP 2020

Nidhi Bajaj  
Director

Nand Kishore Attal  
Director

DIN: 05279182  
Place: Mumbai

DIN: 00074434  
Place: Mumbai

TAQUITO LEASE OPERATORS PRIVATE LIMITED

[CIN - U70103MH2012PTC231662]

Notes forming part of the Financial Statements for the year ended 31st March 2020

**1 Overview of the Company**

Taquito Lease Operators Private Limited is a Private incorporated on 30 May 2012. It is classified as Non-govt company and is registered at Registrar of Companies, Mumbai. It is involved in Real estate activities with own or leased property.

**2 Significant Accounting Policies**

**a. Basis of Preparation**

**i. Compliance with Ind AS**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are prepared as per Ind AS for the financial year ended 31-03-2020 and comparable statement of previous year ended 31-03-2019 has been drawn as per Ind AS

**ii. Historical cost convention**

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities that is measured at fair value.

**iii. Use of Estimates**

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumption. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note no. 1 (II). Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate change in estimates are made as management become aware of change in circumstances surrounding the estimates. Change in estimates are reflected in the financial statements in the period in which changes are made and if material, their effect are disclosed in the notes to the financial statements.

**b. Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

**i. Revenue recognition**

Revenue from services rendered is recognized as the service is performed based on agreements/ arrangement with concerned parties. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**ii. Impairment of Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables

**iii. Provisions, contingent Liability and Contingent Assets**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Contingent liability is a possible obligation arising from past events and 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 but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Notes to Financial Statements.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

**iv. Trade receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

**v. Financial Instruments**

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.



**vi. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

**vii. Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**viii. Trade and other payables:**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**ix. Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**x. Income Taxes**

**Current tax**

Income tax expenses is recognized in the statement of profit and loss except to the extent that it relates to item recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current period and prior period is recognized at the amount of expected to be paid or recovered from tax authorities, using the tax rate and tax laws that have been enacted or substantively enacted by the Balance sheet date.

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

**Deferred tax**

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future, however where there is unabsorbed depreciation or carry forward losses, deferred tax asset are recognized only if there is virtual certainty of realisation of such assets. Deferred tax asset are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**xi. Earning per equity shares**

Basic earning 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. The weighted average number of equity shares during the period is adjusted for events including bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares), if any. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**xii. Investment Properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Land is carried at cost. Investment properties are depreciated using the straight-line method over their estimated useful lives.

**xiii. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.



**xiv. Property, plant and equipment**

All items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation & Amortization**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on Residual value Method, based on internal assessment and independent technical evaluation done by the Management expert which are equal to life prescribed under Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount of the asset. These are included in profit or loss within other income. Assets costing less than or equal to Rs. 5,000 are fully depreciated pro-rata from date of acquisition.

**xv. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.





TAQUITO LEASE OPERATORS PRIVATE LIMITED  
[CIN - U70103MH2012PTC231662]  
Notes forming part of the Financial Statements for the year ended 31st March 2020

Note No. 3 - Property, Plant and Equipment

(INR Lakhs)

Description of Assets	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computer	Total
<b>I. Cost</b>					
Balance as at April 01, 2018	1,921.38	37,216.33	889.37	8,738.02	48,765.10
Additions:	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>1,921.38</b>	<b>37,216.33</b>	<b>889.37</b>	<b>8,738.02</b>	<b>48,765.10</b>
<b>II. Accumulated depreciation</b>					
Balance as at April 01, 2018	263.84	4,191.55	367.59	3,270.45	8,093.43
Depreciation	121.69	892.06	56.33	1,660.22	2,730.30
<b>Balance as at March 31, 2019</b>	<b>385.53</b>	<b>5,083.61</b>	<b>423.92</b>	<b>4,930.67</b>	<b>10,823.73</b>
<b>Net block (I-II)</b>					
Balance as at March 31, 2019	1,535.85	32,132.72	465.45	3,807.35	37,941.37
Balance as on March 31, 2018	1,657.54	33,024.79	521.78	5,467.56	40,671.67

Description of Assets	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computer	Total
<b>I. Cost</b>					
Balance as at April 01, 2019	1,921.38	37,216.33	889.37	8,738.02	48,765.10
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>1,921.38</b>	<b>37,216.33</b>	<b>889.37</b>	<b>8,738.02</b>	<b>48,765.10</b>
<b>II. Accumulated depreciation</b>					
Balance as at April 01, 2019	385.53	5,083.61	423.92	4,930.67	10,823.73
Depreciation	121.69	892.06	56.33	1,660.22	2,730.30
<b>Balance as at March 31, 2020</b>	<b>507.21</b>	<b>5,975.67</b>	<b>480.24</b>	<b>6,590.90</b>	<b>13,554.02</b>
<b>Net block (I-II)</b>					
Balance as at March 31, 2020	1,414.17	31,240.66	409.13	2,147.12	35,211.08
Balance as at March 31, 2019	1,535.85	32,132.72	465.45	3,807.35	37,941.37

Note No. 4 - Intangible Assets

Description of Assets	Brands	Total
<b>I. Cost</b>		
Balance as at April 01, 2018	-	-
Balance as at April 01, 2019	5,244.00	5,244.00
Additions during the year	-	-
<b>Balance as at March 31, 2020</b>	<b>5,244.00</b>	<b>5,244.00</b>
<b>II. Accumulated amortisation</b>		
Balance as at April 01, 2018	-	-
Balance as at April 01, 2019	-	-
Amortisation for the year	-	-
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>-</b>
<b>Net block (I-II)</b>		
Balance as at March 31, 2020	5,244.00	5,244.00
Balance as at March 31, 2019	5,244.00	5,244.00



**TAQUITO LEASE OPERATORS PRIVATE LIMITED**  
**[CIN - U70103MH2012PTC231662]**  
**Notes forming part of the Financial Statements for the year ended 31st March 2020**

**5 Financial Assets**

(a) Loans	31-Mar-20		31-Mar-19	
	Current	Non-Current	Current	Non-current
Advances	-	5,793.26	-	1,031.76
		5,793.26		1,031.76

i. Breakup of securities details	31-Mar-20		31-Mar-19	
	Current	Non-Current	Current	Non-current
Advances considered good. Secured	-	5,793.26	-	1,031.76
Advances considered good. Unsecured	-	-	-	-
Advances which have significant increase in risk	-	-	-	-
Advances - Credit impaired	-	-	-	-
Less: Allowance for Loss	-	5,793.26	-	1,031.76
<b>Total</b>	-	5,793.26	-	1,031.76

(b) Investments	31-Mar-20		31-Mar-19	
	Current	Non-Current	Current	Non-current
Trade Investment (valued at cost)				
34,785 (34,785) Equity Shares of Nishta Mall Management Co.Pvt. Ltd.	3.48	-	4,500.00	-
	3.48	-	4,500.00	-
<b>Total investments</b>	3.48	-	4,500.00	-
Aggregate amount of unquoted investments	3.48	-	4,500.00	-
Aggregate amount of impairment in the value of investments	4,496.52	-	-	-

(c) Trade Receivable	31-Mar-20	31-Mar-19
	Trade receivables	18.02
Less: Allowance for doubtful debts	-	-
	18.02	2,770.19

i. Breakup of securities details	31-Mar-20	31-Mar-19
	<b>Exceeding six months</b>	
Secured, considered good	-	-
Unsecured, considered good	18.02	2,770.19
Doubtful	-	-
Less: Allowance for doubtful debts	-	-
<b>Total</b>	18.02	2,770.19
<b>Less than six months</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Allowance for doubtful debts	-	-
<b>Total</b>	-	-
<b>Total trade receivables</b>	18.02	2,770.19

No trade or other receivable are due from Directors or other officer of the company either severally or jointly with any other person. No trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a director or a member.

(d) Cash and Cash Equivalents	31-Mar-20	31-Mar-19
	Cash in Hand	0.80
Balance with Bank	1.16	307.92
	1.96	308.53

**6 Other Assets**

	31-Mar-20		31-Mar-19	
	Current	Non-Current	Current	Non-current
Balances with Govt Authorities	-	282.17	-	302.85
Deposits with Govt Authorities	-	1.25	-	1.22
Other	8.05	-	5.17	-
	8.05	283.42	5.17	304.07

**7 Share Capital:**

(a) Authorised Equity Share Capital	31-Mar-20	31-Mar-19
	11,00,00,000 (as at 31st March 2020: 11,00,00,000) and as at 31st March 2019: 11,00,00,000) Equity Shares of Rs. 10/- each fully paid up of Rs. 10/- each	11,000.00
<b>Issued, Subscribed and Paid up capital</b>	11,000.00	11,000.00
11,00,00,000 (as at 31st March 2020: 11,00,00,000) and as at 31st March 2019: 11,00,00,000) Equity Shares of Rs. 10/- each fully paid up of Rs. 10/- each	11,000.00	11,000.00
	11,000.00	11,000.00

i. Reconciliation of shares outstanding at the beginning and at the end of the reporting period:	Year ended 31st March 2020		Year ended 31st March 2019	
	Number	Amount	Number	Amount
	Equity shares outstanding at the beginning of the year	1,100.00	11,000.00	1,100.00
Equity shares allotted during the year	-	-	-	-
Equity shares outstanding at the end of the year	1,100.00	11,000.00	1,100.00	11,000.00

**ii. Terms and rights attached to equity shares:**  
The Company has only one class of equity shares having a par value of Rs 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the shareholders will be eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

iii. Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:	As at 31st March 2020		As at 31st March 2019	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
	Anant Merchants & Traders Private Limited (One share jointly with Ashok Sharda)	11,00,00,000	100%	11,00,00,000

iv. No shares has been allotted without payment being received in cash during five years immediately preceding the Balance Sheet date.



<b>(b) Other Equity:</b>		31-Mar-20		31-Mar-19	
<b>Retained Earnings</b>					
Balance at the beginning of the year		-1,058.28		85.32	
Profit/ (Loss) for the year		10,677.23		-1,143.60	
Balance at the end of the year		-11,735.47		-1,058.28	
<b>6 Financial Liabilities</b>					
<b>(a) Borrowings:</b>		31-Mar-20		31-Mar-19	
		Current	Non-Current	Current	Non-current
<b>Secured Loan:</b>					
Non Convertible Debentures (NCDs)*		25,244.95		25,244.95	
<b>Unsecured Loans:</b>					
Others		10,768.44		-	
		10,768.44		25,244.95	
*The NCDs is secured by first charge by way of Hypothecation on Movable Fixed Assets of the company and Personal Guarantee of Directors of Lessee Company. Term Loans from Banks are Repayable as follows: Rs 191.33 Crores in FY 2023-24, Rs 63.75 Lakhs in FY 2024-25.					
<b>(b) Other Financial Liability</b>		31-Mar-20		31-Mar-19	
		Current	Non-Current	Current	Non-current
Interest accrued but not due (IndAs)		91.85		43.69	
		91.85		43.69	
<b>(c) Trade Payable</b>		31-Mar-20		31-Mar-19	
Micro, Small and Medium Enterprises					
Others		11,192.43		17,292.32	
		11,192.43		17,292.32	
* Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006. *The Company has not received any information regarding the status under the Micro Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under section 22 of the Micro, Small and Medium Enterprise Development (MSMED) Act regarding below mentioned details have not been given.					
(a) Amount due and outstanding to suppliers as at the end of the accounting year (b) Interest paid during the year (c) Interest payable at the end of the accounting year					
<b>9 Other Liabilities:</b>		31-Mar-20		31-Mar-19	
		Current	Non-Current	Current	Non-current
Audit Fees payable		0.36		0.36	
Salary payables		0.66		-	
Other payables		0.08		0.04	
Provision for Tax		-		26.32	
		1.10		26.72	
<b>10 Revenue From Operations</b>		31-Mar-20		31-Mar-19	
(a) Sale of goods		-		121.44	
(b) Sale of services		-		3,600.00	
		-		3,721.44	
<b>11 Other Income</b>		31-Mar-20		31-Mar-19	
Interest on Refund		1.08		45.25	
Interest on FD		0.23		0.07	
		1.31		45.32	
<b>12 Employee benefits expense</b>		31-Mar-20		31-Mar-19	
Salaries and wages, including bonus		10.26		8.63	
		10.26		8.63	
<b>13 Finance Cost</b>		31-Mar-20		31-Mar-19	
Interest on loan		2,483.33		2,529.42	
		2,483.33		2,529.42	
<b>14 Other Expenses:</b>		31-Mar-20		31-Mar-19	
Legal & Professional Fees		98.60		20.53	
Auditor Remuneration		0.40		0.40	
Processing & Custodial Fees		-		0.95	
Insurance Expenses		7.04		7.14	
Bank Charges		0.01		1.88	
Business Promotion Expenses		4.36		-	
Donation		400.00		-	
Directors Sitting Fees		2.00		-	
Miscellaneous Expenses		1.42		3.09	
		513.83		33.99	
<b>a. Details of payments to auditors</b>		31-Mar-20		31-Mar-19	
Payment to auditors					
Statutory auditors					
Statutory Audit Fees		0.40		0.40	
Other Services		-		-	
		0.40		0.40	



b. Donation		
Donation made towards Electoral Bonds	31-Mar-20	31-Mar-19
Donation Amount	400.00	-
	400.00	-
<b>15 Current and Deferred Tax</b>		
<b>a. Statement of profit and loss</b>		
<b>Income tax expense</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<i>Current tax</i>		
Current tax on profits for the year	-	-
Total current tax (expense)/Saving	-	-
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	-	-511.39
(Decrease) increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	-	-511.39
b. No aggregate amounts of current and deferred tax have arisen in the reporting periods which have not been recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity		
<b>c. Deferred tax liabilities/(asset) (net)</b>		
	<b>Year ended</b>	
	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Block Of Fixed Assets As Per Books	-	37,941.37
Not block as per Income tax	-	31,687.63
<b>Deferred Tax Liability</b>	-	1,932.41
Impairment of Value in Investment	-	-
Total Losses To be carried forward	-	-7,691.52
<b>Deferred Tax Assets</b>	-	-2,376.68
<b>Total deferred tax liability (asset)</b>	-	<b>-444.27</b>



**TAQUITTO LEASE OPERATORS PRIVATE LIMITED**  
[CIN - U70103MH2012PTC231662]

Notes forming part of the Financial Statements for the year ended 31st March 2020

**16 Fair value measurements**

**a. Financial instruments by category**

	31-Mar-20 Amortisedcost	31-Mar-19 Amortisedcost
<b>Financial assets</b>		
Trade receivables	18.02	2,770.19
Cash and cash equivalents	1.96	308.53
Inventory	-	-
Other Current assets	8.05	-
<b>Total financial assets</b>	<b>28.04</b>	<b>3,078.72</b>
<b>Financial liabilities</b>		
Other Current Liabilities	1.10	26.72
Trade payables	11,192.43	17,292.32
<b>Total financial liabilities</b>	<b>11,193.54</b>	<b>17,319.03</b>

**b. Fair value hierarchy**

No financial instruments are recognised and measured at fair value for which fair values are determined using the judgements and estimates.

During the year there are no financial instruments which are measured at Level 1 and Level 2 category.

The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1: This hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between the levels during the year.

**Valuation processes :**

For level 3 financial instruments the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

The carrying amounts of all financial assets and liabilities are considered to be the same as their fair values.



**TAQUITO LEASE OPERATORS PRIVATE LIMITED**

[CIN - U70103MH2012PTC231662]

Notes forming part of the Financial Statements for the year ended 31st March 2020

**17 Financial risk management**

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**a. Management of Liquidity Risk:**

Liquidity risk is the risk that the company will face in meeting its obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the company's credit rating and impair investor confidence.

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows as at the balancesheet date:

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total	Carrying Amount
Borrowings		25,244.95	-	25,244.95	25,244.95
Trade payable	11,192	-	-	11,192.43	11,192.43

**b. Management of Market risks**

Market risks comprises of:

- price risk; and
- interest rate risk

The company does not designate any fixed rate financial assets as fair value through profit and loss nor at fair value through OCI. Therefore company is not exposed to any interest rate risks. Similarly company does not have any financial instrument which is exposed to change in price.

**c. Management of Credit Risks**

Credit risk is the risk of financial loss to the company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the company's customer base being large and diverse and also on account of member's deposits kept by the company as collateral which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

Company is not exposed to any other credit risks.

**d. Capital Management**

The company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the balance sheet includes retained profit and share capital.

The company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders.



**TAQUITO LEASE OPERATORS PRIVATE LIMITED**  
 [CIN - U70103MH2012PTC231662]

Notes forming part of the Financial Statements for the year ended 31st March 2020

**18 Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Director of the Company. The company has identified the company as one reportable segment based on the information reviewed by CODM.

**a. Description of segments and principal activities**

The Company is engaged in business of renting & leasing. The Company provides services to external customers.

**b. Segment revenue**

The company operates as a single segment. The segment revenue is measured in the same way as in the statement of profit or loss.

Segment	31-Mar-20		31-Mar-19	
	Revenue from external customers	Total segment revenue	Revenue from external customers	Total segment revenue
Segment	-	-	3,721.44	3,721.44
<b>Total segment revenue</b>	-	-	<b>3,721.44</b>	<b>3,721.44</b>

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Revenue from external customers	31-Mar-20	31-Mar-19
India	-	3,721.44
Outside India	-	-
<b>Total</b>	-	<b>3,721.44</b>



TAQUITO LEASE OPERATORS PRIVATE LIMITED

[CIN - U70103MH2012PTC231662]

Notes forming part of the Financial Statements for the year ended 31st March 2020

19 Related party transactions:

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below:

Description of Relationship	Relation	Names of Parties		
Key Management Personnel (KMP)	Director	Nidhi Bajaj		
	Director	Alok Tiwary		
	Director	Nandkishore Attal		
Associate/Enterprises where control/ significant influence exists	Holding Company	Anant Merchants & Traders Private Limited		
		Kyal Trading Pvt Ltd		
<b>Transaction with Related Parties</b>			<b>FY 2019-20</b>	<b>FY 2018-19</b>
<b>Relationship</b>	<b>Party</b>	<b>Nature of Transaction</b>		
Key Management Personnel	Alok Tiwary	Salary	8,01,934	-
		Director Sitting Fees	20,000	-
	Nidhi Bajaj	Director Sitting Fees	1,00,000	-
	Nandkishore Attal	Director Sitting Fees	80,000	-
Relative Associates	Anant Merchants & Traders Private Limited Kyal Trading Pvt Ltd	Re-payment of advances taken	-	2,341
		Re-payment received of advance given	-	14,791
<b>Closing as on year ended</b>			<b>FY 2019-20</b>	<b>FY 2018-19</b>
Key Management Personnel	Alok Tiwary	Payable	74,042	-
	Nidhi Bajaj	Payable	18,000	-
	Nandkishore Attal	Payable	18,000	-
Relative Associates	Kyal Trading Pvt Ltd Anant Merchants & Traders Private Limited		-	1,30,74,98,674
			-	20,55,44,380





TAQUITO LEASE OPERATORS PRIVATE LIMITED

[CIN - U70103MH2012PTC231662]

Notes forming part of the Financial Statements for the year ended 31st March 2020

20 Earnings per Share (EPS):		31-Mar-20	31-Mar-19
<b>a. Basic and diluted earnings per share</b>			
Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders		-6,180.68	-1,143.60
Total basic earnings per share attributable to the equity holders of the company( in Rs.)		-5.62	-1.04
Total diluted earnings per share attributable to the equity holders of the company(in Rs.)		-5.62	-1.04
<b>b. Weighted average number of shares used as the denominator</b>			
		No. of Shares	
Weighted average numbers of equity shares used for calculating Basic EPS		1,100.00	1,100.00
Dilutive impact, if any		-	-
Weighted average numbers of equity shares used for calculating Diluted EPS		1,100.00	1,100.00
Face Value per Equity Share (Rs)		10.00	10.00



TAQUITO LEASE OPERATORS PRIVATE LIMITED  
[CIN - U70103MH2012PTC231662]

Notes forming part of the Financial Statements for the year ended 31st March 2020

**21 Offsetting financial assets and financial liabilities**

There are no offset of any Financial Assets and Financial Liabilities as at 31st March 2020 & 31st March 2019

**22 Assets Pledge As Security**

The carrying amounts of assests pledged as security for current and non - current borrowings are :

	31-Mar-20	31-Mar-19
Financial Assets		
Property, Plant and Equipment	35,211.08	37,941.37
<b>Total Assets pledged as Security</b>	<b>35,211.08</b>	<b>37,941.37</b>

**23 Contingent Liabiltiy and Commitments**

NIL.

The Company has considered the possible effect that may result from the pandemic relating to covid-19 on the carrying amounts of receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as of the date of approval of these financial statements has used internal information and based on the current estimates, the company expects that the carrying amount of the receivables and other current assets will be recovered. The impact of covid-19 on the company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**25 Previous Year Comparatives**

Previous Year figures have been regrouped, recast and reclassified where ever necessary to confirm to current year's presentation.

As per our report of even date  
For Ashok Bairagra & Associates  
Chartered Accountants  
FRN No. 118677W



Manish Bardia  
Partner  
UDIN:  
Mem.No 147220  
Place Mumbai  
Date: 04 SEP 2020

For and on behalf of Board of Directors

*Nidhi Bajaj*  
*Nand Kishore Attal*

Nidhi Bajaj      Nand Kishore Attal  
Director            Director  
DIN: 05279182    DIN: 00074434  
Place: Mumbai    Place: Mumbai



# Ashok Bairagra & Associates

Chartered Accountants

Ashok Bairagra, B.Com., L.L.B., F.C.A. • Cell : 93222 79327 Ashish V. Jalan, B.Com., F.C.A. • Cell : 98214 67450

Manish S. Bardia B.Com, A.C.A. • Cell : 99671 25862

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## Independent Auditor's Report

To the Members of M/s. **UNIQUE MALLS PRIVATE LIMITED**

Report on the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of M/s. **UNIQUE MALLS PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, (changes in equity) and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters except;



## Management's Responsibility for the Standalone Financial Statements

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The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

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Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

## Other Matter

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Nil

## Report on Other Legal and Regulatory Requirements

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As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.



- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act") is Not applicable to Company.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

NIL

- 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, in our opinion and to the best of our information and according to the explanations given to us:  
The Company does not have any pending litigations which would impact its financial position.
- i) The Company did not have any Long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- ii) There is no amount required to be transferred, to the Investor Education and Protection Fund by the company

**For ASHOK BAIRAGRA AND ASSOCIATES.**

**Chartered Accountants**

Firm Reg. No.: 118677W

UDIN: 20125707AAAABA1021



**Ashish Jalan**  
Partner (M.No. 125707)



Date: 04/09/2020

Place: Mumbai

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our Independent Auditor's Report to the member of M/s UNIQUE MALLS PRIVATE LIMITED for the year ended march 31<sup>st</sup>, March 2020.

- 1)
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - c. The title deeds of immovable properties are held in the name of the company.
- 2)
  - a. Since the company does not have any inventory the said clause is not applicable.
- 3) The Company has granted loans, secured or unsecured to companies covered in the Register maintained under section 189 of the Act.
  - a. The terms and conditions of the grant of such loan are not prejudicial to the company's interest.
  - b. The schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular.
  - c. No amount is overdue for more than 90 days.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013; In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



7)

a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has availed loans from body corporates. However, the Company has not defaulted in the repayment of dues to body corporates.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has raised moneys by way of term Loans. The amount so raised has been utilized as per the purpose mentioned in sanction letter.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment or private placement of shares during the year under review. The amount has been utilized for the purpose for which the funds were raised.



- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For ASHOK BAIRAGRA & ASSOCIATES**

Chartered Accountants

Firm Reg. No. 118677W

UDIN: 20125707AAAABA1021


**Ashish Jalan**

Partner (M.No. 125707)

Date: 04/09/2020

Place: Mumbai



## **ANNEXURE B TO THE AUDITOR'S 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 M/s **TAQUITO LEASE OPERATORS PRIVATE LIMITED** (the Company) as of 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conduct our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") and 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 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 were 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 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 assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of 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**

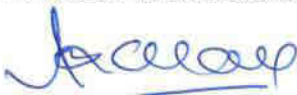
In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India.

**For ASHOK BAIRAGRA & ASSOCIATES**

Chartered Accountants

Firm Reg. No. 118677W

UDIN: 20125707AAAABA1021



**Ashish Jalan**  
Partner (M.No. 125707)



Date: 04/09/2020

Place: Mumbai

**UNIQUE MALLS PRIVATE LIMITED**  
**CIN No: U70100MH2005PTC155104**  
**Balance Sheet as at year ended 31st March, 2020**

(Amount in Rupees)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	4,03,27,430	4,03,27,430
Reserves and Surplus	3	(7,88,01,661)	4,30,50,684
<b>Non Current Liabilities</b>			
Long Term borrowing	4	3,17,16,59,644	2,17,19,25,688
<b>Current Liabilities</b>			
Trade Payable	5	32,98,049	56,02,38,644
Other Current Liabilities	6	16,37,87,560	65,77,05,948
<b>Total</b>		<b>3,30,02,71,022</b>	<b>3,47,32,48,393</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	7	2,11,12,75,765	2,18,78,76,935
Non-Current Investments	8	85,01,70,710	85,01,70,710
Long-Term Loans and Advances	9	33,73,16,013	5,31,59,951
<b>Current Assets</b>			
Trade Receivables	10	-	37,60,40,991
Cash and Cash Equivalents	11	7,35,193	44,62,188
Short-Term Loans and Advances	12	7,73,341	15,37,618
<b>Total</b>		<b>3,30,02,71,022</b>	<b>3,47,32,48,393</b>

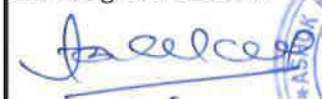
Notes forming part of the financial statements 1-22

As per our Report of even date attached

**For Ashok Bairagra & Associates**

Chartered Accountants

Firm Reg. No. 118677W



**Ashish Jalan**

**Partner**

Membership No. 125707

UDIN:

Place : Mumbai

Dated : **04 SEP 2020**



**For and on behalf of the Board of Directors**



**Rajesh Sali**

**Director**

DIN: 07300799

Place : Mumbai



**Satishchandra More**

**Director**

DIN: 07300811

Place : Mumbai

**UNIQUE MALLS PRIVATE LIMITED**  
**CIN No: U70100MH2005PTC155104**  
**Profit & Loss Statement for the period ended 31st March, 2020**

(Amount in Rupees)

Particulars	Notes	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>INCOME</b>			
Revenue From Operations	13	50,29,992	75,16,38,179
Other Income	14	8,36,468	45,084
<b>Total Revenue</b>		<b>58,66,460</b>	<b>75,16,83,263</b>
<b>EXPENDITURE</b>			
Operating Costs	15	-	54,89,71,504
Finance Costs	16	4,89,30,877	11,79,46,681
Depreciation and Amortization Expense	7	7,66,01,170	7,66,01,170
Other Expenses	17	21,86,758	26,73,264
<b>Total Expenses</b>		<b>12,77,18,805</b>	<b>74,61,92,619</b>
<b>Profit before Exceptional, Extraordinary Items and Tax</b>		<b>(12,18,52,345)</b>	<b>54,90,644</b>
Less: Prior Period Expenses		-	1,42,403
<b>Profit Before Tax</b>		<b>(12,18,52,345)</b>	<b>53,48,241</b>
<b>Tax Expense:</b>			
Current tax		-	10,90,445
<b>Profit after Tax</b>		<b>(12,18,52,345)</b>	<b>42,57,796</b>
<b>Earnings Per Equity Share</b>			
<b>Equity Shares of Face Value Rs. 10 each</b>			
Basic		(117.99)	4.12
Diluted		(117.99)	4.12
Notes forming part of the financial statements	1-22		

As per our Report of even date attached

**For Ashok Bairagra & Associates**

Chartered Accountants

Firm Reg. No. 118677W



**Ashish Jalar**

**Partner**

Membership No. 125707

UDIN:

Place : Mumbai

Dated : **04 SEP 2020**



**For and on behalf of the Board of Directors**



**Rajesh Sali**

**Director**

DIN: 07300799

Place : Mumbai



**Satishchandra More**

**Director**

DIN: 07300811

Place : Mumbai

**UNIQUE MALLS PRIVATE LIMITED**  
CIN No:U70100MH2005PTC155104  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in Rupees)

Particulars	March 31, 2020 Amount in Rs.	March 31, 2019 Amount in Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit Before Tax	(12,18,52,345)	54,90,644
Adjustments for :		
Depreciation	7,66,01,170	7,66,01,170
Interest Income	(1,05,694)	(45,084)
Interest Expenses	4,89,30,877	11,79,46,681
	<b>12,54,26,353</b>	<b>19,45,02,767</b>
Operating Profit before Working Capital change	35,74,008	19,99,93,411
Adjustment for:		
Increase in Trade and Other Receivable	37,68,05,268	17,89,32,697
Increase in Loans and Advances	(28,41,56,062)	28,68,91,198
Increase in Other Current Liabilities Provision	(55,69,40,595)	52,20,23,548
	<b>(46,42,91,388)</b>	<b>98,78,47,443</b>
<b>Cash generated from operations</b>	<b>(46,07,17,380)</b>	<b>1,18,78,40,854</b>
Income Tax	-	(12,32,847)
<b>Net Cash from operating activities</b>	<b>(46,07,17,380)</b>	<b>1,18,66,08,007</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Investment	-	(72,51,70,000)
Sale of Fixed Assets	-	-
Interest received	1,05,694	45,084
<b>Net Cash From Investing Activities</b>	<b>1,05,694</b>	<b>(72,51,24,916)</b>
<b>CASH FROM FINANCING ACTIVITIES:</b>		
Interest paid	(4,89,30,877)	(11,79,46,681)
Proceed from Issue of Share & Foreited	-	-
Proceed from Short Term Borrowing	(49,39,18,387)	(1,21,15,379)
Repayment of Long Term Borrowings	99,97,33,956	(33,13,39,273)
<b>Net Cash used in Financing Activities</b>	<b>45,68,84,692</b>	<b>(46,14,01,333)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(37,26,995)</b>	<b>81,757</b>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	<b>44,62,188</b>	<b>43,80,431</b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>7,35,193</b>	<b>44,62,188</b>

**Notes:**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement.

Previous year figures have been regrouped wherever necessary to confirm to current years classification

As per our Report of even date attached  
For Ashok Bairagra & Associates  
Chartered Accountants  
Firm Reg. No. 118677W

Ashish Jalan  
Partner  
Membership No. 125707  
UDIN:  
Place : Mumbai  
Dated : 04 SEP 2020



For and on behalf of the Board of Directors

-sd-

Rajesh Sali  
Director  
DIN: 07300799

Place : Mumbai

-sd-

Satishchandra More  
Director  
DIN: 07300811

Place : Mumbai

UNIQUE MALLS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31st March 2020

1 Significant Accounting Policies

a. Basis of Preparation

i. Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are prepared as per Ind AS for the financial year ended 31-03-2020 and comparable statement of previous year ended 31-03-2019 has been drawn as per Ind AS

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities that is measured at fair value.

iii. Use of Estimates

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumption. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note no. 1 (II). Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate change in estimates are made as management become aware of change in circumstances surrounding the estimates. Change in estimates are reflected in the financial statements in the period in which changes are made and if material, their effect are disclosed in the notes to the financial statements.

b. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

i. Revenue recognition

Revenue from services rendered is recognized as the service is performed based on agreements/ arrangement with concerned parties. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

ii. Impairment of Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables

iii. Provisions, contingent Liability and Contingent Assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Contingent liability is a possible obligation arising from past events and 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 but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Notes to Financial Statements.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

iv. Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

v. Financial Instruments

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.



**vi. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

**vii. Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**viii. Trade and other payables:**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**ix. Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**x. Income Taxes**

**Current tax**

Income tax expenses is recognized in the statement of profit and loss except to the extent that it relates to item recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current period and prior period is recognized at the amount of expected to be paid or recovered from tax authorities, using the tax rate and tax laws that have been enacted or substantively enacted by the Balance sheet date.

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

**Deferred tax**

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future, however where there is unabsorbed depreciation or carry forward losses, deferred tax asset are recognized only if there is virtual certainty of realisation of such assets. Deferred tax asset are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**xi. Earning per equity shares**

Basic earning 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. The weighted average number of equity shares during the period is adjusted for events including bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares), if any. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**xii. Investment Properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Land is carried at cost. Investment properties are depreciated using the straight-line method over their estimated useful lives.

**xiii. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.



**xiv. Property, plant and equipment**

All items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation & Amortization**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on Residual value Method, based on internal assessment and independent technical evaluation done by the Management expert which are equal to life prescribed under Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount of the asset. These are included in profit or loss within other income. Assets costing less than or equal to Rs. 5,000 are fully depreciated pro-rata from date of acquisition.

**xv. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.





UNIQUE MALLS PRIVATE LIMITED  
CIN No:U70100MH2005PTC155104  
Notes on Accounts for the Year ended March 31, 2020

Note : 2

(Amount in Rupees)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Share Capital</b>		
<b>Authorised Capital</b>		
10,50,000 (10,50,000) Equity Shares of Rs 10/- each	1,05,00,000	1,05,00,000
5,00,000 (5,00,000) Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/-	50,00,000	50,00,000
	<b>1,55,00,000</b>	<b>1,55,00,000</b>
<b>Issued, Subscribed and Paid up</b>		
10,32,746 (10,32,746) Equity Shares of Rs 10/- each fully paid-up	1,03,27,460	1,03,27,460
<b>Subscribed but not fully paid up</b>		
Share Forfeit A/c	2,99,99,970	2,99,99,970
	<b>4,03,27,430</b>	<b>4,03,27,430</b>

Note:

a) - Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	1032746	'1,03,27,460	1032746	'1,03,27,460
Issued during the year		-		-
<b>Outstanding at the end year</b>	<b>1032746</b>	<b>'1,03,27,460</b>	<b>1032746</b>	<b>'1,03,27,460</b>

b) - Terms/rights attached to equity shares.

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by shareholder.

c) - Details of shareholders holding more than 5% shares in the company.

Particulars	March 31, 2020	
	No. of Shares	% of holding
<b>Equity shares of Rs 10 each fully paid - up</b>		
Nishta Mall Management Company Pvt. Ltd	1,80,544	17.48%
Precision Realty Developers Private Limited	90,272	8.74%
Rivaaz Trade Ventures Pvt. Ltd.	-	-
Niyman Mall Management Company Pvt Ltd	90,272	8.74%
Acute Retail Infra Private Limited	90,272	8.74%
Harmony Malls Management Private Limited	2,23,272	21.62%
Suhani Mall Management Company Pvt Ltd	87,272	8.45%
Bansi Mall Management Company Pvt. Ltd	1,35,421	13.11%
Iskrupa Mall Management Company Private Limited	1,35,421	13.11%
	<b>10,32,746</b>	<b>100.00%</b>
Particulars	March 31, 2019	
	No. of Shares	No. of Shares
<b>Equity shares of Rs 10 each fully paid - up</b>		
Nishta Mall Management Company Pvt. Ltd	90,272	8.74%
Precision Realty Developers Private Limited	90,272	8.74%
Rivaaz Trade Ventures Pvt. Ltd.	90,272	8.74%
Niyman Mall Management Company Pvt Ltd	90,272	8.74%
Acute Retail Infra Private Limited	90,272	8.74%
Harmony Malls Management Private Limited	2,23,272	21.62%
Suhani Mall Management Company Pvt Ltd	87,272	8.45%
Bansi Mall Management Company Pvt. Ltd	1,35,421	13.11%
Iskrupa Mall Management Company Private Limited	1,35,421	13.11%
	<b>10,32,746</b>	<b>100%</b>

d) Issue & Allotment of Bonus Shares

953304 number of equity shares of face value of Rs.10/- per share were issued as fully paid bonus share by utilisation of Rs. 95,33,040/- from securities premium account.



Note : 3		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Reserve &amp; Surplus</b>		
(a) Securities Premium		
As per last Balance Sheet	8,97,69,020	8,97,69,020
Addition during the year	-	-
	8,97,69,020	8,97,69,020
(b) Profit and Loss Account		
Balance as per the last financial statements	(4,67,18,336)	(5,09,76,132)
Add: Profit for the year	(12,18,52,345)	42,57,796
	(16,85,70,681)	(4,67,18,336)
	(7,88,01,661)	4,30,50,684
Note : 4		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Long Term borrowings</b>		
*Secured:		
Rupees Term Loans from Banks	-	-
Unsecured Loan,		
From Others	3,17,16,59,644	2,17,19,25,688
	3,17,16,59,644	2,17,19,25,688
Note : 5		
Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payable	32,98,049	56,02,38,644
	32,98,049	56,02,38,644
* Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006. *The Company has not received any information regarding the status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under section 22 of the Micro, Small and Medium Enterprise Development (MSMED) Act regarding below mentioned details have not been given. (a) Amount due and outstanding to suppliers as at the end of the accounting year; (b) Interest paid during the year; (c) Interest payable at the end of the accounting year; and (d) Interest accrued and unpaid at the end of the accounting year.		
Note : 6		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Current Liabilities</b>		
Current maturity of Long Term Debt	16,36,66,900	65,58,00,001
Other payables	1,20,661	19,05,947
	16,37,87,560	65,77,05,948
Note : 8		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current Investment</b>		
<b>Unquoted fully paid up Equity share</b>		
98,094 (P.Y.98,094) No. of Equity Share in Acute Retail Infra Pvt.Ltd. of Rs. 10/- Each	6,00,00,830	6,00,00,830
20,00,000 (P.Y.20,00,000) No. of Equity Share in Precision Realty Developers Pvt.Ltd. of Rs. 10/- Each	2,00,00,000	2,00,00,000
33,582 (P.Y.33,582) No. of Equity Share in Nistha Mall Management Co.Pvt.Ltd. of Rs. 10/- Each	4,49,99,880	4,49,99,880
6,00,000 (P.Y 6,00,000) No. of Equity Share in Nufuture Digital India .Ltd.	72,51,70,000	72,51,70,000
	85,01,70,710	85,01,70,710
Unquoted Investment in shares have been valued at cost.		



Note : 9		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Long-Term Loans and Advances</b> (Unsecured, Considered Good)		
Deposits		50,05,36,520
Electricity Deposit	5,36,520	5,36,520
Securities Deposit	-	2,35,00,000
Other Loans and Advances		
Advance to Others	30,71,42,494	-
Deduction on Income Taxes (Net of Provisions)	2,96,36,999	2,91,23,431
	<b>33,73,16,013</b>	<b>5,31,59,951</b>

Note : 10		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Trade Receivables</b> (Unsecured, Considered Good)		
- Outstanding for a period less than 6 months	-	37,60,40,991
	-	<b>37,60,40,991</b>

Note : 11		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Cash and Cash Equivalents</b>		
Balance with Banks in current accounts	7,13,238	44,40,233
Cash in Hand	21,955	21,955
	<b>7,35,193</b>	<b>44,62,188</b>

Note : 12		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Short-Term Loans and Advances</b>		
Other Loans and Advances		
Statutory dues Receivable	7,73,341	8,29,621
Other loans and advances	-	7,07,997
	<b>7,73,341</b>	<b>15,37,618</b>

For Ashok Bairagra & Associates  
Chartered Accountants  
Firm Reg. No. 118677W

Ashish Jalan  
Partner  
Membership No. 125707  
UDIN:  
Place : Mumbai  
Dated : 04 SEP 2020



For and on behalf of the Board of Directors

-sd-  
Rajesh Sali  
Director  
DIN: 07300799  
Place : Mumbai

-sd-  
Satishchandra More  
Director  
DIN: 07300811  
Place : Mumbai

**UNIQUE MALLS PRIVATE LIMITED**  
CIN No:U70100MH2005PTC155104  
**Notes on Accounts for the Year ended March 31, 2020**

**Note : 13** (Amount in Rupees)

Particulars	For Year Ended March 2020	For Year Ended March 2019
Revenue From Operations		
Service Charges	50,29,992	18,63,08,179
Trading Sales	-	56,53,30,000
	50,29,992	75,16,38,179

**Note : 14**

Particulars	For Year Ended March 2020	For Year Ended March 2019
Other Income		
Interest Income	1,05,694	45,084
Sundry Balance Written Back	7,30,774	-
	8,36,468	45,084

**Note : 15**

Particulars	For Year Ended March 2020	For Year Ended March 2019
Trading Purchase	-	36,51,60,000
Rent Paid	-	18,38,11,504
	-	54,89,71,504

**Note : 16**

Particulars	For Year Ended March 2020	For Year Ended March 2019
Finance Costs		
Bank Charges	1,566	13,175
Interest on Term Loan	4,89,29,311	11,68,41,483
Interest on Unsecured Loans	-	10,92,023
	4,89,30,877	11,79,46,681

**Note : 17**

Particulars	For Year Ended March 2020	For Year Ended March 2019
Other Expenses		
Director Seeting Fees	1,20,000	1,20,000
Insurance	7,13,997	6,58,878
Legal & Professional	5,64,930	5,08,750
Auditors' Remuneration	35,000	35,000
Other Expenses	7,52,831	13,50,636
	21,86,758	26,73,264

Particulars	For Year Ended March 2020	For Year Ended March 2019
Payment to Auditors		
Statutory Audit Fees	35,000	35,000
	35,000	35,000



Note B-18	For Year Ended March 2020	For Year Ended March 2019
Net Profit/(Loss) considered for basic EPS Calculation	(12,18,52,345)	42,57,796
Weighted average number of equity shares	10,32,746	10,32,746
Nominal value per share	10	10
Basic EPS	(117.99)	4.12

Basic and Diluted EPS has been computed as per AS20 issued by the ICAI i.e by dividing the net profit after tax for the year attributable to equity shareholders by weighted average number of equity shares

**Note B-19**

**RELATED PARTY DISCLOSURE**

The related party relationships have been determined by the Company on the basis of the requirements of the Accounting Standard (AS)-18. transaction with related parties during the year.

Name of Related Parties	Transaction	Amount
Rajesh Sali	Sitting Fees	60000
Satishchand More	Sitting Fees	60000

**Note B-20**

**Contingent Liabilities**

Directors do not perceive any Contingent Liabilities

**Note B-21**

**Micro and Small Enterprises**

There are no Sundry creditors as on Balance sheet date that are duly registered under Micro and Small Enterprises in view of Section 22 of the MSMEDA Act 2006.

**Note B-22**

In the opinion of the Board, Current Assets, loans and advances have a value of at least equal to the amount shown in the Balance Sheet, if realised in the ordinary course of the business. The provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.

For Ashok Bairagra & Associates

Chartered Accountants

Firm Reg. No. 118677W



Ashish Jalan

Partner

Membership No. 125707

UDIN:

Place : Mumbai

Dated : 04 SEP 2020



For and on behalf of the Board of Directors



Rajesh Sali  
Director  
DIN: 07300799

Place : Mumbai



Satishchandra More  
Director  
DIN: 07300811

Place : Mumbai

UNIQUE MALLS PRIVATE LIMITED  
 Notes on Accounts for the Year ended March 31, 2020

Note : 7  
 Fixed Assets

(Amount in Rupees)

PARTICULARS	Gross Block				Depreciation				Net Block	
	As at April 1, 2019	Additions during the year	Sale/Disposal during the year	As at March 31, 2020	Upto April 1, 2019	For the year	Adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Building	1,95,65,742	-	-	1,95,65,742	36,63,618	3,27,907	-	39,91,525	1,55,74,217	1,59,02,124
Building and Improvements	2,40,86,29,350	-	-	2,40,86,29,351	23,66,54,540	7,62,73,263	-	31,29,27,803	2,09,57,01,548	2,17,19,74,811
<b>TOTAL</b>	<b>2,42,81,95,092</b>	<b>-</b>	<b>-</b>	<b>2,42,81,95,093</b>	<b>24,03,18,158</b>	<b>7,66,01,170</b>	<b>-</b>	<b>31,69,19,328</b>	<b>2,11,12,75,765</b>	<b>2,18,78,76,935</b>
Previous Year	2,42,81,95,092	-	-	2,42,81,95,093	16,37,16,988	7,66,01,170	-	24,03,18,158	2,18,78,76,935	2,26,44,78,105



20125707AAAABA1021

July 5, 2019

To,  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

To,  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051

**Scrip Code: 523574 / 570002**

**Scrip Symbol: FEL / FELDVR**

**BSE Debt Scrip Codes: 952009-10-53-54-74-75-97-98 / 952715-717-718-721-880-881-883 / 954326-28-30-34-35-40-43 / 955100-101-140-141-371-373-454-456-749-750-957-958 / 956012-13 / 956243-268-69 / 956310-11 / 956954-55 / 957077-263-264-711-712-713 / 957875-76-89 / 958303-04 / 958501-02, 841-842**

Dear Sir / Madam

**Sub: Annual Report for Financial Year 2018-19 alongwith Notice of the Thirty-First Annual General Meeting**

Please take note that the Thirty-First Annual General Meeting ("AGM") of the Members of the Company is scheduled to be held on Tuesday, July 30, 2019, at 4:30 pm at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021. In terms of the provisions of Regulation 30 and 34 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the Annual Report for the financial year 2018-19 and the Notice of AGM alongwith the Attendance Slip and Proxy form, which are being dispatched / sent to the members by the permitted mode(s).

You are kindly requested to take note of the above and acknowledge the receipt.

Thanking you,

Yours faithfully,

for Future Enterprises Limited



**Deepak Tanna**  
Company Secretary



Encl: as above



## NOTICE

Notice is hereby given that the Thirty-First Annual General Meeting (“**AGM**”) of the Company will be held at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021 on Tuesday, July 30, 2019 at 04:30 P.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the reports of the Board of Directors and of Auditors thereon;
2. To appoint a Director in place of Mr. Vijay Biyani (DIN: 00005827), who retires by rotation and being eligible, offers himself for re-appointment;

### SPECIAL BUSINESS:

3. **Approval for payment of remuneration to Mr. Vijay Biyani, Managing Director of the Company in terms of regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

To consider and if thought fit, to pass, the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (“**Listing Regulations**”) and provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 (“**the Act**”) and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Act, consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Vijay Biyani (DIN: 00005827), Managing Director of the Company at such terms and conditions as approved by Members in their Annual General Meeting held on August 29, 2017 even if the annual remuneration payable to Mr. Vijay Biyani exceeds 2.5 per cent of the net profits of the Company or the aggregate annual remuneration to all Executive Directors exceeds 5 per cent of the net profits of the Company in any year during the remaining tenure of his appointment.”

**RESOLVED FURTHER THAT** all the existing terms and conditions of remuneration including salary, perquisites and commission as per special resolution passed in Annual General Meeting held on August 29, 2017 shall remain unchanged.

**RESOLVED FURTHER THAT** the approval of Members shall be valid only till the expiry of the existing term of Mr. Vijay Biyani, Managing Director of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

4. **Appointment of Mr. Haresh Chawla (DIN: 00029828) as a Director of the Company.**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) and Companies (Appointment and Qualifications of Directors) Rules, 2014 (“**the Rules**”) (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) thereof or supplement(s) thereto) (“**Listing Regulations**”) and subject to such other approvals, permissions and sanctions, as may be required, Mr. Haresh Chawla (DIN: 00029828), who was appointed as an Additional Director and designated as Independent Director of the Company by the Board of Directors at their Meeting held on March 28, 2019 and who holds office upto the date of ensuing AGM and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, the Consent of Members of the Company be and is hereby accorded to appoint Mr. Haresh Chawla as an Independent Director of the Company for a period of 5 (Five) years with effect from March 28, 2019 and who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** anyone of the Directors or the Company Secretary of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution including filing of necessary forms/returns with the Registrar of Companies, Ministry of Corporate Affairs and/or other regulatory authorities from time to time.”

5. **Re-appointment of Mr. V. K. Chopra (DIN: 02103940) as an Independent Director of the Company.**

To consider and if thought fit, to pass, the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and Companies (Appointment and Qualifications of Directors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) thereof or supplement(s) thereto) (**“Listing Regulations”**) and subject to such other approvals, permissions and sanctions, as may be required and pursuant to recommendation of the Nomination and Remuneration Committee and as agreed to by the Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall deem to include the Nomination and Remuneration Committee or any other Committee constituted or to be constituted to exercise the powers including the powers conferred under this resolution) in their meeting held on June 24, 2019, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. V. K. Chopra (DIN: 02103940) as an Independent Director of the Company whose current tenure is expiring on August 01, 2019 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Act and whose term shall not be subject to retirement by rotation and who shall hold office with effect from August 02, 2019 upto March 05, 2021.

**RESOLVED FURTHER THAT** anyone of the Directors or the Company Secretary of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution including filing of necessary forms/returns with the Registrar of Companies, Ministry of Corporate Affairs and/or other regulatory authorities from time to time.”

6. **Re-appointment of Ms. Bala Despande (DIN: 00020130) as an Independent Director of the Company.**

To consider and if thought fit, to pass, the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and Companies (Appointment and Qualifications of Directors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) thereof or supplement(s) thereto) (**“Listing Regulations”**) and subject to such other approvals, permissions and sanctions, as may be required and pursuant to recommendation of the Nomination and Remuneration Committee and as agreed to by the Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall deem to include the Nomination and Remuneration Committee or any other Committee constituted or to be constituted to exercise the powers including the powers conferred under this resolution) in their meeting held on June 24, 2019, the approval of the Members of the Company be and is hereby accorded for re-appointment of Ms. Bala Despande (DIN: 00020130) as an Independent Director of the Company whose current tenure is expiring on August 01, 2019 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Act and whose term shall not be subject to retirement by rotation and who shall hold office with effect from August 02, 2019 upto August 01, 2024.

**RESOLVED FURTHER THAT** anyone of the Directors or the Company Secretary of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution including filing of necessary forms/returns with the Registrar of Companies, Ministry of Corporate Affairs and/or other regulatory authorities from time to time.”

7. **Re-appointment of Mr. Dinesh Maheshwari as Executive Director & Chief Financial Officer of the Company and payment of remuneration thereof**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (**“the Act”**) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (**“the Rules”**) and Schedule V to the Act (including any statutory modification(s), amendment(s), clarification(s), or re-enactment(s) or substitution(s) thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) thereof or supplements thereto (**“Listing Regulations”**) and subject to the Articles of Association of the Company and subject to the approval of the Central Government, if required and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be imposed or prescribed by any of the authorities while granting such approvals, permissions and sanctions and as recommended by Nomination and Remuneration Committee and agreed to by Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall deem to include the Nomination and Remuneration Committee or any other Committee constituted or to be constituted to exercise the powers including the powers conferred under this resolution), the consent of the Members of the Company be and is hereby accorded for re-

appointment of Mr. Dinesh Maheshwari (DIN: 00088451) as an Executive Director & Chief Financial Officer of the Company for a period of 3 (three) years with effect from May 04, 2019 at remuneration payable and on such terms and conditions as stipulated in the statement annexed to this Notice.

**RESOLVED FURTHER THAT** the stock options already granted to Mr. Dinesh Maheshwari in his capacity as Chief Financial Officer shall continue to remain granted and shall vest as per original vesting schedule or as amended by the Company for any Corporate Actions.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 of the Act read with Schedule V of the Act, where in any Financial Year during the currency of the tenure of the Executive Director & Chief Financial Officer, the Company has no profits or its profits are inadequate, the Company may pay to the Executive Director & Chief Financial Officer, the remuneration as mentioned in the Explanatory Statement, as the minimum remuneration for the aforesaid period, by way of salary, perquisites and other allowances and benefits and subject to receipt of the requisite approvals, if any.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to vary, amend, modify or revise from time to time the terms of remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified under the relevant provisions of the Act and/or any other competent authority.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution including filing of necessary forms with the Registrar of Companies, Ministry of Corporate Affairs, Mumbai, Maharashtra or with Central Government in connection with such appointment and payment of remuneration and to seek approvals and settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company."

#### **8. Issue of Securities on Private Placement Basis.**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and such other rules made thereunder (including any statutory modification(s), amendment(s), clarification(s), or re-enactment(s) or substitution(s) thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("**Listing Regulations**") and any other rules, regulations, guidelines, notifications, circulars and clarifications issued by the Government of India, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India ("**SEBI**") and subject to necessary approvals, permissions, sanctions and consents as may be required from any government and/or regulatory authorities including from BSE Limited and/or National Stock Exchange India Limited ("**Stock Exchange**") and subject to such approvals, permissions, sanctions and consents as may be necessary and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be) by any regulatory authorities which may be agreed to and/or accepted by the Board of Directors of the Company (hereinafter referred to as "**Board**" which term shall be deemed to include any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the approval of Members of the Company be and is hereby accorded to Board to create, offer, issue and allot at an appropriate time, in one or more tranches, the Secured/ Unsecured/ Redeemable Non-Convertible Debentures ("**NCDs**") including but not limited to subordinate debentures, bonds, and/or other debt securities on a private placement basis during the period of One (1) year from the date of passing of this Resolution by the Members, for an aggregate amount not exceeding ₹ 900 Crore (Rupees Nine Hundred Crore only) to such person(s), including one or more company(ies), bodies corporate(s), statutory corporations, commercial banks, trusts, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individual as the case may be or such other person(s)/bodies corporate or organisation and on such terms and conditions as may be decided by the Board within the overall borrowing limits as approved by the Members from time to time and on such terms and conditions as the Board may, in its absolute discretion think fit and without requiring any further approval or consent from the Members in this connection.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all necessary actions and to do and perform all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary, desirable, incidental or expedient for such purpose, including without limitation to vary, modify or alter any of the relevant terms and conditions, size of the issue of any tranche within overall limit approved by Members, the class of investors or subscribers to whom NCDs proposed to be issued, time of issue, number and/or value of securities to be offered, issue price, tenor, interest rate, premium/discount and further authorised to finalise/modify any other related agreements, addendum, memoranda,

deeds, documents, writings, undertaking, guarantee, indemnity etc., to be executed and amendments/modifications thereto, provide any clarifications related to issue and allotment of NCDs, listing of NCDs on Stock Exchanges, making of application to relevant depository(ies) for admission of NCDs as appropriate and further authorised to register all such agreements, documents, instruments and writings as deemed necessary including providing of private placement offer letter, information memorandum, disclosure documents, signing of debenture subscription agreement, debenture trust deed and any other deeds, documents, writings as may be required in connection with the offering(s), issuance(s) and/or allotment of NCDs on a private placement basis (including documents in connection with appointment of agencies, intermediaries and advisors), utilisation of the issue proceeds and further to authorise all such persons as may be necessary in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, with further power to settle all questions, difficulties or doubts that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) or authorised signatory/ies of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolution including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and to appoint/engage any registrar, depositories, professionals, advisors, bankers, consultants and advocates and to finalise their fees/charges and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and further authorised to make requisite filing with concerned regulatory/government authorities/depository(ies), Stock Exchanges and/or any other regulatory authorities to give effect to this resolution and further to take all others steps which may be incidental, consequential, relevant or ancillary in this connection.

**RESOLVED FURTHER THAT** all action(s) taken by the Board or Committee(s) thereof or by any Director(s) or Officer(s) or any other authorised signatory/ies of the Company in connection with any matter(s) referred to or contemplated in any of the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

**9. Approval of Future Enterprises Limited Employee Stock Option Plan, 2019 and Grant of Employee Stock Options/Restricted Stock Units to the employees of the Company thereunder.**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**) read with rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (**"SEBI SBEB Regulations"**) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (**"Listing Regulations"**), the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be accepted by the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include Nomination and Remuneration Committee and/or any other Committee constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution), the approval and consent of the Members of the Company be and is hereby accorded respectively to introduce the Future Enterprises Limited Employee Stock Option Plan, 2019 (hereinafter referred to as the **"FEL ESOP 2019"/ "Plan"**) the salient features of which are provided in the statement annexed to this Notice and further to authorise the Board to create, offer and grant from time to time, in aggregate, upto 1,36,00,000 (One Crore Thirty Six Lakh) Employee Stock Options (**"ESOP"**)/ Restricted Stock Units (**"RSU"**) (collectively known as **"Stock Options"**) to the permanent employees whether working in or outside India including Directors of the Company whether whole time or not (excluding Promoter(s) or person belonging to the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company) (hereinafter referred to as an **"Eligible Employee(s)"**) and as may be decided by the Board under the Plan which shall be exercisable into not more than 1,36,00,000 (One Crore Thirty Six Lakh) fully paid-up equity shares of the Company of face value of ₹ 2/- each (Rupees Two each) through Future Enterprises Limited Employee Welfare Trust (hereinafter referred to as **"Trust"**) set-up by the Company under FEL ESOP 2015 or directly through primary issuance by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

**RESOLVED FURTHER THAT** all actions taken and/or incidental and ancillary things done by the Board in connection with above are hereby specifically approved and ratified.

**RESOLVED FURTHER THAT** the Board be and is hereby further authorised to issue and allot equity shares upon exercise of Stock Options from time to time in accordance with the Plan and such equity shares shall rank *pari passu* in all respects with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** the number of Stock Options that may be granted to the Eligible Employee(s), in any financial year and in aggregate under the Plan shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

**RESOLVED FURTHER THAT** in case of occurrence of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or any other re-organisation in the Company, if any additional equity shares are required to be issued by the Company to the Members ("**Additional Shares**"), the ceiling as aforesaid of 1,36,00,000 (One Crore Thirty Six Lakh) Stock Options and equity shares respectively to be issued and allotted shall be deemed to be increased in proportion of such Additional Shares issued to facilitate fair and reasonable adjustment.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand increased or reduced, as the case may be, in the same proportion as the present face value of ₹ 2/- (Rupees Two) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the Stock options grantees.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the FEL ESOP 2019.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to take necessary steps for listing of the equity shares allotted under the FEL ESOP 2019 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Regulations with the concerned Stock Exchanges and other applicable laws, guidelines, rules and regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised at any time to modify, change, vary, alter, amend, suspend or terminate the FEL ESOP 2019 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members of the Company and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the FEL ESOP 2019 and do all other things incidental and ancillary thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby further authorised to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including authorising or directing the trust to appoint merchant bankers, brokers, solicitors, registrars, advertisement agency, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of FEL ESOP 2019 and also to submit applications to the appropriate authorities, parties and the institutions for their requisite approvals and to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s) and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution."

**10. Grant of Employee Stock Options/Restricted Stock Units to the employee of the Subsidiary Company(ies) of the Company under Future Enterprises Limited Employee Stock Option Plan, 2019.**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") read with rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time ("**SEBI SBEB Regulations**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("**Listing Regulations**") the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall deem to include Nomination and Remuneration Committee and/or any other committee constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution), the approval and consent of the Members of the Company be and is hereby accorded respectively to create, offer and grant from time to time 1,36,00,000 (One Crore Thirty Six Lakh) Employee Stock Options ("**ESOP**")/Restricted Stock Units ("**RSU**") (collectively known as "**Stock Options**"), within the overall ceiling of 1,36,00,000 (One Crore Thirty Six Lakh) equity shares under the Future Enterprise Limited Employee Stock Option Plan, 2019 (hereinafter referred to as the "**FEL ESOP 2019**") and the issue and allotment of which is placed before the Members for their approval under the resolution no 9 to the permanent employees whether working in or outside India including Directors of the Company, whether whole time or not (other than Promoter(s) or belonging to the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company) of any existing and future subsidiary company(ies) of the Company whether in or outside India (hereinafter referred to as an "**Eligible Employee(s)**") and as may be decided solely by the Board under FEL ESOP 2019 and which shall be exercisable into not more than 1,36,00,000 (One

Crore Thirty Six Lakh) fully paid-up equity shares of the Company in aggregate of face value of ₹ 2/- (Rupees Two each), through Future Enterprises Limited Employee Welfare Trust (hereinafter referred to as "Trust") set-up by the Company under FEL ESOP 2015 or directly through primary issuance by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

**RESOLVED FURTHER THAT** all actions taken and incidental and ancillary things done by the Board in connection with the above are hereby specifically approved and ratified.

**RESOLVED FURTHER THAT** the Board be and is hereby further authorised to issue and allot equity shares upon exercise of Stock Options from time to time in accordance with the Plan and such equity shares shall rank *pari passu* in all respects with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** the number of Stock Options that may be granted to any Eligible Employee(s) of the subsidiary company(ies), in any financial year and in aggregate under the Plan shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

**RESOLVED FURTHER THAT** in case of occurrence of corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation in the Company, if any additional equity shares are required to be issued by the Company to the Members ("**Additional Shares**"), the ceiling as aforesaid of 1,36,00,000 (One Crore Thirty Six Lakh) Stock Options and equity shares respectively to be issued and allotted shall be deemed to be increased in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand increased or reduced, as the case may be, in the same proportion as the present face value of ₹ 2/- (Rupees Two) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the FEL ESOP 2019.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to take necessary steps for listing of the equity shares allotted under the FEL ESOP 2019 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Regulations with the concerned Stock Exchanges and other applicable laws, guidelines, rules and regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised at any time to modify, change, vary, alter, amend, suspend or terminate the FEL ESOP 2019 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members of the Company and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the FEL ESOP 2019 and do all other things incidental and ancillary thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby further authorised to do all such acts, deeds and things, as may be in its absolute discretion, deem necessary including authorizing or directing the Trust to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of FEL ESOP 2019 and also to submit applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution."

**11. Grant of Employee Stock Options/Restricted Stock Units to the Employees of Company and that of the Subsidiary Company(ies) by way of secondary acquisition under Future Enterprises Limited Employee Stock Option Plan, 2019**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 ("**the Act**") read with rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("**SEBI SBEB Regulations**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("**Listing Regulations**"), the Memorandum

and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall deem to include Nomination and Remuneration Committee and/or any other committee constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) and further to the approval and consent of the Members of the Company accorded to the Future Enterprises Limited Employee Stock Option Plan, 2019 (hereinafter referred to as the "**FEL ESOP 2019**" / "**Plan**") for creation, offer and grant from time to time upto 1,36,00,000 (One Crore Thirty Six Lakh) Employee Stock Options ("**ESOP**")/Restricted Stock Units ("**RSU**") (collectively known as "**Stock Options**") to the Eligible Employees of the Company and/or its present or future subsidiary(ies) vide Resolution no. 9 and 10 of this Notice, the approval and consent of the Members of the Company be and is hereby also accorded for secondary acquisition of shares for implementation and execution of Plan upto the fullest extent of limits prescribed thereunder and that mentioned under the SEBI SBEB Regulations and as may be decided by Board from time to time exercisable into not more than 1,36,00,000 (One Crore Thirty Six Lakh) fully paid-up equity shares of the Company of face value of ₹ 2/- each (Rupees Two each) through an Future Enterprises Limited Employee Welfare Trust (hereinafter referred to as "**Trust**") set-up by the Company under FEL ESOP 2015, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board subject to that secondary acquisition by the trust in any financial year shall not exceed 2% (Two Percent) of the paid-up equity share capital of the Company as at the end of previous financial year, more particularly, in accordance with the provisions of the Plan, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.

**RESOLVED FURTHER THAT** in the event of expansion of share capital of the Company arising due to any corporate action(s) including by way of preferential allotment of shares or qualified institutions placement, the limits set hereunder prescribed for secondary acquisition shall accordingly apply to such increased capital, in proportion of such expanded share capital, subject to the Company shall adhere to the cap prescribed under sub-regulation (11) of regulation 3 of the SEBI SBEB Regulations.

**RESOLVED FURTHER THAT** in case of occurrence of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued by the Company to the Members ("**Additional Shares**"), the ceiling as aforesaid of 1,36,00,000 (One Crore Thirty Six Lakh) Stock Options and equity shares respectively to be issued and allotted shall be deemed to increase in proportion of such additional shares issued to facilitate making a fair and reasonable adjustment.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand increased or reduced, as the case may be, in the same proportion as the present face value of ₹ 2/- (Rupees Two) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the FEL ESOP 2019.

**RESOLVED FURTHER THAT** the total Stock Options to be created, offered and granted and further conversion in shares on exercise of Stock Options, whether acquired through primary or secondary acquisition shall not exceed 1,36,00,000 (One Crore Thirty Six Lakh) shares or such expanded number of ESOPs/RSU/Shares due to any corporate action(s).

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised at any time to modify, change, vary, alter, amend, suspend or terminate the FEL ESOP 2019 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the FEL ESOP 2019 and do all other things incidental and ancillary thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby further authorised to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including authorizing or directing the Trust to appoint merchant bankers, brokers, solicitors, registrars, advertisement agency, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of FEL ESOP 2019 as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s) and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution."

## 12. Approval of Trust Route for implementations of Future Enterprises Limited Employee Stock Option Plan, 2019.

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) read with rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (**“SEBI SBEB Regulations”**) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (**“Listing Regulations”**) the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the **“Board”**) which term shall deemed to include Nomination and Remuneration Committee and/or any other committee constituted or to be constituted by the Board to exercise its powers including the powers conferred by this resolution), the approval and consent of the Members of the Company be and is hereby accorded to the Board to implement Future Enterprises Limited Employee Stock Option Plan, 2019 (hereinafter referred to as the **“FEL ESOP 2019”/ “Plan”**) through an Future Enterprises Limited Employee Welfare Trust (hereinafter referred to as **“Trust”**) set-up under FEL ESOP 2015 and the Trust to subscribe, acquire, purchase, hold and deal in equity shares of the Company for the purpose of implementation of **FEL ESOP 2019** or any other employee stock plan or share based employee benefit plan which may be introduced by the Company from time to time (hereinafter referred to as **“Employees Benefit Plan”**) or for any other purpose(s) as contemplated herein and in due compliance with the provisions of the SEBI SBEB Regulations, Act (including rules framed thereunder) and other applicable laws and regulations.

**RESOLVED FURTHER THAT** the Company shall confirm to the accounting policies prescribed from time to time under SEBI SBEB Regulation and any other applicable laws and regulations to the extent relevant and applicable to the FEL ESOP 2019.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem expedient and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Members and the Board be and is hereby further authorised to nominate one or more representatives of the Company to execute such further deeds, documents and writings that may be considered necessary and to carry out any or all activities that the Board is empowered to do for the purpose of giving effect to this resolution.”

## 13. Provision of money by the Company for purchase of its own shares by the trust/trustees for the benefit of employees under Future Enterprises Limited Employee Stock Option Plan, 2019.

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b), 67 and all other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2015 as amended from time to time (**“the Rules”**) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (**“SEBI SBEB Regulations”**) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (**“Listing Regulations”**), the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be accepted by the Board of Directors of the Company (hereinafter referred to as the **“Board”**) which term shall be deemed to include the Nomination and Remuneration and/or any other committee constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution), the consent of the Members of the Company be and is hereby accorded to the Board to grant loan, to provide guarantee or security in connection with a loan granted or to be granted to the Future Enterprises Limited Employee Welfare Trust (hereinafter referred to as **“Trust”**) set-up by the Company under FEL ESOP 2015, in one or more tranches, for the purpose of subscription and/or purchase of equity shares of the Company, in one or more tranches, subject to the ceiling of number of equity shares as prescribed under Future Enterprises Limited Employee Stock Option Plan, 2019 (hereinafter referred to as the **“FEL ESOP 2019”/ “Plan”**) or any other employee/plan or share based employee benefit plan which may be introduced by the Company from time to time (hereinafter referred to as **“Employee Benefit Plan(s)”**) but the value of shares so purchased or subscribed in the aggregate together with the money provided by the Company shall not exceed 5% (five per cent) of the aggregate of paid up capital and free reserves of the Company and such equity shares shall be dealt in line with the contemplated objectives of the Plan or for any other purpose(s) as permitted under and in due compliance with the provisions of the SEBI SBEB Regulations, the Act and rules made thereunder and other applicable laws and regulations.

**RESOLVED FURTHER THAT** any loan provided by the Company shall be repayable to and recoverable by the Company from time to time during the term of the FEL ESOP 2019 and/or Employee Benefit Plan as the case may be subject to exercise price being paid by the employees on exercise of Employee Stock Options or Restrictive Stock Unit under the respective Employee Benefit Plan.

**RESOLVED FURTHER THAT** the Trust shall not deal in derivatives and shall undertake transactions as permitted under SEBI SBEB Regulations.



**RESOLVED FURTHER THAT** the Trustees of the Trust shall not vote in respect of the shares held by such Trust.

**RESOLVED FURTHER THAT** for the purposes of disclosures to the stock exchange, the shareholding of the Trust shall be shown as non-promoter and non-public shareholding.

**RESOLVED FURTHER THAT** the Trustees of the Trust shall ensure compliance of the provisions of the SEBI SBEB Regulations, rules and all other applicable laws at all times in connection with dealing with the shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed."

#### **14. Approval for entering into Material Related Party Transaction(s).**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in partial modification of the earlier resolution(s) passed by the Members of the Company and pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 ("**the Act**") read along with the Companies (Meetings of Board and its Powers) Rules, 2014 ("**the Rules**") (including any statutory modification(s), amendment(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("**Listing Regulation**"), the provisions of the Memorandum and Articles of Association of the Company and the applicable rules, guidelines and circulars issued by the concerned statutory or regulatory authorities from time to time and as agreed to by Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall include the Audit Committee of the Board or any Director or Official of the Company), the consent of the Members of the Company be and is hereby accorded to the Material Related Party Transactions as entered/ to be entered into by the Company during the financial year 2019-20, as set out in the statement annexed in this Notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to settle and finalise all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, negotiation, finalising and executing of necessary agreements, undertakings, memorandum, deeds, documents and such other papers or writings as may be deemed necessary or expedient in its own discretion and in the best interest of the Company and to delegate all or any of its powers herein conferred to the Committee of Directors and/or any Director(s)/Officer(s) of the Company, to give effect to this resolution."

#### **NOTES**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other Member.  
  
The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed, signed and stamped not less than 48 (Forty Eight) hours before the time for holding the Meeting. Proxies submitted on the behalf of limited companies, societies, etc. must be supported by appropriate resolution/authority, as applicable, issued by the Member organisation. Proxy in the prescribed Form No. MGT-11 is enclosed herewith.
2. Pursuant to Section 113 of the Act and Rules framed thereunder, the Corporate Members intending to send their authorised representatives to attend the AGM are requested to send to the Company, a certified copy of the Board Resolution or Power of Attorney, if any, authorising their representative(s) to attend and vote, on their behalf, at the AGM.
3. The Statement pursuant to Section 102 of the Companies Act, 2013 ("**the Act**"), relating to the Special Business to be transacted at the AGM is annexed thereto.
4. Information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and the Secretarial Standard on General Meetings ("**SS-2**") issued by the Institute of Company Secretaries of India ("**ICSI**"), in respect of the Director seeking appointment/re-appointment/change in terms of remuneration at the Annual General Meeting ("**AGM**") is annexed hereto as Annexure – I and forms part of the notice. Moreover, the information required to be given under Schedule – V of the Act is also annexed hereto as Annexure – II.
5. **Voting on Resolution:** All resolution would be voted through electronic means or by Polling Papers at the Meeting by the Members who have not exercised their vote through electronic means. In voting by electronic means or by Polling Papers as the case may be, each Class B (Series 1) Shareholder shall be entitled to three votes for every four Class B (Series 1) Shares held and there shall be no vote entitlement for less than 4 Class B Shares held and any fractional voting right entitlement arising out of Class B Shares held in excess of multiple of 4 ignored for voting right entitlement and each Equity shareholder shall be entitled to one vote for every equity share held.

6. The Register of Directors, Key Managerial Personnel(s) and their shareholding maintained under Section 170 of the Act along with other Statutory Registers as required under the provisions of Act, will be available for inspection by the Members at the AGM.
7. Members are requested to send all communications to our Registrar and Share Transfer Agent (R & T Agent) at the following address:

**LINK INTIME INDIA PRIVATE LIMITED**

C - 101, Embassy 247, LBS Marg, Vikhroli (West), Mumbai - 400 083

Phone No. +91 22 49186270; Fax No. +91 22 49186060;

Email ID : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

8. Members are requested to send their queries with regard to the Accounts at least 7 (Seven) days in advance to the Registered Office of the Company.
9. Members/Proxies are requested to bring the Attendance Slips duly filled in and copy of the Annual Report to the Meeting.
10. Pursuant to Sections 124 and 125 of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') dividend that are unpaid/unclaimed for a period of seven years from the date it became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF"). Further, share in respect of such dividend which have not been claimed for a period of seven consecutive years are also required to be transferred to the demat account of IEPF Authority. In the interest of the Members, the Company sent periodical reminders to the Members to claim their dividend in order to avoid transfer of dividend/shares to IEPF Authority. The details of unclaimed dividend and Members whose share are required to be transferred to the IEPF Authority, are uploaded on the Company's web link <http://felindia.in/investors/shares-transferred-to-IEPF.aspx>.

In light of the provisions stated in above point, the Company has transferred to IEPF the amount of ₹ 8,17,975 unclaimed dividend of the year 2010-11, of the Company outstanding for seven consecutive years. Further, 55,879 Equity Shares and 5,416 Class B (Series 1) Shares of the Company have also been transferred to the demat account of IEPF Authority.

11. The Members who have to claim dividend and/or shares that are transferred to demat account of IEPF Authority may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. Members can avail themselves the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's R & T Agents. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
14. Electronic copy of the Annual Report for 2018-19 and Notice of AGM *inter-alia* indicating the process and manner of e-voting along with Proxy Form and Attendance Slip is being sent to all the Members, who's e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their Email address, physical copies of the Annual Report for 2018-19 and Notice of AGM of the Company *inter-alia* indicating the process and manner of e-voting along with Proxy Form and Attendance Slip is being sent in the permitted mode. Members holding both, Equity Shares and Class B (Series 1) Shares are being sent only one copy of the Annual Report and Notice. Further, copies of the Annual Report will not be distributed at the AGM and Members are requested to bring their copies to the Meeting.
15. Members who have not registered their e-mail ID so far are requested to register the same for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company in electronic form.
16. Members may also note that, the Notice of the AGM and the Annual Report for 2018-19 will also be available on the Company's website [www.felindia.in](http://www.felindia.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on (09.00 A.M. to 05.00 P.M.) on all working days upto and including the date of the AGM of the Company. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the Members may also send requests to the Company's investor relations e-mail id: [investorrelations@futuregroup.in](mailto:investorrelations@futuregroup.in).

17. Voting through Electronic Means

I. In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (“SS-2”) issued by the ICSI as amended from time to time, the Company is pleased to provide its Members the facility to exercise their rights to vote on the resolutions proposed to be considered at the AGM by electronic means and business may be transacted through e-voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM (“Remote e-voting”) will be provided by National Securities Depository Limited (“NSDL”).

- i) The Notice of the AGM shall be placed on the website of the Company [www.felindia.in](http://www.felindia.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- ii) The facility for voting through Polling Paper shall be made available at the AGM.
- iii) Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Polling Paper.
- iv) The Members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- v) The remote e-voting period commences on Friday, July 26, 2019 (09:00 A.M.) and ends on Monday, July 29, 2019 (05:00 PM). During this period Member of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of July 23, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- vi) The instructions for remote e-voting are as under:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-voting website?

- A. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- B. Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Member” section.
- C. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

D. Your User ID details are given below :

Manner of Holding Shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

E. Your password details are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the “initial password” which was communicated to you. Once you retrieve your “initial password”, you need to enter the “initial password” and the system will force you to change your password.

- c) How to retrieve your “initial password”?
  - i) If your email ID is registered in your demat account or with the Company, your “initial password” is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your “User ID” and your “initial password”.
  - ii) Your email ID is not registered, your “initial password” is communicated to you on your postal address.
- F. If you are unable to retrieve or have not received the “initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- G. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- H. Now, you will have to click on “Login” button.
- I. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-voting system?

- a. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- b. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- c. Select “EVEN” of Company for which you wish to cast your vote.
- d. Now you are ready for e-voting as the Voting page opens.
- e. Cast your vote by selecting appropriate options i.e. assent or dissent, verify or modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- f. Upon confirmation, the message “Vote Cast Successfully” will be displayed.
- g. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- h. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Member**

1. Institutional Member (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to [bhattivirendra1945@yahoo.co.in](mailto:bhattivirendra1945@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Member and e-voting user manual for Member available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. July 23, 2019.
  - III. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. July 23, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.:1800-222-990 or Issuer/R & T Agent.

However, if you are already registered with NSDL for e-voting, then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the toll free no.: 1800-222-990.

- IV. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the meeting through polling paper.
- V. Mr. Virendra Bhatt, Practicing Company Secretary (Membership No. 1157, Certificate of Practice No. 124) has been appointed as the Scrutiniser to scrutinise the remote e-voting process and votes cast through Polling Paper at the AGM in a fair and transparent manner.
- VI. The Chairman of the Meeting shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiniser, by use of "Polling Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VII. The Scrutiniser shall after the conclusion of voting at the AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company and shall make, not later than 48 (Forty Eight) hours of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him/her in writing, who shall countersign the same and declare the result of the voting forthwith.
- VIII. The Results declared along with the report of the scrutiniser shall be placed on the website of the Company [www.felindia.in](http://www.felindia.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) after the declaration of result by the Chairman/ Director or any person authorised by him in writing, of the meeting. The result shall also be forwarded to Stock Exchanges.
18. The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the Depositories for any payment (including dividend) through Electronic Clearing Service ("ECS") to investors. In the absence of ECS facility, companies shall mandatorily print the bank account details of the investors on such payment instruments. Members are encouraged to avail ECS facility and requested to update bank account details in the prescribed form to their respective Depository Participant(s) and/or the Company's R & T Agents.
19. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail ID, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their respective Depository Participant(s) in case the shares are held in electronic form and to the Company's R & T Agents in case the shares are held in physical form.
20. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 01, 2019, except in case of transmission or transposition of securities. In view of the above, Members are advised to dematerialise shares held by them in physical form.
21. The requirement to place the matter relating to ratification of appointment of Statutory Auditors by Members at every Annual General Meeting is done away with as per Section 40 of Companies (Amendment) Act, 2017 vide notification dated May 07, 2018 issued by Ministry of Corporate Affairs. Accordingly, no resolution was proposed for ratification of appointment of M/s. DMKH & Co., Chartered Accountants, who are the Statutory Auditors of the Company and were appointed at the 29th Annual General Meeting held on August 29, 2017. Further they have confirmed that they are eligible in terms of Section 141 of Act to continue as Statutory Auditors' of the Company. The details of remuneration paid to Auditors is provided in the Corporate Governance Report and Annual Accounts for the year ended March 31, 2019.
22. The route map of the venue of the AGM is enclosed herewith. The prominent landmark near the venue is Mantralaya, Mumbai.

By order of the Board  
For Future Enterprises Limited

Place : Mumbai  
Date : June 24, 2019

Sd/-  
Deepak Tanna  
Company Secretary

**Registered Office:**  
**Future Enterprises Limited**  
(CIN : L52399MH1987PLC044954)  
Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (East), Mumbai – 400 060  
Tel No.: +91 22 6644 2200, Fax No.: +91 22 6644 2201  
E-mail: [investorrelations@futuregroup.in](mailto:investorrelations@futuregroup.in); Website: [www.felindia.in](http://www.felindia.in)

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 2 and 3

Mr. Vijay Biyani, (DIN: 00005827) who retires by rotation and being eligible, offers himself for re-appointment.

Mr. Vijay Biyani is a part of Promoter Group and was Whole-time Director of our Company since September 26, 2009 till his re-designation as Managing Director w.e.f. May 04, 2016. Further, he was re-appointment as Managing Director for a period of 3 (Three) years w.e.f. September 26, 2017. He has over 35 years of experience in the field of manufacturing, marketing of readymade garments and retail, and is known as pioneer of organised retail in India.

Moreover, as per the provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 ("**Listing Regulations**") as amended from time to time, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group shall require approval of Members of the Company if the annual remuneration payable to such Executive Director exceeds rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher; or where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the Listed Entity. In case of our Company, individual managerial remuneration though is less than ₹ 5 crore but may exceed 2.5 percent and/or 5 percent thresholds, as the case may be.

In the Annual General Meeting held on August 29, 2017, the remuneration payable to Mr. Vijay Biyani was revised and approved by the Members of the Company by way of Special Resolution. However, in order to comply with the requirement of amended Listing Regulations and on recommendation of Nomination and Remuneration Committee and as agreed to by Board of Directors in their meeting held on May 27, 2019, the consent of Members of the Company is sought by way Special Resolution for payment of remuneration to Mr. Vijay Biyani as per the terms and conditions already approved notwithstanding that such remuneration exceeds the limits prescribed in Regulation 17(6)(e) of the Listing Regulations.

A brief profile of Mr. Vijay Biyani including nature of his expertise, as required under Regulation 36 of Listing Regulations and Secretarial Standard on General Meetings ("**SS-2**") is provided in the Annexure - I to this Notice. Further, additional information as required under Schedule V to the Act is provided in the Annexure - II to this Notice and also forms part of the Statement.

None of the Directors except Mr. Vijay Biyani himself and Mr. Kishore Biyani as his relative, is concerned or interested in the resolution. None of the other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the resolution.

### ITEM NO. 4

The Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee, has appointed Mr. Haresh Chawla (DIN: 00029828) as an Additional Director and designated as an Independent Director in their Meeting held on March 28, 2019.

In terms of provisions of Section 160 of the Companies Act, 2013 ("**the Act**"), read with relevant rules thereto, the Company has received notice in writing from a Member of the Company, signifying its intention to propose his appointment as an 'Independent Director' of the Company.

Mr. Haresh Chawla holds a MBA from IIM Calcutta, and B.Tech. from IIT Mumbai. Mr. Haresh Chawla is a Partner at True North, one of India's most experienced and respected private equity funds, with over \$ 2.0 billion under management. At True North, he focuses on investments in the food and consumer sectors where he identifies and helps transform mid-size businesses.

He is best known though for his leadership in transforming the Network18 Group into a formidable media network. Under his watch as Founding CEO, Network 18 became India's fastest growing Media and Entertainment network. His career at Network18 spanned 12 years, and he grew revenues from \$3 million in 1999 to over \$500 million in 2012 with over 11 television services including Colors, CNBC-TV18, CNN-IBN, MTV, Nickelodeon.

Mr. Chawla has also been keenly engaged in the consumer internet revolution in India from the early nineties. He is credited with building some of India's largest, most well-known internet businesses like Money control, Bookmyshow, Yatra, Firstpost and Homeshop18. Today, he continues to invest and mentor several internet and consumer start-ups.

The Company has received necessary consent and declaration from Mr. Haresh Chawla to act as a Director of the Company and confirmation that he is not disqualified from being appointed as Director of the Company and is not debarred from holding office of Director by virtue of any order of Securities and Exchange Board of India or any other authority. Mr. Haresh Chawla has also confirmed that he meets the criteria of Independence as prescribed under section 149(6) of the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**"). In the opinion of the Board, he fulfils the conditions specified in the Act and is Independent of the management.

Brief Profile of Mr. Haresh Chawla, including nature of his expertise as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings ("**SS-2**") is attached as Annexure – I to this Notice.

The Board of Directors recommends this Ordinary Resolution for the approval of Members of the Company.

Except Mr. Haresh Chawla being an appointee and his relatives, none of other Directors, Key Managerial Personnel(s) of the Company and their respective relatives are in anyway, concerned or interested, financially or otherwise, in passing of this Resolution.

#### **ITEM NO. 5**

Pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") and rules framed thereunder, Mr. V. K. Chopra was appointed as an Independent Director of the Company for a period of 5 (Five) consecutive years at the 26th Annual General Meeting of the Company held on August 02, 2014 till August 01, 2019.

Mr. V. K. Chopra is a fellow member of the Institute of Chartered Accountants of India (ICAI) by profession and is a Certified Associate of Indian Institute of Bankers (CAIIB). He has over 36 years of experience in the banking industry. He was Executive Director of Oriental Bank of Commerce and Chairman and Managing Director of SIDBI and Corporation Bank. His last assignment was with SEBI as Whole-time Member. He is on the Board of the Company since July 24, 2008 as an Independent Director. He has vast experience in banking and finance. He is the Chairman of the Board and became Chairman of the Audit Committee with effect from March 29, 2019. He is also member in Nomination and Remuneration Committee of the Company. As on date he does not hold by himself or for any other person on a beneficial basis any shares in the Company.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on June 24, 2019 and subject to the approval of Members at ensuing Annual General Meeting and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members of the Company be and is hereby sought for re-appointment of Mr. V. K. Chopra as an Independent Director on the Board of Company for the second term with effect from August 02, 2019 upto March 05, 2021.

The Company has also received necessary declaration from Mr. V. K. Chopra confirming the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**"). The Company has also received declaration from Mr. V. K. Chopra under Section 164 of the Act that he is not disqualified from being appointed as Director. In the opinion of the Board, he fulfils the conditions specified in the Act and is Independent of the management.

In terms of Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of Mr. V. K. Chopra for the office of Director of the Company.

Brief Profile of Mr. V. K. Chopra, including nature of his expertise as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings ("**SS-2**") is attached as Annexure – I to this Notice.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. V. K. Chopra as an Independent Director. Accordingly, consent of the Members is sought by way of Special Resolution as set out in Item No. 5 of the Notice for re-appointment of Mr. V. K. Chopra as an Independent Director of the Company.

Except Mr. V. K. Chopra being an appointee and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

#### **ITEM NO. 6**

Pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") and rules framed thereunder, Ms. Bala Despande was appointed as an Independent Director of the Company for a period of 5 (Five) consecutive years at the 26th Annual General Meeting of the Company held on August 02, 2014 till August 01, 2019.

Ms. Bala Despande holds a bachelor's and master's degree in Arts from the University of Mumbai. She also holds a master's degree in Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai. She has over 28 years of experience in management. She has multi industry exposure and has worked with ICICI venture Funds Management Company Limited, Best Foods and Imperial Chemical Industries. She is on the Board of Future Supply Chain Solutions Limited. She is a Chairperson of Corporate Social Responsibility Committee and member of the Audit, Nomination and Remuneration Committee of the Board. As on date she does not hold by herself or for any other person on a beneficial basis any shares in the Company.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on June 24, 2019 and subject to the approval of Members at ensuing Annual General Meeting and based on her skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by her during her tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members of the Company be and is hereby sought for re-appointment of Ms. Bala Despande as an Independent Director on the Board of Company for the second term with effect from August 02, 2019 upto August 01, 2024.

The Company has also received necessary declaration from Ms. Bala Despande confirming the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**"). The Company has also received declaration from Ms. Bala Despande under Section 164 of the Act that she is not disqualified from being appointed as Director. In the opinion of the Board, she fulfils the conditions specified in the Act and is Independent of the management.

In terms of Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of Ms. Bala Despande for the office of Director of the Company.

Brief Profile of Ms. Bala Deshpande, including nature of her expertise as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings ("**SS-2**") is attached as Annexure – I to this Notice.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Ms. Bala Despande as an Independent Director. Accordingly, consent of the Members is sought by way of Special Resolution as set out in Item No. 6 of the Notice for re-appointment of Ms. Bala Despande as an Independent Director of the Company.

Except Ms. Bala Despande being an appointee and her relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

#### **ITEM NO. 7**

Pursuant to the approval granted by Board of Directors and Members, Mr. Dinesh Maheshwari was appointed as Executive Director & Chief Financial Officer of the Company for a period of 3 (three) years with effect from May 04, 2016 up till May 03, 2019.

Mr. Dinesh Maheshwari, aged 50 years, is a qualified Chartered Accountant. He possess more than 21 years of rich post qualification experience in finance and taxation. He is associated with the Group since December 2004 and has worked with other corporate houses viz. S. R. Batliboi & Co., IIT Capital Services Ltd. and Mukwano Industries Limited. He has represented Retail Industry on various topics of public interest in different forums. He has strong domain knowledge of Finance, Accounts, Taxation and Corporate Restructuring, Risk Management System and process implementation, mergers and amalgamations, takeover of business enterprises, raising capital through innovative financial products, commercial functions and a very good leader with strong relationship with stakeholders and employees. With his rich experience in the retail and finance field, he would be a valuable asset for the Company in his role as an Executive Director & Chief Financial Officer.

Accordingly, the Nomination and Remuneration Committee recommended and the Board of Directors approved in their respective meetings held on March 28, 2019, the re-appointment of Mr. Dinesh Maheshwari (DIN: 00088451) as an Executive Director & Chief Financial Officer of the Company for a period of 3 (three) years with effect from May 04, 2019 and the payment of remuneration on terms and conditions as stipulated below subject to the approval of the Members in the ensuing General Meeting:

#### **Remuneration:**

Total Remuneration during this tenure shall be in the scale of ₹ 2.25 crore to ₹ 4.00 crore per annum which includes basic salary, taxable perquisites, performance bonus and other allowances but excluding perquisites to the extent exempted under the Income-tax Act, 1961.

#### **Other Terms and Conditions:**

- Perquisites: Subject to overall ceiling as aforesaid, the Executive Director & Chief Financial Officer shall have liberty to opt for such other allowances, perquisites and incentive as he deems fit including house rent allowance, medical reimbursement, leave travel concession for self and family, club fees, use of Company provided cars and such other allowances, benefits, amenities and facilities etc., as per the Company's Rules or as may be agreed to between the Board of Directors and the Executive Director & Chief Financial Officer;
- The Executive Director & Chief Financial Officer will also be a Member of the Group Medical and Personal Accident Insurance policies of the Company;
- In addition to the perquisites referred above, he will also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration as exempted perquisites:
  - ❖ Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
  - ❖ Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
  - ❖ Encashment of leave at the end of the tenure; and
  - ❖ Reimbursement of expenses incurred for the business of the Company.



- It shall further be noted that on the exercise of stock options already granted to and vested by Mr. Dinesh Maheshwari, such exercise shall be considered as additional remuneration and will not counted in the foregoing remuneration.

Subject to the applicable provisions of the Act, perquisites and allowances shall be evaluated as per Income Tax Rules, 1962 wherever applicable, and at cost, in the absence of any such rules.

A brief profile of Mr. Dinesh Maheshwari, including nature of his expertise, as required under Regulation 36 of Listing Regulations and Secretarial Standard on General Meetings ("**SS-2**") is provided in the Annexure - I to this Notice. Further, additional information as required under Schedule V to the Act, is provided in the Annexure - II to this Notice and also forms part of the Statement.

Mr. Dinesh Maheshwari being appointee and his relatives shall be deemed to be concerned or interested in the resolution to the extent of appointment and payment of remuneration to him under this resolution. None of the other Directors, Key Managerial Personnel(s) of the Company and their respective relatives are, in any way, concerned or interested, financially or otherwise, in the passing of this Resolution(s).

The Board of Directors recommends this resolution for your consideration and approval as a Special Resolution.

#### **ITEM NO. 8**

The Company has obtained approval for issue of Non-Convertible Debentures (NCDs) of ₹ 1500 crore in June 2018 to meet its requirements of improving debt maturity profile, reduction of overall cost of debt, Capex requirements and other general corporate purposes. As per Section 42 of the Companies Act, 2013 ("**the Act**") and Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the said approval was valid for a period of 12 months and would expire on June 30, 2019. The Company had issued NCDs of only ₹ 950 crore in pursuant to aforesaid approval. On analysis of the present debt profile, it was felt that the Company can further replace few of its current or near-term maturity debts as well as some more high cost debts with fresh mobilisation of funds. Further, fresh funds would proposed to be utilised for expansion /capex programme and as well as for general corporate purposes for the coming year. In view of the funds requirements for capex expansion as well as continuous process to rationalise its debt maturity profile while ensuring reduction in overall finance cost and improving debt service coverage ratio, it was proposed to renew the aforesaid approval for the balance unavailed portion of the NCDs and take some additional approval for the proposed CAPEX and general corporate purposes for an aggregate amount upto ₹ 900 crore. This may also help the Company to improve its balance sheet and credit profile and hence capability to obtain credit facilities at better terms and reasonable rate of interest.

Accordingly, consent of the Members is therefore sought in connection with the aforesaid issue of Non-Convertible Debentures/ bonds from time to time and they are requested to authorise the Board (including any Committee of the Board) for fresh issue of Non-Convertible Debentures on private placement basis upto ₹ 900 crore as stipulated above, in one or more tranches, during the period of one year from the date of passing of this Resolution and within the overall borrowing limits of the Company, as approved by the Members from time to time.

Accordingly, the Board recommends the Special Resolution set forth in Item No. 8 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel(s) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the passing of the proposed Resolution.

#### **ITEM NO. 9, 10 and 11**

The success of the Company's objectives is largely determined by the quality of its work force and their commitment to achieve Company's objectives. It is recognised that not only good employment opportunities but also additional motivating mechanisms are needed to incentivise employees and aligning their interest with the interest of the Company.

Members are requested to note that in recognition of the aforesaid objective, the Company has approved and implemented the following employee stock options plans, from time to time:

- i) Future Enterprises Limited Employee Stock Option Plan, 2012 ("**FEL ESOP 2012**");
- ii) Future Enterprises Limited Employee Stock Option Plan, 2015 ("**FEL ESOP 2015**").

Members are further requested to note that the Board of Directors considers it appropriate to introduce the Future Enterprises Limited Employee Stock Option Plan, 2019 ("**FEL ESOP 2019**" / "**Plan**") to the Eligible Employees of the Company and that of its Subsidiary Company(ies) as stated in resolution and point no. 3 below, and accordingly, as may be decided by the Board of Directors or Nomination and Remuneration Committee thereof from time to time.

Your Directors seeks approval of the Members in respect of FEL ESOP 2019 and for grant of Employee Stock Options ("**ESOP**")/ Restricted Stock Units ("**RSU**") (collectively known as "**Stock Options**") to the Eligible Employees of the Company and that of its Subsidiary Company(ies) in due compliance with Companies, Act, 2013 ("**the Act**") including any rules framed thereunder,

Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (“SEBI SBEB Regulations”) and other applicable laws and regulations.

Pursuant to Regulation 6 and Regulation 14 of the SEBI SBEB Regulations and the requirements enumerated by the SEBI through the circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, the key details of FEL ESOP 2019 are set out below:

**1. Brief description of the FEL ESOP 2019:**

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organisational objectives by participating in the ownership of the Company through share based compensation scheme/ plan. Your Company believes in rewarding its employees including Directors of the Company as well as that of the Subsidiary Company(ies) for their continuous hard work, dedication and support, which has led the Company and the Subsidiary Company(ies) on the growth path. The Company intends to implement FEL ESOP 2019 with a view to attract and retain key talents working with the Company and its Subsidiary Company(ies) by way of rewarding their performance and to motivate them to contribute to the overall corporate growth and profitability.

**2. Total number of Stock Options to be granted:**

1,36,00,000 (One Crore Thirty Six Lakh) Stock Options will be available for grant to the Eligible Employees of the Company and that of its Subsidiary Company(ies) under FEL ESOP 2019, in one or more tranches, exercisable into not more than 1,36,00,000 (One Crore Thirty Six Lakh) equity shares of face value of ₹ 2/- each fully paid-up. In normal course, the Stock Option pool should be equivalent to 3% of the paid up capital of the Company.

Vested Stock Options lapsed due to non-exercise and/or unvested Stock Options that get cancelled due to resignation/ termination of the employees or otherwise, will be available for being re-granted at a future date. The Committee will be authorised to re-grant such lapsed/cancelled options as per the provisions of FEL ESOP 2019.

The SEBI SBEB Regulations require that in case of occurrence of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Stock Options granted. Accordingly, if any additional equity shares are required to be issued pursuant to such corporate action, the above ceiling of Stock Options or equity shares shall be deemed to increase in proportion of such additional equity shares issued subject to compliance of the SEBI SBEB Regulations.

**3. Identification of classes of employees entitled to participate in FEL ESOP 2019**

❖ **Following are the class/classes of employees entitled to participate in FEL ESOP 2019:**

- a) Permanent employees of the Company who has been working in or outside India;
- b) Non-independent and non-promoter Directors of the Company; and
- c) Permanent employees, Non-independent and non-promoter Directors of the Subsidiary Company(ies) in India or outside India.

❖ **Following are the class/classes of employees not eligible to participate in FEL ESOP 2019:**

- a) an employee who is a Promoter or belongs to the Promoter Group;
- b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- c) an Independent Director within the meaning of the Act.
- d) a Director belonging to Promoter Group.

**4. Transferability of Stock Options :**

The Stock Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Stock Options holder, while in employment, the right to exercise all the Stock Options granted to him till such date shall be transferred to his legal heirs or nominees within the period as may be prescribed under FEL ESOP 2019. Moreover, in case employee suffers a permanent incapacity while in employment, all the options granted to him as on the date of permanent incapacitation, shall vest in him on that day.

**5. Appraisal process for determining the eligibility of employees under FEL ESOP 2019:**

The appraisal process for determining the eligibility of the employees will be decided by the Board or Committee and will be based on criteria, such as role/criticality of the employee, length of service with the Company, work performance,

technical knowledge, managerial level, future potential and such other criteria that may be determined by the Board or the Committee, as applicable as its sole discretion.

The Board or the Committee may decide to extend the benefits of the Plan to new entrants or to the existing employees on such basis as it may deem fit, in accordance with applicable law.

**6. Requirements of vesting and period of vesting:**

The Board or Committee may, at its discretion, may lay down certain criteria including, but not limited to, the performance metrics on the achievement of which the granted Stock Options would vest and which may be specified in the respective grant letters or the vesting letters to be issued in this regard. The detailed terms and conditions relating to such criteria for vesting, the period over which and proportion in which the Stock Options vest would be subject to the minimum and maximum vesting period are specified below:

**Vesting period for ESOP:** The Options would vest not earlier than one year and not later than such period from the date of grant of Options as may be determined by the Committee/Board. The vesting schedule (i.e. exact proportion in which and the exact period over which the Options would vest) would be determined by the Board or Committee, subject to the minimum vesting period of one year from the date of grant of Options. Moreover, the Options granted under the Plan shall vest, in one or more tranches.

**Vesting Period for RSU:** The RSU would vest not earlier than one year and not later than such other period from the date of grant of RSU, as may be determined by the Committee/Board. The vesting schedule (i.e. exact proportion in which and the exact period over which the RSU would vest) would be determined by the Board or Committee, subject to the minimum vesting period of one year from the date of grant of RSU. The RSU granted under the Plan shall vest, in one or more tranches.

**7. Maximum period within which the Stock Options shall be vested:**

Stock Options granted under FEL ESOP 2019 would vest in accordance with the terms of each grant, subject to maximum period of 3 years from the date of grant of such Stock Options.

**8. Exercise price or pricing formula:**

**Exercise price for ESOP:** The Equity Shares may be issued at such price that the Board or Committee may determine on the date of such grant of the Options under the Plan and specified in the relevant grant documents provided that the exercise price per Option shall not be less than the face value of the equity share and shall not exceed market price of the equity share of the Company as on date of grant of Option and which may be decided by the Board/Committee.

**Exercise price for RSU:** The Equity Shares may be issued at such price that the Board or Committee may determine on the date of such grant of the RSU under the Plan and specified in the relevant grant documents provided that the exercise price per RSU shall not be less than the face value of the equity share and shall not exceed market price of the equity share of the Company as on date of grant of RSU and which may be decided by the Board/Committee.

Market price in this context refers to the meaning assigned to it under the SEBI SBEB Regulations.

The Committee can give cashless exercise of Stock Options, if required, to the employees and shall provide necessary procedures and/or mechanism for exercising such options subject to applicable laws, rules and regulations.

**9. Exercise period and the process of Exercise:**

The exercise period would commence from the date of vesting and will expire on completion of 3 (Three) years from the date of vesting of Stock Options or such other period as may be determined by the Board/Committee and subject to such other terms and conditions as may be stipulated by the Board/Committee.

The vested Stock Option will be exercisable by the employees through a written application to the Trust or Company accompanied by payment of exercise price in such manner and on execution of such documents, as may be prescribed by the Board or Committee from time to time. The Stock Options will lapse if not exercised within specified exercise period.

In case of cashless system of exercise of vested Stock Options, the Board or Committee shall be entitled to specify such procedures and/or mechanisms for the Shares to be dealt with thereon as may be necessary and the same shall be binding on the Stock Options grantees.

**10. Maximum number of Stock Options to be issued per employee and in aggregate:**

The number of Stock Options that may be granted to any Eligible Employee of the Company or of its Subsidiary Company under the Plan, in any financial year and in aggregate under the FEL ESOP 2019 shall be less than 1% of the Issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.

**11. Compliance with the applicable Accounting Standards and Disclosure Policies:**

The Company shall comply with 'Guidance Note on Accounting for Employee Share-based Payments' (Guidance Note) or relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein and those prescribed by the concerned authorities from time to time.

**12. Method of Stock Options Valuation:**

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Stock Options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Stock Options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

**13. Conditions under which options or RSU vested to the employees shall lapse:**

The Options not exercised within the Exercise Period shall lapse and the Option Grantee shall have no right over such lapsed or cancelled options. In case of retirement of employee, the employee may exercise the Options within six months from the date of retirement, failing which, the vested Options shall lapse. In case of death of employee, nominee, if appointed or successor/legal heir on producing the documents proving the succession, may exercise the option granted within six months from the date of death of the Employee or such further time as the Committee may permit in its absolute discretion, failing which, the Options shall lapse. In case the employee gets terminated, he / she can exercise the vested option within three months from the date of termination, failing which, the Options shall lapse.

**14. Specified time period within which the employee shall exercise the vested options or RSU in the event of a proposed termination of employment or resignation of employee:**

All vested options to lapse in case of termination due to misconduct or on moral turpitude grounds and in case of termination due to any cause other than due to misconduct or breach of company policies/terms of employment, within three months from date of termination.

**15. Primary/Secondary Route:**

The Board or Committee shall decide on exploring the option for issuance of shares upon exercise, either by way of primary issue or by way of secondary acquisition, however, subject to adherence with applicable laws and regulations as prevailing and in force from time to time.

**16. Implementation and Administration:**

The Plan shall be implemented and administered through the Board of Directors or the Committee of the Company as applicable within the approved framework mentioned therein.

**17. The amount of loan to be provided for the implementation of Plan by the Company to the trust, its tenure, utilisation, repayment terms:**

The Board or Committee shall decide from time to time, amount of loan to be provided for the implementation of Plan by the Company to the trust, including its tenure, utilisation, repayment terms, etc. However, such amount of loan shall not exceed the limit provided under SEBI SBEB Regulations.

**18. Maximum percentage of secondary acquisition (subject to the limits specified under the SEBI SBEB Regulations) that can be made by the trust for the purposes of the FEL Plan 2019:**

The Board or Committee shall decide the maximum percentage of secondary acquisition that can be made by the trust however, the value of such acquisition, at any point of time, shall not exceed the limits provided under SEBI SBEB Regulations.

**19. Other Terms:**

The Board or the Committee of the Company shall have the absolute authority to vary or modify the terms of Plan to meet any regulatory requirements in accordance with the regulations and guidelines prescribed by the Securities and Exchange Board of India, including terms of SEBI SBEB Regulations or other regulations that may be issued by any appropriate authority, from time to time unless such variation, modification or alteration is detrimental to the interest of the employees who have been granted stock options under the Plan.

In terms of provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Act, consent of the Members is being sought by way of a Special Resolution(s) set out at Item No. 9, Item No. 10 and Item No. 11 of this Notice.

Mr. Dinesh Maheshwari and his relatives, shall be deemed to be concerned or interested in the aforesaid resolution(s) as possible future beneficiary of any grant made to him under FEL ESOP 2019. None of the other Directors, Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, financially or otherwise, in the passing of this Resolution.

Your Directors recommend the Resolution(s) proposed at Item No. 9, Item No. 10 and Item No. 11 of this Notice for your approval.

## ITEM NO. 12

The Company intends to implement Future Enterprises Limited Employee Stock Option Plan 2019 ("FEL ESOP 2019"/ "Plan") with a view to attract and retain key talents working with the Company and its Subsidiary Company(ies). Your Company contemplates implementation of the Plan through an Employee Welfare Trust viz. Future Enterprises Limited Employees Welfare Trust ("Trust") route with a view to efficiently manage the Plan and if required to enable cashless exercise of vested options. FEL ESOP 2019 envisages primary issue of 1,36,00,000 (One Crore Thirty Six Lakh) equity shares within the term of the Plan. The Company also contemplates to manage any future employee stock option plan or restricted stock units or share based employee benefit plan which may be introduced from time to time through trust route.

The Board of Directors of the Company have at their meeting on March 28, 2019 approved FEL ESOP 2019, envisaging aforesaid number of equity shares.

In term of the provisions of relevant Regulation of the SEBI SBEB Regulations, consent of the Members is being sought by way of a Special Resolution set out at Item No.12 of this Notice.

Mr. Dinesh Maheshwari and his relatives, shall be deemed to be concerned or interested in the aforesaid resolution(s) as possible future beneficiary of any grant made to him under FEL ESOP 2019. None of the other Directors, Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, financially or otherwise, in the passing of this Resolution.

Your Directors recommend the resolution proposed at Item No. 12 of this Notice for your approval.

## ITEM NO. 13

The Company intends to implement Future Enterprises Limited Employee Stock Option Plan, 2019 ("FEL ESOP 2019"/ "Plan") with a view to attract and retain key talents working with the Company and its Subsidiary Company(ies) by primary issue of equity shares and through trust route for its implementation. The SEBI SBEB Regulations permits trust route for implementation of Plan.

The Board passed a resolution to set-up an Employee Welfare Trust viz. Future Enterprises Limited Employees Welfare Trust ("Trust") and approved the proposal for sanction of loan by the Company to the Trust. This proposed money provided by the Company to the Trust together with value of equity shares purchased or subscribed by the Trust in aggregate shall be within the statutory limit of 5% (five per cent) of the aggregate of paid-up share capital and free reserves, as prescribed under SEBI SBEB Regulations read with Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 ("Companies Rules").

**Particulars in respect of the Trust as required under SEBI SBEB Regulations and Companies Rules are as follows:**

**a) The class/classes of employees for whose benefit, the Plan is being implemented and money is being provided for purchase and subscription of shares:**

The Plan was being implemented and money being provided for purchase and subscription of shares for the benefit of employees within the meaning of the Plan. The class/classes of employee who are eligible subject to selection by the Board/ Nomination and Remuneration Committee ("Committee") are as follows:

❖ **Following are the class/classes of employees entitled to participate in FEL ESOP 2019:**

- a) Permanent employees of the Company who has been working in or outside India;
- b) Non-independent and non-promoter Directors of the Company; and
- c) Permanent employees and Non-independent and Non-Promoter Directors of the Subsidiary Company(ies) in India or outside India or of a holding company of the Company.

❖ **Following are the class/classes of employees not eligible entitle to participate in FEL ESOP 2019:**

- a) an employee who is a Promoter or belongs to the Promoter Group;
- b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- c) an Independent Director within the meaning of the Act.
- d) a Director belonging to Promoter Group.

**b) The particulars of the trustee or employees in whose favour such shares are to be registered:**

It was contemplated that one or more of the designated trustees should acquire and hold the Shares in due compliance of the relevant provisions of SEBI SBEB Regulations and other applicable laws. The Trustees should transfer the shares in favour of the employees on exercise of the Stock Options after realisation of exercise price and applicable income tax.

**c) The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:**

An Irrevocable Trust is set up with the name Future Enterprises Limited Employees Welfare Trust having its registered office at knowledge house, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060. The trustees are appointed by Board and committee thereof in compliance with applicable provisions of Companies Act, 2013 and SEBI SBEB Regulations.

A person shall not be appointed as a trustee to hold shares if he is a director, key managerial personnel or promoter of the Company or associate company or any relative of such director, key managerial personnel or promoter or beneficially holds 10% or more of the paid up share capital of the Company.

**d) Any interest of Key Managerial Personnel, Directors or Promoters in such Plan or trust and effect thereof:**

The Directors who are promoters of the Company are not eligible to be covered under the Plan. However, Directors other than Independent Director and/or key managerial personnel, may be covered or interested under the Plan but only to the extent of stock options as may granted to them, if any, under the Plan and in due compliance with the SEBI SBEB Regulations.

**e) The detailed particulars of benefits which will accrue to the employees from the implementation of the Plan:**

The eligible employees should be granted Stock Options under the Plan which would vest subject to vesting conditions prescribed by the Committee. After vesting and on exercise of the Stock Options, the Trust/ Trustees should transfer corresponding number of equity shares to the employees. The employees may deal in the shares by way of selling/holding or otherwise deal in their absolute discretion subject to applicable laws and regulations immediately after exercise or may hold and sell after a definite period of time at his/ her discretion. The employees would get the benefit on sell of shares depending on sale price of such Shares. In case of cashless system of exercise of vested Stock Options, the Committee should be entitled to specify such procedures and/or mechanisms for the equity shares to be dealt with thereon as may be necessary and the same should be binding on the Stock Options grantees.

**f) The details about who will exercise and how the voting rights in respect of the shares to be purchased under the Plan will be exercised:**

As per SEBI SBEB Regulations, the trustees should not vote in respect of equity shares held in the Trust. In these circumstances, the voting rights can be exercised by an employee only when the equity shares are transferred to them after due process of exercise of options.

In term of the provisions of Regulation 3(8) of the SEBI SBEB Regulations read with Rule 16 of the Companies Rules, consent of the Members is being sought by way of a Special Resolution set out at Item No. 13 of this Notice.

Your Directors recommend the Resolution proposed at Item No. 13 of this Notice for your approval.

Mr. Dinesh Maheshwari and his relatives, shall be deemed to be concerned or interested in the aforesaid resolution as possible future beneficiary of any grant made to him under FEL ESOP 2019. None of the other Directors, Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, financially or otherwise, in the passing of this Resolution.

**ITEM NO. 14**

The Company is entering into a related party transaction(s) with Future Retail Limited ("FRL") for Purchase/Sale of Goods and Services, Lease Rental and Service Charges, Purchase and Sale of Capital Goods and other services. FRL is engaged in retail industry and operates India's most popular hypermarket and retail formats such as Big Bazaar, fbb, Food Bazaar, Fashion at Big Bazaar (fbb), Easyday, Foodhall, Hypercity and many more.

Furthermore, the Company is also entering into related party transaction(s) with Future Lifestyle Fashions Limited ("FLFL") for sale, purchase and supply of goods and assets and availing or rendering of any services. FLFL is the flagship fashion business of Future Group. Moreover, it owns and market leading brands through their in-house retail chains viz. Central and Brand Factory, exclusive brand outlets (EBOs) and other multi-brand outlets (MBOs)

These transactions were approved by Audit Committee and the Board of Directors from time to time and further are at arm's length basis and in the ordinary course of business and in line with Company's Policy on Related Party Transactions.

Further, the approval of Members is required if as per the provisions of Section 188 (1) of the Act read with relevant rules framed thereunder, the amount of transaction exceed the threshold limit provided therein and/or if as per Regulation 23 of Listing

Regulations, transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company. Accordingly, the approval of Members is sought for following transactions.

Pursuant to the requirements prescribed under the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time, the details in relation to such transactions with related parties, are as under:

<b>Nature of Transactions as per Section 188 of the Companies Act, 2013</b>	<b>Name of the Related Party</b>	<b>Name of Director or Key Managerial Personnel who is related, if any</b>	<b>Nature of Relationship</b>	<b>Nature, Material Terms, particulars of the contract or arrangement</b>	<b>Monetary Value of transactions</b>	<b>Any other information relevant or important for the Members to take decision on the proposed resolution</b>
Lease Rental and Service charges	Future Retail Limited ("FRL")	Mr. Kishore Biyani, Chairman and Managing Director of FRL	Related party	As per the terms of the respective contracts or arrangements entered into or to be entered into from time to time in the ordinary course of business and on an arms' length basis.	₹ 700 Crore	The transaction have been reviewed and approved by the Audit Committee and Board and an arms' length price has been established. In case of resale, the same is being sold at cost of procurement plus minimum margin for handling as per applicable Regulations.
Purchase and Sale of Goods, Products and Services					₹ 5,000 Crore	
Receipts or Providing of services as collection and authorised agent for Fixed Deposit Program					₹ 10 Crore	
Purchase and Sale of Capital Goods					₹ 10 Crore	
Sale, Purchase and Supply of Goods and Assets and Availing or Rendering of any Services	Future Lifestyle Fashions Limited ("FLFL")	Mr. Kishore Biyani, Managing Director of FLFL	Related party	As per the terms of the respective contracts or arrangements entered into or to be entered into from time to time in the ordinary course of business and on an arms' length basis.	₹ 900.75 Crore	The transaction have been reviewed and approved by the Audit Committee and Board and an arms' length price has been established. In case of resale, the same is being sold at cost of procurement plus minimum margin for handling as per applicable Regulations.

Pursuant to Regulation 23 of the Listing Regulations, all entities falling under the definition "Related Party" shall abstain from voting in respect of the proposed resolution given in the notice, irrespective of whether the entity is a party to the particular transaction or not.

Your Directors recommends the Ordinary Resolution as set out in this Notice for the approval of the Members of the Company.

Mr. Kishore Biyani and his relatives, shall be deemed to be concerned or interested in the Resolution set out under Item No. 14 of this Notice. None of the other Directors, Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, financially or otherwise, in the passing of this Resolution.

**Annexure – I**

**Pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) in respect of Director seeking appointment/re-appointment at the Annual General Meeting is furnished below:**

<b>Name of Director</b>	<b>Mr. Vijay Biyani</b>	<b>Mr. Haresh Chawla</b>	<b>Mr. V. K. Chopra</b>	<b>Ms. Bala Despande</b>	<b>Mr. Dinesh Maheshwari</b>
<b>Date of Birth</b>	July 4, 1959	December 29, 1967	March 06, 1946	April 15, 1966	January 19, 1969
<b>Age</b>	60 years	52 years	73 years	53 years	50 years
<b>DIN</b>	00005827	00029828	02103940	00020130	00088451
<b>Date of first appointment on the Board</b>	September 26, 2009	March 28, 2019	July 24, 2008	August 09, 2001	May 04, 2016
<b>Qualification</b>	Mr. Vijay Biyani has pursued B. Com from Mumbai University.	Mr. Haresh Chawla has pursued MBA from IIM Calcutta and B.Tech. from IIT Mumbai.	Mr. V. K. Chopra is qualified Chartered Accountant and Certified Associates of Indian Institute of Bankers.	Ms. Bala Despande holds a bachelor's and master's degree in Arts from the University of Mumbai. She also holds a master's degree in Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai.	Mr. Dinesh Maheshwari holds a Bachelor's degree in Commerce and is Chartered Accountant.
<b>Experience and expertise</b>	Mr. Vijay Biyani has more than 35 years of experience in textile, yarn and readymade apparels business. He is also actively involved in the financial and administrative functions of the Company.	Mr. Haresh Chawla is a Partner at True North, one of India's most experienced and respected private equity funds, with over \$ 2.0 billion under management.  He is best known for his leadership in transforming the Network18 Group into a formidable media network. Under his watch as Founding CEO, Network 18 became India's fastest growing Media and Entertainment network. His career at Network18 spanned 12 years and he grew revenues from \$3 million in 1999 to over \$500 million in 2012.	Mr. V. K. Chopra was Whole-time Member of Securities and Exchange Board of India. He has also been Executive Director of Oriental Bank of Commerce and Chairman and Managing Director of SIDBI. He has over 36 years of experience in banking industry.	Ms. Bala Despande holds a bachelor and master's degree in Arts from the University of Mumbai. She also holds a master's degree in Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai. She has over 28 years of experience in management. She has multi industry exposure and has worked with ICICI venture Funds Management Company Limited, Best Foods and Imperial Chemical Industries.	Mr. Dinesh Maheshwari possess more than 21 years of rich post qualification experience in finance and taxation. He is associated with the Group since December 2004 and has worked with other corporate houses viz. S. R. Batliboi & Co., IIT Capital Services Ltd. and Mukwano Industries Limited.  He has represented Retail Industry on various topics of public interest in different forums. He has strong domain knowledge of Finance, Accounts, Taxation and Corporate Restructuring, Risk Management System and process implementation, mergers and amalgamations, takeover of business enterprises, raising capital through innovative financial products, Commercial functions and a very good leader with strong relationship with stakeholders and employees.



<b>Name of Director</b>	<b>Mr. Vijay Biyani</b>	<b>Mr. Haresh Chawla</b>	<b>Mr. V. K. Chopra</b>	<b>Ms. Bala Despande</b>	<b>Mr. Dinesh Maheshwari</b>
<b>Terms and Conditions of Re-appointment along with details of remuneration sought to be paid</b>	As approved in the Annual General Meeting held on August 29, 2017 and as stated in the resolution no. 3 of this Notice.	As stated in the resolution no. 4 of this Notice.	As stated in the resolution no. 5 of this Notice.	As stated in the resolution no. 6 of this Notice.	As stated in the resolution no. 7 of this Notice.
<b>Remuneration last Drawn</b>	During the year 2018-19, Mr. Vijay Biyani was paid a remuneration of ₹ 3.18 crore from the Company.	Not Applicable	During the year 2018-19, Mr. V. K. Chopra was paid sitting fees of ₹ 0.10 crore.	During the year 2018-19, Ms. Bala Despande was paid sitting fees of ₹ 0.07 crore.	During the year 2018-19, Mr. Dinesh Maheshwari was paid a remuneration of ₹ 2.42 crore from the Company.
<b>Number of Board Meeting attended during the year 2018-19</b>	5 (five) out 6 (Six).	Not Applicable	6 (Six) out 6 (Six).	4 (Four) out 6 (Six).	6 (Six) out 6 (Six).
<b>Directorship held in other Listed Companies (As on March 31, 2019)</b>	None	<ul style="list-style-type: none"> <li>Prataap Snacks Limited</li> </ul>	<ul style="list-style-type: none"> <li>Greenlam Industries Limited</li> <li>Havells India Limited</li> <li>Sheela Foam Limited;</li> <li>IIFL Facilities Services Limited;</li> <li>India Infoline Finance Limited;</li> </ul>	<ul style="list-style-type: none"> <li>Future Supply Chain Solutions Limited;</li> <li>Info Edge (India) Limited</li> </ul>	None
<b>Directorship in other Companies (excluding foreign companies and Section 8 companies) (As on March 31, 2019)</b>	<ul style="list-style-type: none"> <li>Future Generali India Insurance Company Limited;</li> <li>Utsav Mall Management Company Private Limited;</li> <li>Shendra Advisory Services Private Director Limited;</li> <li>Kesari Realty Private Limited;</li> <li>Kuber Mall Management Private Limited;</li> <li>Dhanshree Fashions Private Limited;</li> <li>Nimbi Jodha Trading &amp; Finvest Private Limited;</li> <li>Sprint Advisory Services Private Limited;</li> <li>Future Corporate Resources Private Limited.</li> </ul>	<ul style="list-style-type: none"> <li>Hicare Services Private Limited</li> <li>Jaypore E - Commerce Private Limited</li> <li>VKL Seasoning Private Limited</li> <li>Degustibus Hospitality Private Limited</li> <li>Abundantia Entertainment Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Milestone Capital Advisors Private Limited;</li> <li>Pegasus Assets Reconstruction Private Limited.</li> </ul>	<ul style="list-style-type: none"> <li>Financial Software and Systems Private Limited;</li> <li>MediSys Edutech Private Limited</li> <li>Nova Medical Centers Private Limited</li> <li>Panacea Medical Technologies Private Limited</li> <li>Greytip Software Private Limited</li> <li>MegaDelta Services Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Futurebazaar India Limited;</li> <li>Future E-commerce Infrastructure Limited;</li> <li>Nufuture Digital (India) Limited;</li> <li>Iskrupa Mall Management Company;</li> <li>Future Capital Investments Private Limited.</li> </ul>

<b>Name of Director</b>	<b>Mr. Vijay Biyani</b>	<b>Mr. Haresh Chawla</b>	<b>Mr. V. K. Chopra</b>	<b>Ms. Bala Despande</b>	<b>Mr. Dinesh Maheshwari</b>
<b>Chairmanship/ Membership of Committees of the Board of Directors of other listed companies as on March 31, 2019</b>	None	<ul style="list-style-type: none"> <li>• Prataap Snacks Limited</li> <li>○ Stakeholder Relationship Committee – Chairman</li> <li>○ Corporate Social Responsibility – Member</li> <li>○ Risk Management Committee – Member</li> </ul>	<ul style="list-style-type: none"> <li>• Havells India Limited</li> <li>○ Audit Committee – Member</li> <li>• India Infoline Finance Limited</li> <li>○ Audit Committee – Chairman</li> <li>• Greenlam Industries Limited</li> <li>○ Audit Committee – Chairman</li> <li>• Sheela Foam Limited</li> <li>○ Audit Committee – Chairman</li> <li>• IIFL Facilities Limited Services</li> <li>○ Audit Committee – Member</li> </ul>	<ul style="list-style-type: none"> <li>• Future Supply Chain Solutions Limited</li> <li>○ Audit Committee – Chairperson</li> <li>○ Nomination and Remuneration Committee – Chairperson</li> <li>• Info Edge (India) Limited</li> <li>○ Stakeholder Relationship Committee – Member</li> <li>○ Nomination and Remuneration Committee – Member</li> </ul>	None
<b>Chairmanship/ Membership of Committees of the Board of Directors of other companies as on March 31, 2019</b>	None	None	None	None	<ul style="list-style-type: none"> <li>• Future E-commerce Infrastructure Limited</li> <li>○ Audit Committee – Member</li> <li>• Nufuture Digital (India) Limited</li> <li>○ Audit Committee – Member</li> <li>• Futurebazaar India Limited</li> <li>○ Nomination and Remuneration Committee - Member</li> </ul>
<b>Shareholding of Director in the Company (As on March 31, 2019)</b>	2,121 Class B (Series 1) Shares of the Company	2,65,000 Equity Shares of the Company	Nil	Nil	Nil
<b>Relationship with other Director/Key Managerial Personnel (“KMP”)</b>	Mr. Vijay Biyani is brother of Mr. Kishore Biyani, who is the Vice-Chairman and Non-executive Director of the Company.	Not related to any other director or KMP of the Company.	Not related to any other director or KMP of the Company.	Not related to any other director or KMP of the Company.	Not related to any other director or KMP of the Company.

*Note : For further details related to remuneration drawn and proposed please refer to Board’s Report, Corporate Governance Report and resolutions proposed in the Notice.*

## Annexure – II

**Information/Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder:**

### I. General Information

1. Nature of Industry :
  - i. Manufacturing and Trading in Readymade Garments;
  - ii. Renting of Retail Infrastructure Assets;
  - iii. Investment;
  - iv. Compile and analyse customer and consumption data in Retail and Service Industry and provide insight of consumption pattern;
  - v. offer and provide various products and services to prospective and identified customers, directly or through associates engaged in such activities.
2. Date or Expected Date of Commercial Production : N.A. (Since the Company has already commenced its business activities).
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : N.A.

### 5. Financial performance of the Company based on given indicators:

(₹ in Crore)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Paid-up Share Capital	98.71	98.67	94.57
Total Turnover	4,565.64	4,184.80	3782.09
Profit/(Loss) before Tax	2.24	(18.64)	43.56
Net Profit/(Loss) after tax	24.02	(12.19)	43.56

\* The above-mentioned figures are on standalone basis.

### 6. Foreign Investments or collaborations, if any:

During the year under review, the Company has not made any foreign investment and has not entered into collaboration with any foreign party. However, the Company has a wholly owned subsidiary viz. Future Merchandising Sourcing Pte. Limited incorporated in Singapore in the year 2017-18 with the total share capital of SD \$ 30,000. The details regarding its performance is made as part of Director's report of this year i.e. 2018-19.

Foreign investors deal in the Equity Shares of the Company, which is listed on BSE and NSE through secondary market. As on March 31, 2019, 1.89 % of the equity share capital of the Company was held by Non-Resident Indians, Foreign Portfolio Investors and Foreign Institutional Investors as permitted under applicable regulations.

### II. Information about the Appointee:

Particulars	Mr. Vijay Biyani	Mr. Dinesh Maheshwari
<b>Background details</b>	<p>Mr. Vijay Biyani has pursued B. Com from Mumbai University.</p> <p>He has more than 35 years of experience in textile, yarn and readymade apparels business. He is also actively involved in the financial and administrative functions of the Company.</p>	<p>Mr. Dinesh Maheshwari holds a bachelor's degree in Commerce and is Chartered Accountant.</p> <p>He possess more than 21 years of rich post qualification experience in finance and taxation. He is associated with the Group since December 2004 and has worked with other corporate houses viz. S. R. Batliboi &amp; Co., IIT Capital Services Ltd. and Mukwano Industries Limited.</p>

Particulars	Mr. Vijay Biyani	Mr. Dinesh Maheshwari
<b>Recognition and Awards</b>	-	-
<b>Job Profile and his suitability</b>	Mr. Vijay Biyani being the Managing Director, has been entrusted with substantial powers of management subject to the supervision of the Board of Directors of the Company.  Furthermore, pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings ("SS-2"), his brief profile justifying his suitability is given in Annexure – I of this Notice.	Mr. Dinesh Maheshwari being Executive Director & Chief Financial Officer of the Company, is an active member in the Board of the Company.  Furthermore, pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings ("SS-2"), his brief profile justifying his suitability is given in Annexure – I of this Notice.
<b>Past Remuneration</b>	During the year 2018-19, Mr. Vijay Biyani was paid a remuneration of ₹ 3.18 crore from the Company.	During the year 2018-19, Mr. Dinesh Maheshwari was paid a remuneration of ₹ 2.42 crore from the Company.
<b>Remuneration Proposed</b>	As approved in the general meeting held on August 29, 2017 and as stated in the resolution no. 3 of this Notice.	As stated in the resolution no. 7 of this Notice.
<b>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel(s), if any</b>	Mr. Vijay Biyani is part of Promoters/Promoter Group, which holds in aggregate 50.20 % (as on March 31, 2019) of Equity Share capital and 72.22 % (as on March 31, 2019) of Class B (Series 1) Share capital of the Company.  Mr. Vijay Biyani is brother of Mr. Kishore Biyani, who is the Vice-Chairman and Non-executive Director of the Company.	Besides the present and proposed remuneration, Mr. Dinesh Maheshwari does not have any other pecuniary relationship with the Company or any of its managerial personnel(s).

**Comparative remuneration profile with respect to industry, size of company, profile of the position and person:**

The remuneration proposed are commensurate with their experience, size of the Company, their position and are also lower compared to the industrial standards for the similar position in a company.

**III. Other Information:**

**1. Reasons of Loss or inadequate profits:**

During the year 2018-19, the Company has posted a net profit after tax of ₹ 24.02 crore. Moreover, the Company is making continuous efforts to have better profitability in the coming years.

**2. Steps taken or proposed to be taken for improvement:**

The Company is in line of business of retail infrastructure provider together with established businesses of manufacturing and trading. During the year, the Company also entered into new line of business of compiling and analysing customer and consumption data in retail and service industry and also in offering various product and services to prospective and identified customers. Further, the Company has a very strong and valuable portfolio of the investments in various support services as well as other customer centric businesses. The Company has also worked to reduce its overall finance cost to create a stable revenue model to ensure payment of committed liabilities as well as funding of future capex requirements.

Further various realignment and divestment initiatives ensured reduced debt burden on the Company resulting in overall reduction in finance cost. Further, the Company would also be considering divestment of its certain investments (in part/full) which would further enable better value creation for its stakeholders and ensure better profitability.

**3. Expected increase in productivity and profits in measurable terms:**

The Company is concentrating on its businesses, viz. manufacturing and trading. In trading, the Company is in process of creating a fashion hub, catering to the requirements of various retailers in the fashion segment. Company will also be starting compilation and analyses of customer and consumption data in retail and service industry and provide various products and services to prospective and identified customers. It will be difficult to analyse the expected increase in productivity and profits in measurable terms. However, management is committed to ensure increase in profitability by reducing overall operating and finance cost while creating revenue streams in addition to the existing ones. The Company would also be reviewing its activities to ensure optimum utilisation of various resources to give better productivity and profitability.

With proposed reduction in overall debt, the Company would also be able to raise further debts at better terms and reduced costs, which would help in improving profitability of the Company. The Company is also aiming at reducing overall debt, due to various divestment proposals from various non-core investments.

#### **IV. Disclosures:**

The details of remuneration paid to all Directors along with relevant details are provided in the Corporate Governance Report which forms part of the Annual Report. As required the details of remuneration proposed to be paid to the Managing Director and Executive Director is provided in respective resolutions read with respective statements as provided above. The above resolution and statement annexed to this Notice (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment as specified under Section 190 of the Companies Act, 2013

By order of the Board  
**For Future Enterprises Limited**

**Place :** Mumbai  
**Date :** June 24, 2019

Sd/-  
**Deepak Tanna**  
**Company Secretary**

#### **Registered Office:**

##### **Future Enterprises Limited**

(CIN : L52399MH1987PLC044954)

Knowledge House, Shyam Nagar,

Off. Jogeshwari - Vikhroli Link Road,

Jogeshwari (East), Mumbai – 400 060

Tel No.: +91 22 6644 2200, Fax No.: +91 22 6644 2201

E-mail: investorrelations@futuregroup.in; Website: www.felindia.in

### Route map of the venue to the AGM





**Regd. Off.:** Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060  
**Tel. No.:** +91 22 66442200; **Fax No.:** +91 22 66442201; **CIN:** L52399MH1987PLC044954  
**Website:** [www.felindia.in](http://www.felindia.in); **Email:** [investorrelations@futuregroup.in](mailto:investorrelations@futuregroup.in)

**ATTENDANCE SLIP**

**Sr.No.:**

<b>Regd. Folio/DPID &amp; Client ID</b>			
<b>Name and Address of the Member</b>			
<b>Joint holder(s)</b>			
<b>Name of Proxy / Authorised Representative</b>			
<b>Number of Equity Share Held</b>	<b>Type of Equity shares</b>	<b>Number of shares held</b>	<b>Votes entitled #</b>
	<b>Equity</b>		
	<b>Class B (Series 1)</b>		
	<b>Total</b>		

# Equity Shareholders - one vote for each share held.

Class B (Series 1) Shareholders - three vote for four shares held. (fraction if any to be ignored)

I / We hereby record my / our presence at the **31<sup>st</sup> Annual General Meeting** of the Company held on Tuesday, July 30, 2019 at 04.30 PM. at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021.

-----  
**SIGNATURE OF THE MEMBER/  
JOINT MEMBER(S) / PROXY /  
AUTHORISED REPRESENTATIVE**

**Note:** Shareholder / Proxy holder wish to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance of the Meeting hall duly signed.

**Note:** PLEASE CUT HERE AND BRING THE ABOVE THE ATTENDANCE SLIP TO THE MEETING.

-----Cut Here-----

**ELECTRONIC VOTING PARTICULARS**

<b>Type of Equity shares</b>	<b>EVEN (E-Voting Event Number)</b>	<b>User ID</b>	<b>Password / PIN</b>
<b>Equity</b>	<b>110926</b>		
<b>Class B (Series 1)</b>	<b>110925</b>		

**Note:** Please read the instructions printed under the Note No. 17, headed – “Voting through Electronic Means” to the Notice dated June 24, 2019 of the 31<sup>st</sup> Annual General Meeting of the Company. The remote e-voting period will commence on Friday, July 26, 2019 (09:00 AM IST) and ends on Monday, July 29, 2019 (05:00 PM IST). The voting module shall be disabled by NSDL for voting thereafter.

Regd. Off.: Knowledge House, Shyam Nagar, Off. Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060  
 Tel. No.: +91 22 6644 2200; Fax No.: +91 22 6644 2201; CIN: L52399MH1987PLC044954  
 Website: www.felindia.in; Email: investorrelations@futuregroup.in

**FORM NO. MGT- 11**

**PROXY FORM**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member(s):	
Registered Address:	
E-mail ID:	
Folio No/Client ID:	DP ID:

I/We, being the Member(s) of ..... Shares of the above named Company, hereby appoint:

- 1) Name:.....Address:.....  
 E-mail Id:.....Signature..... Or failing him;
- 2) Name:.....Address:.....  
 E-mail Id:.....Signature.....Or failing him;
- 3) Name:.....Address:.....  
 E-mail Id:.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty-First Annual General Meeting of the Company to be held at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021 on Tuesday, July 30, 2019, at 04:30 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the reports of the Board of Directors and of Auditors thereon;		
2.	To appoint a Director in place of Mr. Vijay Biyani, (DIN: 00005827) who retires by rotation and being eligible offers himself for re-appointment;		
<b>Special Business</b>			
3.	Approval for payment of remuneration to Mr. Vijay Biyani, Managing Director in terms of regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;		
4.	Appointment of Mr. Haresh Chawla (DIN: 00029828) as a Director of the Company;		
5.	Re-appointment of Mr. V. K. Chopra (DIN: 02103940) as an Independent Director of the Company;		
6.	Re-appointment of Ms. Bala Despande (DIN: 00020130) as an Independent Director of the Company;		
7.	Re-appointment of Mr. Dinesh Maheshwari as Executive Director & Chief Financial Officer of the Company and payment of remuneration thereof;		
8.	Issue of Securities on Private Placement Basis;		



Sr. No.	Resolutions	Optional*	
		For	Against
9.	Approval of Future Enterprises Limited Employee Stock Option Plan, 2019 and Grant of Employee Stock Options/Restricted Stock Units to the employees of the Company thereunder;		
10.	Grant of Employee Stock Options/Restricted Stock Units to the employee of the Subsidiary Company(ies) of the Company under Future Enterprises Limited Employee Stock Option Plan, 2019;		
11.	Grant of Employee Stock Options/Restricted Stock Units to the Employees of Company and that of the Subsidiary Company(ies) by way of secondary acquisition under Future Enterprises Limited Employee Stock Option Plan, 2019;		
12.	Approval of Trust Route for the implementation of Future Enterprises Limited Employee Stock Option Plan, 2019;		
13.	Provision of money by the Company for purchase of its own shares by the trust/trustees for the benefit of employees under Future Enterprises Limited Employee Stock Option Plan, 2019;		
14.	Approval for entering into Material Related Party Transaction(s).		

Signed this ..... day of ..... 2019.

Affix revenue stamp
---------------------------

.....  
Signature of Proxy Holder(s)

.....  
Signature of Member(s)

- Notes:**
- \* It is optional to indicate your preference in the appropriate column. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.
  - This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
  - Appointing of Proxy does not prevent a Member from attending the Meeting in person if he/she/it wishes.
  - In case of joint holders, the signature of one holder will be sufficient, but names of all the joint holders should be stated.



# Corporate Information

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## BOARD OF DIRECTORS

### V. K. Chopra

Chairman & Director  
DIN: 02103940

### Kishore Biyani

Vice-Chairman & Director  
DIN: 00005740

### Vijay Biyani

Managing Director  
DIN: 00005827

### S. Doreswamy

Director (up to 28/03/2019)  
DIN: 00042897

### Anil Harish

Director  
DIN: 00001685

### Bala Despande

Director  
DIN: 00020130

### Dinesh Maheshwari

Executive Director &  
Chief Financial Officer  
DIN: 00088451

### Haresh Chawla

Director (w.e.f. 28/03/2019)  
DIN: 00029828

## BANKERS

Axis Bank  
Central Bank of India  
IDBI Bank  
Indian Bank  
Indian Overseas Bank  
Lakshmi Vilas Bank  
South Indian Bank  
State Bank of India  
Syndicate Bank  
United Bank of India

## STATUTORY AUDITORS DMKH & CO.

## COMPANY SECRETARY Deepak Tanna

## SHARE TRANSFER AGENTS

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

## REGISTERED OFFICE

Knowledge House,  
Shyam Nagar,  
Off. Jogeshwari-Vikhroli Link  
Road, Jogeshwari (East),  
Mumbai - 400 060.  
Tel. No. : + 91 22 6644 2200  
Fax No. : + 91 22 6644 2201

## CORPORATE OFFICE

Embassy 247, 'C' Tower,  
LBS Marg,  
Vikhroli (West),  
Mumbai - 400 083  
Tel. No. : + 91 22 6119 0000  
Fax No. : + 91 22 6199 5019

## WEBSITE

[www.felindia.in](http://www.felindia.in)

## INVESTOR EMAIL ID

[Investorrelations@futuregroup.in](mailto:Investorrelations@futuregroup.in)

## CORPORATE IDENTITY NUMBER

L52399MH1987PLC044954

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# Vice-Chairman's Message



Dear Stakeholders,

We are pleased to share with you the Annual Report for the financial year 2018-19. Your Company posted a total income on consolidated basis of ₹ 6,064.96 crore, a growth of 14.7% and a net profit of ₹ 175.44 crore at the end of this financial year. Your Company owns and operates through its subsidiaries and associated businesses, some of the fundamental blocks that help run the extensive consumption ecosystem of Future Group.

Among the key businesses housed within your Company are critical functions like design, sourcing and manufacturing of its apparel business, creation and maintenance of the retail infrastructure network and the supply chain, warehousing, fulfilment network for the entire retail business of Future Group through its step down subsidiary, Future Supply Chain Solutions Limited. In addition, the Company owns substantial stakes in an office supplies business, various other group companies and two insurance joint ventures in life and general insurance space along with Italy's Generali Group. Extensive managerial skills, strategic acumen and

prudent resource allocation are crucial aspects of the business. The core business of the Company is engaged in owning, investing, operating and maintenance of the retail infrastructure that runs some of India's most popular retail brands such as Big Bazaar, fbb, Foodhall, easyday Club, among others. In addition, the Company operates two textile mills in joint venture with National Textile Corporation and also handles the design sourcing and manufacturing of millions of units of garments that are sold through these retail networks. The Company has been investing in these activities to keep them in line with the rapid rise in Future Group's retail businesses.

Future Supply Chain Solutions Limited (FSC) is a leading third-party supply chain solutions specialist and logistics service provider that caters to Future Group as well as a large number of blue-chip companies engaged in the consumption space. The business showed strong momentum with the addition of 12 new client acquisitions during the year including companies like Benetton, Wrogn, Voltbek Home Appliances (a Voltas JV), JK Helene Curtis and Tilda. Warehouse space

managed by FSC increased by 3.08 million sq. ft. to 7.66 million sq. ft. during the year and the business posted revenues of ₹ 1,112.8 crore and net profit of ₹ 65.2 crore, a growth of 113% year on year. Technology continued to remain at the forefront of its operations with the ethos of agility, authenticity and customer centricity at the heart of the business.

During the year FSC launched 'India Food Grid' project that will eventually have 38 integrated food distribution centres connected with a seamless network. FMCG and food brands can now enter the grid from anywhere in the country and benefit from improved supply chain efficiencies, reduced wastages and better inventory management.

In the life insurance business, gross written premium crossed the ₹ 1,000 crores mark for the first time in a fiscal year, ending at ₹ 1,243 crores. The Company now covers 793,070 lives. The general insurance business distributed over 1.8 million policies through the year. The general insurance business introduced a number of new policies such as Future Varistha Bima, a tailor

made product for senior citizens, Future Vector Care - a benefit product which Insures against vector - borne diseases and Shubh Yatra Group - a travel insurance policy that covers even daily commuters. Both the general and life insurance companies pioneered a WhatsApp based policy delivery platform - making them among the first in the country.

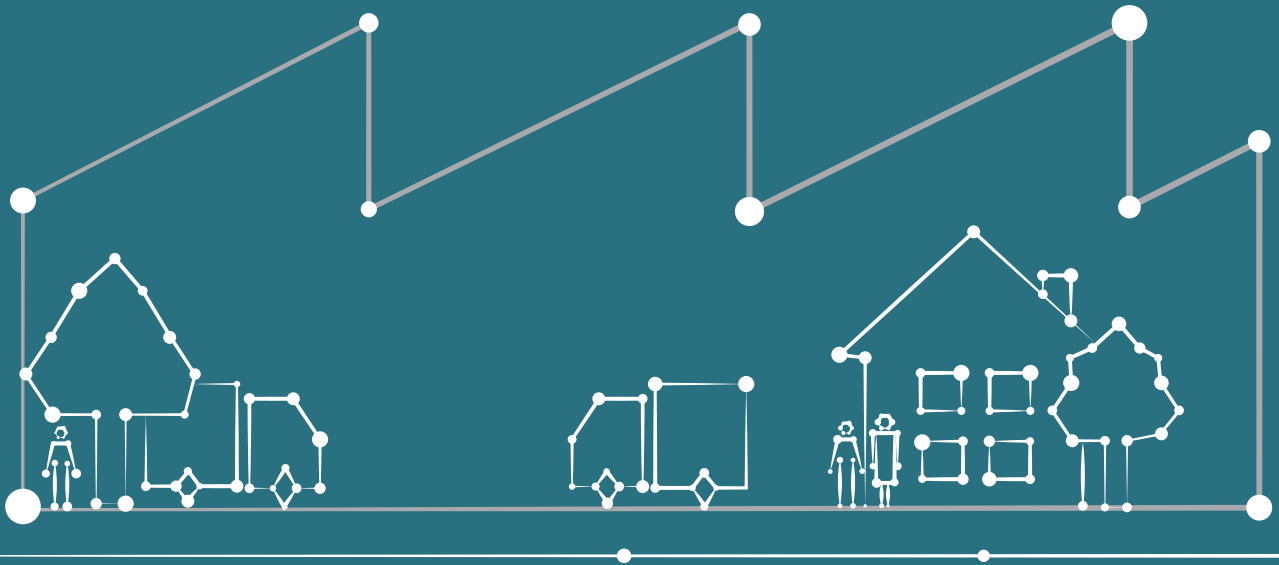
Digital technology is now at the heart of every business and your Company is making new investments in complimenting its play in physical infrastructure with digital networks that help grow the consumption ecosystem of Future Group. The scale and scope of the consumption play in India is vast and the Company will continue to prudently invest resources in building a stronger role in the sector. We thank you for being part of this journey and look forward to your continued support and encouragement.

Rewrite Rules, Retain Values.



Kishore Biyani

# Completing the Cycle



## Manufacturing and Sourcing

The Company has developed extensive expertise and infrastructure that supports the growing fashion business of Future Group's wide portfolio of fashion brands and some of the country's leading retail chains including Big Bazaar, fbb, Central and Brand Factory. The Company has a specialised apparel design, merchandising and sourcing team, coupled with an in-house manufacturing facility at Tarapur in Maharashtra and at Bengaluru in Karnataka and through its joint venture companies, Apollo Design Apparel Park and Goldmohur Design and Apparel Park, located in the heart of Mumbai.

Some of the key brands sourced and manufactured across the above units include menswear brands like DJ&C, Buffalo, Knighthood, womenswear brands like Srishti and shyla and kidswear brand, Pink & Blue.

The sourcing relationships of the Company extend to over 300 small, medium and large enterprises across the country and also include specialised and handicraft-driven sectors like weavers in Benaras and Bhagalpur, printing units in Jaipur, Ikkat weavers in Andhra Pradesh, kantha embroidery workers in West Bengal and weavers in Salem and Erode. The Company's specialised fashion designers and merchandisers work closely with these enterprises in developing unique products that create a distinct market for the product brands and attract shoppers at the leading fashion retail chains. The Company is continuously upgrading its infrastructure, knowledge base and sourcing and manufacturing network to support the fast growing fashion business across Future Group's retail chains.



With presence across logistics, design, sourcing, manufacturing and insurance, the company is well placed to benefit from India's growing consumption economy.

## Insurance

The Company owns substantial stakes in two insurance companies - life and general insurance, along with the Generali Group, the largest insurer in Europe. During the year the life insurance company launched three new products, opened 14 new branch offices taking total number of branches to 117 and added 7,098 new agents, ending the fiscal year at 12,669 agents. It also empanelled 9 new distribution partners including American Express Banking Corp, and Religare Broking and won the coveted Microsoft AI award for best use of technology to enhance customer engagement. In the life insurance business gross written premium crossed the ₹ 1,000 crores mark for the first time in a fiscal year, ending at ₹ 1,243 crores. The company's settlement ratio has improved and number of complaints reduced by

45%. The Net Promoter Score, a crucial indicator of customer satisfaction, increased from 1.9 in March 2018 to 12.3. The company now covers 793,070 lives.

The general insurance business introduced a number of new policies such as Future Varistha Bima, a tailor made product for senior citizens, Future Vector Care - a benefit product which Insures against vector-borne diseases and Shubh Yatra Group - a travel insurance policy that covers even daily commuters.

The company distributed over 1.8 million policies through the year. Both the general and life insurance companies pioneered a WhatsApp based policy delivery platform - making them among the first in the country.





Future Supply Chain's National Distribution Centre is located in MIHAN, Nagpur

## Supply Chain Solutions

The Company owns a substantial stake in Future Supply Chain Solutions Limited (FSC) through its subsidiary company. A listed entity, FSC is building upon its strong capabilities in consumer business supply chain services around the ethos of agility, authenticity and customer centricity.

During the year the company launched 'India Food Grid' project that will eventually have 38 integrated food distribution centres connected

with a seamless network. FMCG and food brands can enter the grid from anywhere in the country and benefit from improved supply chain efficiencies, reduced wastages and better inventory management.

During the year it added around 3.08 million square feet of warehousing capacity, taking the total capacity to over 7.66 million square feet. The expansion was supported by strong



The National Distribution Centre is heavily automated with conveyor belts and sorting machines

revenue visibility through addition of several prestigious clients including Benetton, Wrogn, Voltbek Home Appliances (a Voltas JV), JK Helene Curtis, Tilda Limited among others. It also continued to serve existing clients, such as Pepperfry, Snapdeal, TTK Prestige Limited, Reckitt Benckiser, Kellogg, Mondelez, Wildcraft, Pepe Jeans, and many more.

Technology continued to remain at the forefront of its operations. During 2018-19, it implemented

new tech-features like Voice Pick and inbound automation that would lead to notable productivity improvements. The company is also evaluating robotic arms and additional automation that will enhance productivity levels. It is in the process of launching an integrated real-time logistics platform that would bring all stakeholders in the value chain on to a common platform, a move that will provide it with a strong competitive advantage.

## MANAGEMENT DISCUSSION AND ANALYSIS

Indian economy has emerged as fastest growing economy in the world. As part of Indian economy, the retail industry has emerged as one of the most dynamic and fast-paced industries. Retail Industry accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and also accounts for about 8 per cent of the employment. Retail Industry has been one of the main contributors of this fastest growing economy. The Company being associated with the retail industry and having a niche area of operations, continues to receive the corresponding benefit of this growth in terms of increase in the business and prospective business growth in coming years from capex requirements of the retail businesses. Future Group's experience in modern retail, helps it to take positive and calculated expansion plans, which in turn requires support from the Company in form of infrastructure support. Further the Company also had its foray in manufacturing and trading of fashion garments, which enables it to reap additional benefits of retail growth. The Company continues to enjoy the first mover advantage in field of providing the retail infrastructure assets as well as creating fashion hub for retail entities with support of insight and vast experience of the human capital of the Company with regard to the managing and forecasting retail businesses and consumption patterns to optimise its capex spend and manufacturing as well as trading operations. The Company continues to provide the advantage of its experience to its clients in terms of minimal setup cost of efficient infrastructure and fashion garments and at the same time provide the best customer experience at stores setup with its infrastructure in various formats. The Company initiative to increase its manufacturing footprint and widen its fashion vendor network enabled it to provide wider range of fashion products to its client retail entities. Further the Company would continue to review all its investments and is pleased to inform that all the active investee companies have started reporting profits. This would ensure the accretion in valuation of investments made by the Company. Further the Company is also proposing to take benefit of its position to acquire the consumption data and use its analytics capabilities to add one more revenue stream. Further the Company's efforts to optimise its overall finance cost and improve debt maturity profile are continue and giving desired results. Further while engaging in various activities, the Company also emphasis upon the customer centric approach being part of the retail industry, where the customer is the most important constituent of this industry.

### Operational Overview

The Company's activities related to providing the retail infrastructure for various retail formats of the Group, and

having large portfolio of assets which has already been put to use, enables the continuous revenue stream in form of assets rentals. Further the expertise knowledge to handle such large portfolio of assets and support being given for creation of new stores on turn key basis considering the best in class customer experience at optimised costs and space utilisation employing the technological upgradations, enables overall reduction in costs of capex on per store basis, giving benefits to the retail entities in reduced rentals per new store. Further the Company also ensures the replacement of the obsolete assets to safeguard the products as well as customers from any unwarranted losses/incidents. As a responsible corporate citizen, the Company also ensures maximum utilisation of more greener and environment friendly products in its infrastructure setup.

Being a first mover and having vast experience in predicting trends, the Company has been able to get a fully capacity order book for its manufacturing and trading operations. With increase in retail consumption and a major portion of the retail consumption now being on fashion requirements, the Company is taking multiple initiatives to strengthen its fashion business. With addition of one more manufacturing centre and widening the vendor base the Company was able to serve the more variety of the fashion garment demand of the ultimate customers through the retail entities to whom it supplies the fashion products. The procurement team and design team ensures that the Company order book is full and earns a reasonable profitability by optimising the cost of production and procurement of fashion garments.

The majority of the investments of the Company in various active investee companies, have now matured and started showing positive results. The management team at the Company level keeps a watch on operations and management of these investee companies and guide them for any specialised requirements in various fields. The overall positive outlook of economy also plays important role in improved valuation of these investee companies. The Company would continue to consider divestment of matured investments and have given mandates for such investments to the consultants. At appropriate time the divestment decisions would be considered for any investments to improve overall stakeholders valuation.

### Customer and Marketing Overview

Though the direct customer segment of the Company has reduced considerably due to its B2B nature of activities, the ultimate demand would depend upon the Company's insight about the choice and taste of the ultimate customers of these retail formats and in ensuring their

comfort and selection preferences for shopping and products. The Company continues to research about the retail customers' preferences while shopping as well as its taste with regard to various fashion needs.

The Company is also considering other business activities, which may be aligned and undertaken with its present activities and add additional revenue streams. At present the Company is scaling up its manufacturing and trading operations. For retail infrastructure provider business, the Company is considering various options, including reaching out to other retail operations as well as to consider providing expertise and consultancy services for minimising the setup costs while ensuring the optimum space utilisation and best in class shopping experience.

As explained above, with the support of the management expertise of the Company, its investee companies are doing better and adding to its profitability or reducing the losses by minimising the operating costs. This would help in better valuation of the investee companies and at the same time reduce the funding requirements. Further, the Company may consider the divestment opportunity of certain business, which have been fully nurtured and have willing investors.

### Awards & Recognition

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

### Competition

The new areas of operations of the Company do not really have any direct competition. However, the Company need to consider the competition its immediate customers face, viz. retail formats and provide them the better competitive edge over and above other retail formats, which Company is successfully doing by providing the best turnkey solutions for setting up new retail stores and ensuring the minimised cost of operations as well as the best in class shopping experience for the ultimate retail customers of its retail formats. The insight of the customer and the shopping India, give the Company edge to provide such solutions and the fashion offerings to its retail formats, which help them to stand out of the competition for its

final offerings and the setup. The Company do have some competition from the NBFCs and other entities providing the operating equipment / fixed assets on lease basis, however, being the ready availability of the business from the various retail formats in the Group, the Company have a ready market for its retail infrastructure provider business, as long as the Company provide these services at arms' length to these retail formats. Further, the same retail formats also provide ready market for the Company's manufacturing and the trading business activities in the fashion segment. The Company also has the advantage of the large scale operations and hence is in position to provide most competitive rate to various retail formats for the fashion products supplied by the Company. The Company is now also considering the provisions of these services outside the group as well. These initiatives with other benefits at Company side will enable it to counter the competition.

### Human Resource Initiatives

The Company has one of the best human capital in retail sector and can boast about its strong domain knowledge. The Company ensures the continuous updation of its human capital to keep it abreast of the technological and behavioural changes in retail sector and corresponding changes it need to make for the provision of its services to retail sector. The human capital, pertaining to the designing and manufacturing and trading side, keep a close watch on the changing fashion trends to make necessary changes in the production plan and the procurements of the products to ensure that latest products are available to its purchasers and ultimate retail customers.

The Company also ensures the career development of individual employees by identifying the key resources and impart training for improvement of skills and the leadership qualities. The Company continues to have retention plans in form of the selective option grants and other methods of performance and role review.

### Business Outlook

Retail Industry has been one of the major contributors, in the economic growth of the country. Further the consumption section as expected is about to have exponential growth as the per capital income is increasing and major component of the increased per capita income is being spent for fashion and leisure activities. Thus the highest beneficiary of the incremental growth would continue to be retail sector and would also enable the Company to reap same benefit being part of the retail support sector and one of the larger fashion garment consolidator and provider. Further the Company may also get the benefit of the data aggregator and analytics services it propose to provide to its client retail entities and ultimate customers.

Further the investee business of the Company would also get the better business opportunities of the overall economic growth of the country and improve their respective valuation as well. Divestment of any such investee businesses would give better overall cash flow for the Company and enable it to reduce overall debt of the Company.

As explained above the Company continued to put all efforts to reduce overall debt burden and finance cost by improving the overall debt profile through acquisition of debts at better negotiated rate of return and at the same time also ensuring the improved maturity profile of debt to ease burden on the cashflow of the Company. As stated above, the Company would be having further avenue to reduce the overall debt by placing its divestments of the investee companies at appropriate time at a value which would be in best interest of the Company.

The Care Ratings Limited (CARE), rating for Long Term borrowings as well as Long Term Non-Convertible Debentures to CARE AA- Stable (Double A Minus; Outlook: Stable) as of March 31, 2019.

### Risks and Threats

The state of external environment, including factors like interest rates, inflation, and growth in economic activity and job creation and consumer sentiment continues to be the biggest source of threat as well as opportunity for the Company. Any slowdown in the economic activity in the country, significant job losses or high rates of inflation can severely impact the consumption and therefore growth of the Company. Other external factors, including a steep rise in interest rates or drastic changes in the policy or regulatory environment can pose financial challenge for the Company. However, the continued steps taken by the Company to deleverage its balance sheet, reducing its reliance on the debt funds, improving its debt maturity profile and thereby reducing stress on its cash flow, improved business efficiency reducing overall operating cost. We shall also note that at this time, we do not anticipate any major adverse change in macroeconomic factors.

The set controls and defined responsibilities at each level of management require evaluation of the various existing risks and new expected risks at an early stage and immediate action plan to mitigate such risks. Further the authorities given at each management level ensures implementation and execution of such action plan with minimised risk. Further, use of information technology for implementation as well as regular review and evaluation of such risks and risk mitigation action plan by management ensures minimisation of such risks.

### Internal controls and their adequacy

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

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

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

**Sales:** The Company's Sales and Other Operating Income has increased from ₹4,184.80 crore in previous twelve months to ₹4,565.64 crore with YOY growth of 9.10 % for the financial year ended March 31, 2019.

**Profit Before Tax:** Profit Before Tax (including exceptional items) of the Company for financial year ended March 31, 2019 stood at ₹ 2.24 crore as compared to Loss before tax of ₹ 18.64 crore during the previous twelve months.

**Interest:** Interest & Financial charges outflow has Increased from ₹ 568.41 crore incurred in previous twelve months of 2017-18 to ₹ 577.92 crore for financial year ended March 31, 2019. The Increase in interest and financial charges is due to increase of borrowings. The interest & financial charges cover for financial year ended March 31, 2019 under review is 2.33 times as compared to 2.20 times in the previous twelve months.

**Net Profit:** Net Profit (including exceptional items) of the Company for financial year ended March 31, 2019 stood at ₹ 24.02 crore as compared to Net Loss of ₹ 12.19 crore in the previous twelve months with increase of ₹ 36.21 crore over the previous twelve months.

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

**Capital Employed:** The capital employed (net of cash) in the business is ₹ 10,410.89 Crore as at March 31, 2019. Return on capital employed (EBIDTA including exceptional item/average capital employed) during 2018-19 is 13.48% as compared to 13.45% during 2017-18.

**Surplus management:** The Company generated a cash profit of ₹ 771.43 Crore for financial year ended March 31, 2019 as compared to ₹ 686.21 Crore in the previous twelve months, registering the growth of 12.42%. The entire cash profit is ploughed back into the business to fund the growth. The growth of the Company has partly been funded by the cash generated from the business as well as from additional funds borrowed and equity funds infused during the financial period.

**Equity Share Capital:** The equity share capital of the Company has been increased from ₹ 98.67 Crore to ₹ 98.71 Crore due to issue of shares pursuant to ESOP shares during the financial year under review.

**Debt-Equity:** Debt-Equity ratio of the Company was 1.64 as at March 31, 2019.

**Earnings Per Share (EPS):** The Company's Basic EPS has gone up from ₹ (0.25) per share in previous financial year

to ₹ 0.48 per share for the current financial year ended March 31, 2019.

**Cash Earnings Per Share (CEPS):** The Company's Cash Earnings per Share (CEPS) has increased to ₹ 14.39 in current financial year in comparison to ₹ 13.18 in the preceding financial period.

**Investment:** The Company's investment portfolio has increased from ₹ 1,120.56 Crore to ₹ 1,152.36 Crore during the current financial year ended March 31, 2019. The addition in investment during the financial year is mainly investment in Future Generali India Life Insurance Company Limited, Sprint Advisory Services Private Limited, Livquick Technology (India) Private Limited and investment in CCD's of Galaxy Cloud Kitchens Limited.

**Net Worth:** The Net worth of the Company has increased from ₹ 3,910.63 Crore to ₹ 3,958.22 Crore due to Profit for the current year and shares issued during the financial year.

## DIRECTORS' REPORT

To  
The Members,  
Your Directors are pleased to present the Thirty-First Annual Report of the Company together with the Audited financial statements for the financial year ended March 31, 2019.

### FINANCIAL HIGHLIGHTS:

The financial performance of the Company is as follows:

(₹ in crore)

Particulars	Financial Year 2018-19		Financial Year 2017-18	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from operations	4,565.64	5,983.14	4184.80	5,103.09
Other Income	27.11	81.82	183.88	183.23
Total Income	4,592.75	6,064.96	4368.68	5,286.32
Profit before Depreciation & Amortization expense & Tax expense	771.43	948.61	679.76	780.48
Less: Depreciation and Amortization expense	769.19	815.58	698.40	725.21
Profit before tax	2.24	153.66	(18.64)	64.63
Less : Tax expense	(21.78)	(21.78)	(6.45)	24.89
Profit after Tax	24.02	175.44	(12.19)	39.74
Other Comprehensive Income for the year	12.57	13.90	20.60	14.42
Total Comprehensive Income for the year	36.59	189.34	8.41	54.16
Earnings Per Equity Share of Face Value of ₹ 2/- each				
- Basic and Diluted (in ₹)	0.48	2.93	(0.25)	0.13
Earnings Per Equity Shares - Class B (Series 1) of Face Value of ₹ 2/- each				
- Basic and Diluted (in ₹)	0.52	2.97	(0.25)	0.17

### REVIEW OF PERFORMANCE

During the year under review, the Company recorded an increase of 14.73 % in Consolidated Total Income which stood at ₹ 6,064.96 crore as compared to last year of ₹ 5,286.32 crore. The Company has once again performed at Standalone as well as Consolidated level and reported the Consolidated Profit after Tax of ₹ 175.44 crore for the year under review as compared to ₹ 39.74 crore in the previous financial year.

Furthermore, the Company also recorded nominal increase in Standalone Total Income which stood at ₹ 4,592.75 crore as compared to last year of ₹ 4,368.68 crore. The Company has reported the Standalone Profit after Tax of ₹ 24.02 crore for the year under review as compared to loss of ₹ 12.19 crore in the previous financial year.

During the year under review, there was no material change in the nature of business of the Company and it would continue to operate in overall retail industry.

### OUTLOOK

The Company vide special resolution, passed by means of postal ballot dated December 29, 2018, has changed

its objects by altering Memorandum and Articles of Association of the Company by adding 3 new clauses and enhancing its business activities by capturing consumption data accessible to it through various retail consumption centres of the group as well as other associated business partners. Further, the management is trying to create a consumption eco-system by offering various products and services directly / indirectly to its member / customer and for that purpose would be having tie-up / arrangements with various products / service providers.

### SHARE CAPITAL

During the year under review, the Company has issued and allotted 2,20,200 Equity Shares, the details of which are as under:

On May 25, 2018, the Company has made allotment of 2,20,200 Equity Shares of ₹ 2/- each to the employees of the Company upon exercise their rights of vested options granted to the said employees under Employees' Stock Option Plan – 2015 (FEL ESOP 2015). None of the employee is in receipt of Equity Shares the value of which exceeds

1% of Equity Share capital of the Company against the vested options exercised by them under FEL ESOP 2015.

During the year under review, the Company has not issued any sweat equity shares or bonus shares or equity shares with differential rights.

### DIVIDEND AND RESERVES

To conserve the funds for future business growth, your Directors have not recommended any dividend for the financial year 2018-19.

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 ("Listing Regulations"), Dividend Distribution Policy is given as Annexure I to this Report and same is also available on the website of the Company at the weblink: [https://felindia.in/pdf/Dividend\\_Distribution\\_Policy.pdf](https://felindia.in/pdf/Dividend_Distribution_Policy.pdf).

The Board has decided not transferred any amount towards General Reserve for the year under review.

The Board has transferred ₹ 24.02 crore to the Debenture Redemption Reserve.

### INVESTMENTS

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

- **Subsidiaries Companies:**

Company has acquired 10,000 equity shares of nominal value of ₹ 10/- each of Ritvika Trading Private Limited ("RTPL") which is equivalent to 100% equity share capital of RTPL and subsequent to this acquisition, RTPL became the wholly owned subsidiary of Company.

- **Joint Venture / SPV Companies**

The Company has made investment of ₹ 26.78 crore in Future Generali India Life Insurance Company Limited and ₹ 25.76 crore in Sprint Advisory Services Private Limited as a part of its entitlements and unsubscribed portion of other shareholders in Rights Issue .

- **Other Investments:**

- Company has made investment of ₹ 11.40 crore in Galaxy Cloud Kitchens Limited ("GCKL") (f/k/a Galaxy Entertainment Corporation Limited) by subscribing 38,00,000 Compulsory Convertible Debentures ("CCDs") of GCKL.

- Company has made investment of ₹ 5 crore in Livquik Technology (India) Private Limited by subscribing 7,11,74,377 Partly Paid Equity Shares.

### DIVESTMENTS

On December 24, 2018, the Company has transferred 2,05,15,817 equity shares representing 51.22% of equity share capital of Future Supply Chain Solutions Limited ("FSCSL") to its wholly owned subsidiary Ritvika Trading Private Limited, by way of inter-se transfer. Consequent to this transaction, FSCSL became the step down subsidiary of the Company. Furthermore, as on March 31, 2019,

your Company directly holds 100 equity shares in Future Supply Chain Solutions Limited.

### DEBENTURES

During the year under review, the Company has raised long term funds through Non-Convertible Debentures aggregating ₹1,850 crore. The funds were utilised for the objects as stated in the offer document issued at the time of raising funds. This has helped the Company to improve its debt maturity profile and reduce the cost of debt.

The Company has made timely payment of interests and principal amount, as and when it becomes due on debentures, issued by the Company. The Company has repaid the principal amount of Secured Redeemable Non-Convertible Debentures of approximately ₹ 1,300 crore, which includes Non-Convertible Debentures due for payment in the year under review as well as for which the Company has exercised calls / put option for pre-payment together with accrued interest payable thereon.

### PUBLIC DEPOSITS

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

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

Sr. No.	Particulars	Amount (₹ crore)
1	Deposits accepted during the year	44.30
2	Deposit remaining unpaid or unclaimed at the end of the year	-
3	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and total amount involved:	
	<b>Particulars</b>	<b>Number of such cases</b>
	<b>Total Amount Involved</b>	
	At the beginning of the year	-
	Maximum during the year	-
	At the end of the year	-
4	Details of the deposits which are not in compliance with the requirements of Chapter V of the Act	-



## CREDIT RATING

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

## MANAGEMENT DISCUSSION & ANALYSIS

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

## CORPORATE GOVERNANCE

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding the compliance with the conditions of Corporate Governance as stipulated under Regulation 17 to 27 and 46 of the Listing Regulations, forms part of this Annual Report.

## POLICIES AND DISCLOSURE REQUIREMENTS

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

- Details of programmes for familiarisation of Independent Directors with the Company are available on the website of the Company at the link [https://felindia.in/pdf/ID\\_Familiarisation.pdf](https://felindia.in/pdf/ID_Familiarisation.pdf)
- Policy for determining Material Subsidiaries of the Company is available on the website of the Company at the link [https://felindia.in/pdf/Mat\\_Sub\\_Policy.pdf](https://felindia.in/pdf/Mat_Sub_Policy.pdf)
- Policy for determining Materiality of Events of the Company is available on the website of the Company at the link [https://felindia.in/pdf/Policy\\_for\\_Determining\\_Materiality\\_of\\_Events.pdf](https://felindia.in/pdf/Policy_for_Determining_Materiality_of_Events.pdf)
- Archival Policy of the Company is available on the website of the Company at the link [http://felindia.in/pdf/Archival\\_Policy.pdf](http://felindia.in/pdf/Archival_Policy.pdf)
- Code of Conduct of Board of Directors and Senior Management Personnel of the Company is available on the website of the Company at the link [https://felindia.in/pdf/Code\\_of\\_Conduct.pdf](https://felindia.in/pdf/Code_of_Conduct.pdf)
- The Remuneration Policy is available on the website of the Company at the link [https://felindia.in/pdf/Remuneration\\_Policy.pdf](https://felindia.in/pdf/Remuneration_Policy.pdf)
- Policy on dealing with Related Party Transactions is available on the website of the Company at the link [https://felindia.in/pdf/RPT\\_Policy.pdf](https://felindia.in/pdf/RPT_Policy.pdf)

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

## NUMBER OF BOARD MEETINGS

The Board of Directors has met 6 (Six) times during the financial year 2018-19. The details of Board meetings and the attendance of the Directors therein are provided in the Corporate Governance Report which forms part of this Annual Report.

## COMMITTEES OF THE BOARD OF DIRECTORS

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

## SUBSIDIARY COMPANIES

The Company has following Subsidiaries (including step down subsidiaries), as at the end of the financial year ended March 31, 2019.

### Futurebazaar India Limited

Futurebazaar India Limited ("FBIL") is a wholly owned subsidiary and is set up as the e-Retailing arm of the Future Group for providing on-line shopping experience through e-portal [www.futurebazaar.com](http://www.futurebazaar.com). FBIL is successfully operating its e-retailing business and during the financial year ended March 31, 2019, it has registered income from operations amounting to ₹ 101.60 crore and its net profit stood at ₹ 0.80 crore.

### Future Media (India) Limited

Future Media (India) Limited ("FMIL") is the Future Group's media venture, aimed at creation of media properties in the ambience of consumption and thus offers active engagement to brands and consumers. The Company holds equity capital of 93.10% in FMIL. During the financial year ended March 31, 2019, FMIL has incurred a net loss of ₹ 0.10 crore.

### Bluerock eServices Private Limited

Bluerock eServices Private Limited ("BEPL") is wholly owned subsidiary of the Company. BEPL deals in the business of providing services for operation and maintenance of IT enabled platforms. During the financial year ended March 31, 2019, BEPL has incurred net loss of ₹ 0.51 crore.

### Future E-Commerce Infrastructure Limited

Future E-Commerce Infrastructure Limited ("FECIL") is to capture the consumption space through the internet, as well as other technology based and digital modes and provide infrastructure services for the same. The Company holds equity capital of 86.71% however, considering total capital comprising of convertible preference capital the Company's holding in the total capital of FECIL works out to 63.98%. FECIL also has convertible preference shares,

which has not yet been converted into equity shares. During the financial year ended March 31, 2019, FECIL registered income from operations amounting to ₹ 100.40 crore and the net profit stood at ₹ 0.83 crore.

#### **Work Stores Limited**

Work Stores Limited ("WSL") is designed to capture the consumption space of office supplies, office equipment and products. WSL was formed as a joint venture between the Company and Staples Asia Investment Limited (a subsidiary of Staples Inc USA). Your Company holds equity capital of 61.67% in WSL however, considering the total capital comprising of convertible preference capital of WSL, the Company's holding in the total capital of WSL works out to 62.63%. During the financial year ended March 31, 2019, WSL has registered income from operations amounting to ₹ 87.29 crore and the net loss stood at ₹ 1.58 crore.

#### **Office Shop Private Limited**

Office Shop Private Limited ("OSPL") was incorporated to deal in the business of distribution of office products. OSPL is 100% subsidiary of WSL and accordingly, is a step-down subsidiary of the Company. OSPL has earned revenue of ₹ 0.19 crore & incurred net loss of ₹ 1.01 crore during the year ended March 31, 2019.

#### **Future Merchandising & Sourcing Pte. Ltd.**

Future Merchandising & Sourcing Pte. Limited ("FMSPL") is wholly owned subsidiary of Company based in Singapore to undertake the activity of global sourcing of food, fashion, footwear and others from international markets.

During the financial year ended March 31, 2019, FMSPL has incurred a net loss of ₹ 0.04 crore.

#### **Ritvika Trading Private Limited**

The Company acquired 100% equity share capital of Ritvika Trading Private Limited ("RTPL") on November 19, 2018 and consequently RTPL became the wholly owned subsidiary of the Company. The RTPL is in the business of buying, selling, importing, exporting, supplying, trading, dealing in all types of goods on retail and wholesale basis.

During the financial year ended March 31, 2019, RTPL has incurred a net loss of ₹ 0.13 crore.

#### **Future Supply Chain Solutions Limited**

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

offering to the customers in an optimised and cost-efficient manner. Ritvika Trading Private Limited (RTPL) holds 51.22 % stake in FSCSL and accordingly FSCSL is step down subsidiary of the Company. During the year ended March 31, 2019, FSCSL has registered income from operations amounting to ₹ 1,112.77 crore and earned net profit of ₹ 65.16 crore.

#### **Vulcan Express Private Limited**

Vulcan Express Private Limited ("VEPL") is engaged in business of providing warehousing and logistics services and also involved in designing and deploying logistic management system and other activities of similar nature. VEPL is wholly owned subsidiary of FSCSL. VEPL has earned revenue of ₹ 2.94 crore & incurred net loss of ₹ 1.64 crore during the year ended March 31, 2019.

### **ASSOCIATE COMPANY**

#### **Leanbox Logistics Solutions Private Limited (w.e.f. July 27, 2017)**

Leanbox Logistics Solutions Private Limited ("LLSL") is Associate of FSCSL. LLSL has earned revenue of ₹ 57.64 crore & incurred net loss of ₹ 4.33 crore during the year ended March 31, 2019.

### **JOINT VENTURES**

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

The Company has entered into joint venture with National Textile Corporation ("NTC") for the restructuring and development of the Apollo Mills and Goldmohur Mills situated in Mumbai. For the same two separate SPV companies have been created viz. Apollo Design Apparel Parks Limited ("ADAPL") & Goldmohur Design & Apparel Park Limited ("GDAPL"). The ADAPL & GDAPL would be working for the restructuring and development of the Apollo Mills and Goldmohur Mills, respectively as per the memorandum of understanding and other documents signed between Company and NTC. During the financial year ended March 31, 2019, ADAPL registered income from operations amounting to ₹ 215.62 crore and earned net profit of ₹ 8.29 crore. Furthermore, GDAPL registered income from operations amounting to ₹ 230.83 crore and earned net profit of ₹ 7.42 crore.

#### **Future Generali India Life Insurance Company Limited**

Future Generali India Life Insurance Company Limited ("FGI-Life") is Company's joint venture with Participatie Maatascchappij Graafsschap Holland NV, (Generali) in the Life insurance sector. FGI-Life has introduced many insurance products to suit requirements of various categories of customers. During the financial year ended March 31, 2019, FGI-Life has registered income from operations of ₹ 1,146.48 crore and net loss of ₹ 189.04 crore.

### **Future Generali India Insurance Company Limited**

Future Generali India Insurance Company Limited ("FGI-Nonlife") is Company's joint venture with Participatie Maatschappij Graafschap Holland NV, (Generali) in the general insurance sector. FGI-Nonlife has introduced insurance products for various general insurance needs of the different categories of customers. During the financial year ended March 31, 2019, FGI-Nonlife has registered income from operations of ₹ 2,366.69 crore and net profit of ₹ 118.84 crore.

### **Shendra Advisory Services Private Limited**

Shendra Advisory Services Private Limited ("Shendra") is a SPV with respect to the Company's insurance arm Future Generali India Insurance Company Limited. During the financial year ended March 31, 2019, Shendra has registered income from operations of ₹ 0.10 crore.

### **Sprint Advisory Services Private Limited**

Sprint Advisory Services Private Limited ("Sprint") is a SPV with respect to the Company's insurance arm Future Generali India Life Insurance Company Limited. During the financial year ended March 31, 2019, Sprint has registered income from operations of ₹ 0.01 crore and net loss of ₹ 0.10 crore.

## **CONSOLIDATED FINANCIAL STATEMENTS**

During the year under review, the Board has reviewed the affairs of subsidiaries and joint venture. The Consolidated Financial Statement of the Company is prepared in accordance with the Act and applicable IND AS along with the relevant documents and Auditors' Report thereon form part of this Annual Report.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statement of the subsidiaries and joint venture in the prescribed Form AOC-1 is attached to the financial statement, which forms part of this Annual Report.

In accordance to the provisions of Section 136(1) of the Act, the Annual report of the Company, containing therein Standalone and the Consolidated Financial Statements of the Company and the Audited Financial Statements of subsidiary Companies have been placed on the website of the Company at a weblink – [www.felindia.in](http://www.felindia.in). The Audited Financial Statements in respect of each subsidiary company shall also be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of ensuing Annual General Meeting. The aforesaid documents relating to subsidiary companies can be made available to any member interested in obtaining the same upon a request in that regards made to the Company.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Mr. S. Doreswamy, an Independent Director of the Company has resigned

from the Board of the Company and consequently from the various Committees of the Board in which he was a Member / Chairman with effect from March 28, 2019 owing solely to compelling personal factors. It has also been confirmed that there are no other material reasons for his resignation. The Board places on record its sincere appreciation for the contribution made by him during his tenure.

Mr. Haresh Chawla was appointed as an Additional Director and Independent Director on March 28, 2019 for a period of 5 (Five) years, subject to approval of Members at ensuing General Meeting of the Company.

Mr. V. K. Chopra and Ms. Bala Deshpande were appointed as Independent Directors of the Company for a term of 5 (five) years and their first term as Independent Directors would come to an end on August 01, 2019.

The Nomination and Remuneration Committee ('NRC') and the Board of Directors ('Board') based on their performance evaluation have recommended the re-appointment of Mr. V. K. Chopra and Ms. Bala Deshpande as Independent Directors of the Company for a second term. Mr. V. K. Chopra as an Independent Director for second term commencing from August 02, 2019 to March 05, 2021 and re-appointment of Ms. Bala Deshpande for a term of 5 (five) years with effect from August 02, 2019 to August 01, 2024.

Due notices under Section 160 of the Act have been received from members of the Company proposing the appointment / re-appointment of Mr. Haresh Chawla, Mr. V. K. Chopra and Ms. Bala Deshpande as an Independent Director of the Company at ensuing Annual General Meeting.

The necessary resolutions for re-appointment Mr. V. K. Chopra and Ms. Bala Deshpande, are being placed before the Members for their approval at the ensuing Annual General Meeting.

In terms of section 152 of the Act, Mr. Vijay Biyani is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

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

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

## DECLARATION OF INDEPENDENCE

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

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

## PARTICULARS OF EMPLOYEE STOCK OPTION PLAN, 2012 AND 2015 ("FEL ESOP 2012 and 2015")

During the year under review, the Company has granted 47,45,000 options to eligible employees in the year under review. However, the Company has made allotment of 2,20,200 Equity Shares of ₹ 2/- each to the employees of the Company upon exercise their rights of vested options granted to the said employees under FEL ESOP 2012 and 2015.

The applicable disclosures as stipulated under Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, SEBI (Share Based Employee Benefits) Regulation, 2014 and SEBI Circular dated June 16, 2015 as on March 31, 2019 with regard to FEL ESOP 2012 and 2015 are provided in Annexure II to this Report which is available on the website of the Company.

## EXTRACT OF ANNUAL RETURN

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

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

Details of loans granted, guarantee provided and investment made by the Company which are covered under the provision of Section 186 of the Act, is provided in note no. 48 of Notes forming part of Financial Statements.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, were in the ordinary course of business and on an arm's length basis.

Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature with related parties. A statement of all such related party transactions was presented before the Audit Committee on periodic and need basis for its review and approval.

There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Disclosure of transactions with related parties (including entity belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company) as required under Listing Regulations and the applicable Accounting Standards have been given in the Notes forming part of the financial statement

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

## SIGNIFICANT AND MATERIAL ORDERS

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

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the Section 124 and other applicable provisions of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after completion of seven years. Further, according to the rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of ₹ 8,17,975/- relating to financial year 2010-11.

Further, 55,879 Equity & 5,416 Class B (Series 1) shares were transferred as per the requirements of the IEPF Rules. The details are provided on our website at <https://www.felindia.in>.

Further, sale proceeds of fractional of shares of ₹ 1,48,022/- were also transferred to IEPF as per the requirements stated above.

## MATERIAL CHANGES AND COMMITMENTS

Your Directors further state that there were no material changes have taken place that could have an impact on the financial position of the Company from the date of closure of financial year under review till the date of signing of this report.

## VIGIL MECHANISM

The Company has established a vigil mechanism to provide a framework of promoting responsible and

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

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

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

### AUDITORS AND AUDITORS' REPORT

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

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

The Auditors' Report on the financial statements for the financial year ended March 31, 2019 does not contain any qualification, observation, emphasis of matter of adverse remark and doesn't contain any instances of fraud as mentioned under Section 143 of the Act. The Auditors' Report is enclosed with the financial statements as a part of this Annual Report.

### SECRETARIAL AUDITOR

Pursuant to Section 179 and 204 of the Act and rules made thereunder, M/s. Virendra Bhatt, Practising Company Secretary (Membership No. 1157 / Certificate of Practice No.124) was appointed as a Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2018-19, in the manner as stated above in forgoing provision.

The Secretarial Audit Report for the financial year 2018-19 is appended as Annexure V which forms part of this Report.

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for that year;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts for the financial year ended March 31, 2019, on a going concern basis.
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

### AUDIT COMMITTEE

The Composition, terms of reference, powers and roles of Audit Committee of the Company are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

There were no instances where the Board did not accept the recommendations of the Audit Committee.

## RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROL

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

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

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

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

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

## CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

The Company has constituted a Corporate Social Responsibility Committee (“CSR Committee”) in accordance with Section 135 of the Act. The Board of Directors of the Company has based on recommendation made by CSR Committee, formulated, approved and revised the CSR Policy of the Company from time to time and which has also been placed on website at a weblink: [https://felindia.in/pdf/CSR\\_Policy.pdf](https://felindia.in/pdf/CSR_Policy.pdf).

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

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

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company premises through various interventions and practices. The Company always endeavors to create and

provide an environment that is free from discrimination and harassment including sexual harassment.

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

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

## PERFORMANCE EVALUATION OF BOARD

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

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

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

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

## PARTICULARS OF EMPLOYEES

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

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

During the year under review, none of the Directors were in receipt of Commission from the Company.

Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to Members of the Company. The said information is available for inspection at the registered office of the Company during working hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining such information, such member may write to the Company Secretary and the same will be furnished on request. The full Annual Report including aforesaid information is being sent electronically to all those Members who have registered their e-mail addresses and is also available on the Company's website.

#### **SECRETARIAL STANDARDS**

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

#### **OTHER DISCLOSURES**

During the year under review:

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

#### **ACKNOWLEDGEMENT**

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date : June 24, 2019

**V. K. Chopra**  
Chairman

## ANNEXURE I

### DIVIDEND DISTRIBUTION POLICY

#### Company's philosophy:

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

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

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

#### Declaration of Dividend:

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

#### Per share basis:

The dividend will be declared on per share basis only.

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

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

#### Financial parameters considered while declaring dividend:

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

#### Internal and external factors considered while declaring dividend:

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

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

#### Internal:

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

#### External:

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

Any other matter / risks apprehended by the Board

#### Usage of retained earnings:

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

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

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



## ANNEXURE II

### Future Enterprises Limited Employees Stock Option Plan - 2012 and 2015 (FEL ESOP - 2012 and 2015) of the Company as at March 31, 2019.

Future Enterprises Limited ("FEL") has granted Options to eligible employees in 2018 under Employee Stock Option Scheme, 2015 ("FEL ESOP 2015").

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

### C. Disclosure with respect to Future Enterprises Limited Employees Stock Option Plan – 2012 and 2015 (FEL ESOP 2012 and FEL ESOP 2015 ) of the Company as at March 31, 2019

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

**D. The stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2018-19 would be ₹ 3.62 crore.**

### E. Option movement during the year ended on March 31, 2019

Sr. No.	Particulars	Details	
		FEL ESOP 2012	FEL ESOP 2015
I	Details Number of options outstanding at the beginning of the year	7,13,133	6,00,200
II	Number of options revised during the Year during the year	Nil	Nil
III	Number of options granted during the year	Nil	47,45,000
IV	Number of options forfeited / Cancelled / lapsed during the year	Nil	Nil
V	Number of options vested during the year	Nil	6,00,200
VI	Number of Options Unvested	Nil	47,45,000

Sr. No.	Particulars	Details	
		FEL ESOP 2012	FEL ESOP 2015
VII	Number of options exercised during the year	Nil	2,20,200
VIII	Number of shares arising as a result of exercise of options	Nil	2,20,200
IX	Exercise Price	Nil	2
X	Money realised by exercise of options, if scheme is implemented directly by the Company	Nil	4,40,400
XI	Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.
XII	Total number of options outstanding (in force) at the end of the year	7,13,133	51,25,000
XIII	Number of options exercisable at the end of the year	7,13,133	51,25,000

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

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

**Weighted average Exercise Price of options granted during the year:**

		FEL ESOP 2012	FEL ESOP 2015
I	Exercise price equals market price (in ₹)	-	-
II	Exercise price is greater than market price (in ₹)	-	-
III	Exercise price is less than market price (in ₹)	2	2

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

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

**G. Employee-wise details of options granted during the year on March 31, 2019**

I Senior Managerial Personnel			
	Name of the Employee	No. of options	
		FEL ESOP 2012	FEL ESOP 2015
1	Mr. Dinesh Maheshwari (KMP)	-	7,87,500
2	Mr. Sanjay Rathi	-	6,82,500
3	Mr. Deepak Tanna (KMP)	-	5,25,000
4	Mr. Anuraag Agarwal	-	12,00,000
II	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year		
	Name of the Employee	No. of options	
		FEL ESOP 2012	FEL ESOP 2015
1	Mr. Dinesh Maheshwari (KMP)	-	7,87,500
2	Mr. Sanjay Rathi	-	6,82,500
3	Mr. Vishal Kapoor	-	5,25,000
4	Mr. Rajesh Kalyani	-	5,25,000
5	Mr. Deepak Tanna (KMP)	-	5,25,000
6	Mr. Anuraag Agarwal	-	12,00,000
7.	Mr. Hardeep Singh	-	5,00,000
III	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants:-		
	None		

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

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

The Assumptions used in the model are as follows

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

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

The details *inter-alia*, in connection with transactions made by the Trust meant for the purpose of administering the Future Enterprises Limited Employee Stock Option Plan - 2012 and 2015 are as under:

### i. General Information of the Trust

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

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

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date : June 24, 2019

**V. K. Chopra**  
Chairman

## ANNEXURE III

### FORM MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

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

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L52399MH1987PLC044954
ii.	Registration Date	October 12, 1987
iii.	Name of the Company	Future Enterprises Limited
iv.	Category / Sub-Category of the Company	Public Company / Limited by shares
v.	Address of the Registered office and contact details	Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060 Tel No.: +91 22 6644 2200 Fax No.: +91 22 6644 2201 Email : investorrelations@futuregroup.in Website : www.felindia.in
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C - 101, Embassy 247, LBS Marg, Vikhroli (West), Mumbai - 400 083 Tel No.: +91 22 4918 6270 Fax No.: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Manufacturing and Trading	14 and 46	84%
2	Renting of Assets Activities	77	16%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

<b>Sr. No.</b>	<b>NAME &amp; ADDRESS OF THE COMPANY</b>	<b>CIN / GLN</b>	<b>HOLDING / SUBSIDIARY / ASSOCIATE</b>	<b>% OF SHARES HELD</b>	<b>APPLICABLE SECTION</b>
4	Bluerock eServices Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U72900MH2012PTC298230	Subsidiary	100.00	Section 2(87) (iii)
5	Work Store Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U74999MH2007PLC166866	Subsidiary	61.67	Section 2(87) (iii)
6	Office Shop Private Limited* 509, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai - 400 018	U30006MH2007PTC173922	Stepdown Subsidiary	61.67	Section 2(87) (iii)
7	Future Merchandising & Sourcing Pte. Ltd. 14, Robinson Road, #08-01A, Far East Finance Building, Singapore - 048 545	201718557K	Subsidiary	100.00	Section 2(87) (iii)
8	Ritvika Trading Private Limited** Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U74999MH2017PTC292801	Subsidiary	100.00	Section 2(87) (iii)
9	Future Supply Chain Solutions Limited*** Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	L63030MH2006PLC160376	Stepdown Subsidiary	51.22	Section 2(87) (iii)
10	Vulcan Express Private Limited^ 61/1, Block III, Kirti Nagar, WHS New Delhi West, Delhi - 110 015	U63090DL2013PTC261203	Stepdown Subsidiary	51.22	Section 2(87)(iii)
11	Apollo Design Apparel Parks Limited 382, N. M. Joshi Marg, Chinchpokli, Mumbai - 400 011	U17291MH2007GOI195397	Joint Venture	39.00	Section 2(6)
12	Goldmohur Design and Apparel Park Limited Dada Saheb Phalke Road, Dadar (East), Mumbai - 400 014	U17291MH2007GOI195402	Joint Venture	39.00	Section 2(6)
13	Future Generali India Insurance Company Limited 6th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Prabhadevi (West), Mumbai - 400 013	U66030MH2006PLC165287	Joint Venture	25.51	Section 2(6)
14	Future Generali India Life Insurance Company Limited 6th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Prabhadevi Road (West), Mumbai - 400 013	U66010MH2006PLC165288	Joint Venture	7.77	Section 2(6)

Sr. No.	NAME & ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
15	Sprint Advisory Services Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U51909MH2005PTC151869	Joint Venture	49.81	Section 2(6)
16	Shendra Advisory Services Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U45200MH2005PTC157267	Joint Venture	49.82	Section 2(6)
17	Leanbox Logistics Solutions Private Limited^^ C-603, Mangalya Building, Marol Maroshi Road Gamdevi, Near Leafio Hotel, Andheri (East) Mumbai Mumbai - 400059	U74999MH2016PTC282290	Associate	25.61	Section 2(6)

\* 100% subsidiary of Work Store Limited

\*\* Became wholly owned subsidiary of Company with effect from November 19, 2018

\*\*\* Pursuant to transfer of 2,05,15,817 equity shares representing 51.22% of total equity share capital of Future Supply Chain Solutions Limited to Ritvika Trading Private Limited, by way of inter-se transfer, Future Supply Chain Solutions Limited became the step-down subsidiary of the Company.

^ Vulcan Express Private Limited is a wholly owned subsidiary of Future Supply Chain Solutions Limited.

^^ Leanbox Logistics Solutions Private Limited is an associate of Future Supply Chain Solutions Limited.

#### IV. SHAREHOLDING PATTERN

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

Category code	Category of Shareholders	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoters and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family / Nominee of Promoter	-	-	-	-	-	-	-	-	0.00
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00
(c)	Bodies Corporate	20,57,60,572	-	20,57,60,572	45.32	22,80,10,572	-	22,80,10,572	50.20	4.88
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	0.00
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (A)(1)</b>	<b>205,760,572</b>	<b>-</b>	<b>20,57,60,572</b>	<b>45.32</b>	<b>22,80,10,572</b>	<b>-</b>	<b>22,80,10,572</b>	<b>50.20</b>	<b>4.88</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	0.00
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	0.00
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	0.00
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>

Category code	Category of Shareholders	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	20,57,60,572	-	20,57,60,572	45.32	22,80,10,572	-	22,80,10,572	50.20	4.88
<b>(B)</b>	<b>Public shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	47,01,443		47,01,443	1.04	47,11,443		47,11,443	1.04	0.00
(b)	Financial Institutions/ Banks	62,04,246		62,04,246	1.37	57,34,922		57,34,922	1.26	(0.10)
(c)	Central Government / State Government(s)	4,93,921	-	4,93,921	0.11	-	-	-	-	(0.11)
(d)	Alternate Investment Funds	-	-	-	-	-	-	-	-	0.00
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	0.00
(f)	Insurance Companies	26,16,004	-	26,16,004	0.58	26,16,004	-	26,16,004	0.58	0.00
(g)	Foreign Institutional Investor	-	-	-	-	-	-	-	-	0.00
(h)	Foreign Portfolio Investor	83,25,703	-	83,25,703	1.83	63,41,731	-	63,41,731	1.40	(0.44)
(i)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	0.00
(j)	Foreign Bodies Corporate	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (B)(1)</b>	<b>2,23,41,317</b>	<b>-</b>	<b>23,41,317</b>	<b>4.92</b>	<b>1,94,04,100</b>	<b>-</b>	<b>1,94,04,100</b>	<b>4.27</b>	<b>(0.65)</b>
<b>(2)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate									
	Indian	13,99,26,944	2,505	13,99,29,449	30.82	12,80,85,779	2,005	12,80,87,784	28.20	(2.62)
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	4,35,51,264	5,74,510	4,41,25,774	9.72	3,49,21,533	4,96,332	3,54,17,865	7.80	(1.92)
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,45,76,653	-	3,45,76,653	7.62	3,34,13,262	-	3,34,13,262	7.36	(0.26)
(c)	NBFC registered with RBI	-	-	-	-	5,69,446	-	5,69,446	0.13	0.13
(d)	Any Other									
	1. N R I	26,25,229		26,25,229	0.58	22,39,720		22,39,720	0.49	(0.09)
	2. Directors & Relatives	10,000	-	10,000	0.00	2,75,000	-	2,75,000	0.06	0.06
	3. Clearing Member	18,67,899	-	18,67,899	0.41	10,25,675	-	10,25,675	0.23	(0.19)
	4. Trust	25,655	-	25,655	0.01	5,555	-	5,555	0.00	(0.00)
	5. Hindu Undivided Family	27,34,520	-	27,34,520	0.60	52,18,489	-	52,18,489	1.15	0.55
	6. IEPF	-	-	-	-	5,49,800	-	5,49,800	0.12	0.12
	<b>Sub-Total (B)(2)</b>	<b>22,53,18,164</b>	<b>5,77,015</b>	<b>22,58,95,179</b>	<b>49.76</b>	<b>20,63,04,259</b>	<b>4,98,337</b>	<b>20,68,02,596</b>	<b>45.53</b>	<b>(4.90)</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>24,76,59,481</b>	<b>5,77,015</b>	<b>24,82,36,496</b>	<b>54.68</b>	<b>22,57,08,359</b>	<b>4,98,337</b>	<b>22,62,06,696</b>	<b>49.80</b>	<b>(5.54)</b>
	<b>TOTAL (A)+(B)</b>	<b>45,34,20,053</b>	<b>5,77,015</b>	<b>45,39,97,068</b>	<b>100.00</b>	<b>45,37,18,931</b>	<b>4,98,337</b>	<b>45,42,17,268</b>	<b>100.00</b>	<b>(0.67)</b>
(C)	Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>45,34,20,053</b>	<b>5,77,015</b>	<b>45,39,97,068</b>	<b>100.00</b>	<b>45,37,18,931</b>	<b>4,98,337</b>	<b>45,42,17,268</b>	<b>100.00</b>	<b>0.00</b>

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

Category code	Category of Shareholders	No. of Class B (Series 1) Shares held at the beginning of the year				No. of Class B (Series 1) Shares held at the end of the year				% Changes during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoters and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family / Nominee of Promoter	88,115	-	88,115	0.22	88,115	-	88,115	0.22	0.00
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	0.00
(c)	Bodies Corporate	2,83,48,465		2,83,48,465	72.00	2,83,48,465		2,83,48,465	72.00	0.00
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	0.00
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (A)(1)</b>	<b>2,84,36,580</b>	<b>-</b>	<b>2,84,36,580</b>	<b>72.22</b>	<b>28,436,580</b>	<b>-</b>	<b>2,84,36,580</b>	<b>72.22</b>	<b>-</b>
<b>(2)</b>	<b>Foreign</b>									<b>0.00</b>
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)				-				-	0.00
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	0.00
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	0.00
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>2,84,36,580</b>	<b>-</b>	<b>2,84,36,580</b>	<b>72.22</b>	<b>2,84,36,580</b>	<b>-</b>	<b>2,84,36,580</b>	<b>72.22</b>	<b>-</b>
<b>(B)</b>	<b>Public shareholding</b>									<b>0.00</b>
<b>(1)</b>	<b>Institutions</b>									<b>0.00</b>
(a)	Mutual Funds / UTI	50	-	50	0.00	75,050	-	75,050	0.19	0.19
(b)	Financial Institutions / Banks	1,05,868	-	1,05,868	0.27	96,991	-	96,991	0.25	(0.02)
(c)	Central Government / State Government(s)	49,360	-	49,360	0.13	-	-	-	-	(0.13)
(d)	Alternate Investment Funds	75,000	-	75,000	0.19	-	-	-	-	(0.19)
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	0.00
(f)	Insurance Companies	400	-	400	0.00	400	-	400	0.00	0.00
(g)	Foreign Institutional Investor	-	-	-	-	-	-	-	-	0.00
(h)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	0.00
(i)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	0.00
(j)	Foreign Bodies Corporate	-	-	-	-	-	-	-	-	0.00
	<b>Sub-Total (B)(1)</b>	<b>2,30,678</b>	<b>-</b>	<b>2,30,678</b>	<b>0.59</b>	<b>1,72,441</b>	<b>-</b>	<b>172,441</b>	<b>0.44</b>	<b>(0.15)</b>



Category code	Category of Shareholders	No. of Class B (Series 1) Shares held at the beginning of the year				No. of Class B (Series 1) Shares held at the end of the year				% Changes during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	<b>Non-Institutions</b>									<b>0.00</b>
(a)	Bodies Corporate									
	Indian	20,17,595	360	20,17,955	5.13	11,44,504	310	11,44,814	2.91	(2.22)
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	34,02,432	66,636	34,69,068	8.81	30,51,238	58,699	31,09,937	7.90	(0.91)
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	48,36,451	-	48,36,451	12.28	47,78,830	-	47,78,830	12.14	(0.15)
(c)	NBFC registered with RBI	-	-	-	-	2,000	-	2,000	0.01	0.01
(d)	Any Other									
	1. N R I	80,492	-	80,492	0.20	83,749	-	83,749	0.21	0.01
	2. Directors & Relatives	1,000	-	1,000	0.00	1,000	-	1,000	0.00	0.00
	3. Clearing Member	1,27,347	-	1,27,347	0.32	20,682	-	20,682	0.05	(0.27)
	4. rust	127	-	127	0.00	127	-	127	0.00	0.00
	5. Hindu Undivided Family	1,74,981	-	1,74,981	0.44	15,69,743	-	15,69,743	3.99	3.54
	6. IEPF					54,776	-	54,776	0.14	0.14
	<b>Sub-Total (B)(2)</b>	<b>1,06,40,425</b>	<b>66,996</b>	<b>1,07,07,421</b>	<b>27.19</b>	<b>1,07,06,649</b>	<b>59,009</b>	<b>1,07,65,658</b>	<b>27.34</b>	<b>0.15</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1,08,71,103</b>	<b>66,996</b>	<b>1,09,38,099</b>	<b>27.78</b>	<b>1,08,79,090</b>	<b>59,009</b>	<b>1,09,38,099</b>	<b>27.78</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>3,93,07,683</b>	<b>66,996</b>	<b>3,93,74,679</b>	<b>100.00</b>	<b>3,93,15,670</b>	<b>59,009</b>	<b>3,93,74,679</b>	<b>100.00</b>	<b>0.00</b>
(C)	Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3,93,07,683</b>	<b>66,996</b>	<b>3,93,74,679</b>	<b>100.00</b>	<b>3,93,15,670</b>	<b>59,009</b>	<b>3,93,74,679</b>	<b>100.00</b>	<b>0.00</b>

(ii) Shareholding of Promoters

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

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
5	Central Departmental Stores Private Limited	17,78,61,430	39.18	21.72	20,01,11,430	44.06	35.08	4.88
6	Future Corporate Resources Private Limited (*)	2,78,20,408	6.13	3.91	2,78,20,408	6.12	3.23	(0.00)
7	Ryka Commercial Ventures Private Limited	100	0.00	0.00	100	0.00	0.00	(0.00)
8	Akar Estate and Finance Private Limited	1,000	0.00	0.00	1,000	0.00	0.00	(0.00)
9	Future Capital Investment Private Limited	100	0.00	0.00	100	0.00	0.00	(0.00)
10	Surplus Finvest Private Limited	77,534	0.02	0.00	77,534	0.02	0.00	(0.00)
	<b>Total</b>	<b>20,57,60,572</b>	<b>45.32</b>	<b>25.63</b>	<b>22,80,10,572</b>	<b>50.20</b>	<b>38.31</b>	<b>4.88</b>

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

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

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

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

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

### (iii) Change in Promoters' Shareholding

#### (a) Equity Shares

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Central Departmental Stores Pvt Ltd</b>				
	At the beginning of the year	17,78,61,430	39.18		39.18
	Market Purchase - May 17, 2018	2,22,50,000	4.90	20,01,11,430	44.08
	<b>At the end of the year</b>			<b>20,01,11,430</b>	<b>44.06</b>
<b>2</b>	<b>Future Corporate Resources Private Limited (f/k/a Suhani Trading and Investment Consultants Private Limited)</b>				
	At the beginning of the year	2,78,20,408	6.13	2,78,20,408	6.13
			0.00	2,78,20,408	6.13
	<b>At the end of the year</b>			<b>2,78,20,408</b>	<b>6.12</b>

#### (b) Class B (Series 1) Shares

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Future Corporate Resources Private Limited (f/k/a Suhani Trading and Investment Consultants Private Limited)</b>				
	At the beginning of the year	28,79,503	7.31	28,79,503	7.31
			0.00	28,79,503	7.31
	<b>At the end of the year</b>			<b>28,79,503</b>	<b>7.31</b>

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Bennett Coleman and Company Limited</b>				
	At the beginning of the year	<b>2,03,91,700</b>	<b>4.49</b>	<b>2,03,91,700</b>	<b>4.49</b>
	Market Purchase - May 25, 2018	3,85,18,216	8.48	5,89,09,916	12.97
	<b>At the end of the year</b>			<b>58,909,916</b>	<b>12.97</b>
<b>2</b>	<b>Brand Equity Treaties Limited</b>				
	At the beginning of the year	<b>2,49,99,999</b>	<b>5.51</b>	<b>2,49,99,999</b>	<b>5.51</b>
	<b>At the end of the year</b>			<b>2,49,99,999</b>	<b>5.50</b>
<b>3</b>	<b>Ratnabali Investment Private Limited</b>				
	At the beginning of the year	<b>33,24,801</b>	<b>0.73</b>	<b>33,24,801</b>	<b>0.73</b>
	Market Purchase - April 06, 2018	12,00,189	0.26	45,24,990	1.00
	Market Purchase - April 20, 2018	10,05,000	0.22	55,29,990	1.22
	Market Purchase - April 27, 2018	2,96,000	0.07	58,25,990	1.28
	Market Purchase - May 11, 2018	13,625	0.00	58,39,615	1.29
	Market Purchase - May 18, 2018	5,54,676	0.12	63,94,291	1.41
	Market Purchase - May 25, 2018	3,35,000	0.07	67,29,291	1.48
	Market Purchase - June 01, 2018	2,65,875	0.06	69,95,166	1.54
	Market Purchase - June 08, 2018	1,03,637	0.02	70,98,803	1.56
	Market Purchase - June 15, 2018	7,478	0.00	71,06,281	1.56
	Market Purchase - June 30, 2018	2,450	0.00	71,08,731	1.57
	Market Purchase - July 06, 2018	14,000	0.00	71,22,731	1.57
	Market Purchase - July 13, 2018	100	0.00	71,22,831	1.57
	Market Purchase - July 20, 2018	53,549	0.01	71,76,380	1.58
	Market Purchase - July 27, 2018	89,000	0.02	72,65,380	1.60
	Market Purchase - August 03, 2018	10,000	0.00	72,75,380	1.60
	Market Purchase - August 17, 2018	15,000	0.00	72,90,380	1.61
	Market Purchase - August 24, 2018	15,633	0.00	73,06,013	1.61
	Market Purchase - August 31, 2018	4,26,836	0.09	77,32,849	1.70
	Market Purchase - September 07, 2018	16,57,653	0.36	93,90,502	2.07
	Market Purchase - September 14, 2018	23,83,534	0.52	1,17,74,036	2.59
	Market Purchase - September 21, 2018	5,72,304	0.13	1,23,46,340	2.72
	Market Purchase - September 29, 2018	3,27,694	0.07	1,26,74,034	2.79
	Market Purchase - December 14, 2018	19,500	0.00	1,26,93,534	2.79
	Market Purchase - December 21, 2018	5,000	0.00	1,26,98,534	2.80
	Market Purchase - February 01, 2019	25,000	0.01	1,27,23,534	2.80
	<b>At the end of the year</b>			<b>1,27,23,534</b>	<b>2.80</b>
<b>4</b>	<b>Ratnabali Securities Private Limited</b>				
	At the beginning of the year	<b>3,643</b>	<b>0.00</b>	<b>3,643</b>	<b>0.00</b>
	Market Purchase - April 06, 2018	1,07,500	0.02	1,11,143	0.02
	Market Purchase - April 13, 2018	2,500	0.00	1,13,643	0.03
	Market Purchase - April 20, 2018	29,325	0.01	1,42,968	0.03
	Market Purchase - April 27, 2018	6,17,842	0.14	7,60,810	0.17
	Market Purchase - May 04, 2018	1,58,095	0.03	9,18,905	0.20
	Market Sale - May 11, 2018	(1,000)	(0.00)	9,17,905	0.20
	Market Purchase - May 18, 2018	86,169	0.02	10,04,074	0.22
	Market Sale - May 25, 2018	(3,35,897)	(0.07)	6,68,177	0.15
	Market Sale - June 01, 2018	(21,002)	(0.00)	6,47,175	0.14
	Market Sale - June 08, 2018	(4,82,642)	(0.11)	1,64,533	0.04

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Market Sale - June 15, 2018	(11,853)	(0.00)	1,52,680	0.03
	Market Sale - June 22, 2018	(4,995)	(0.00)	1,47,685	0.03
	Market Sale - June 30, 2018	(39,554)	(0.01)	1,08,131	0.02
	Market Purchase - July 06, 2018	3,98,500	0.09	5,06,631	0.11
	Market Sale - July 13, 2018	(225)	(0.00)	5,06,406	0.11
	Market Purchase - July 20, 2018	7,40,508	0.16	12,46,914	0.27
	Market Purchase - July 27, 2018	7,23,649	0.16	19,70,563	0.43
	Market Purchase - August 03, 2018	66,250	0.01	20,36,813	0.45
	Market Sale - August 10, 2018	(15,730)	(0.00)	20,21,083	0.44
	Market Purchase - August 17, 2018	3,89,175	0.09	24,10,258	0.53
	Market Purchase - August 24, 2018	22,26,115	0.49	46,36,373	1.02
	Market Purchase - August 31, 2018	22,38,417	0.49	68,74,790	1.51
	Market Purchase - September 07, 2018	13,79,014	0.30	82,53,804	1.82
	Market Sale - September 14, 2018	(7,48,000)	(0.16)	75,05,804	1.65
	Market Sale - September 29, 2018	(18,39,178)	(0.40)	56,66,626	1.25
	Market Purchase - October 05, 2018	1,912	0.00	56,68,538	1.25
	Market Sale - October 12, 2018	(36,586)	(0.01)	56,31,952	1.24
	Market Sale - October 19, 2018	(5,878)	(0.00)	56,26,074	1.24
	Market Sale - October 26, 2018	(15,599)	(0.00)	56,10,475	1.24
	Market Sale - November 02, 2018	(2,725)	(0.00)	56,07,750	1.23
	Market Sale - November 09, 2018	(10,066)	(0.00)	55,97,684	1.23
	Market Sale - November 16, 2018	(9,152)	(0.00)	55,88,532	1.23
	Market Sale - November 23, 2018	(32,446)	(0.01)	55,56,086	1.22
	Market Sale - November 30, 2018	(3,302)	(0.00)	55,52,784	1.22
	Market Sale - December 14, 2018	(21,100)	(0.00)	55,31,684	1.22
	Market Sale - December 21, 2018	(11,000)	-0.00	55,20,684	1.22
	Market Purchase - December 31, 2018	5,500	0.00	55,26,184	1.22
	Market Purchase - January 04, 2019	7,340	0.00	55,33,524	1.22
	Market Purchase - January 11, 2019	7,909	0.00	55,41,433	1.22
	Market Purchase - January 18, 2019	9,722	0.00	55,51,155	1.22
	Market Purchase - January 25, 2019	12,328	0.00	55,63,483	1.22
	Market Purchase - February 01, 2019	13,614	0.00	55,77,097	1.23
	Market Sale - February 08, 2019	(10,000)	(0.00)	55,67,097	1.23
	Market Purchase - March 08, 2019	110,000	0.02	56,77,097	1.25
	Market Sale - March 15, 2019	(1,10,000)	(0.02)	55,67,097	1.23
	Market Sale - March 22, 2019	(39,128)	(0.01)	55,27,969	1.22
	Market Sale - March 29, 2019	(32,469)	(0.01)	54,95,500	1.21
	<b>At the end of the year</b>			<b>54,95,500</b>	<b>1.21</b>
<b>5</b>	<b>Life Insurance Corporation of India Limited</b>				
	At the beginning of the year	<b>49,70,150</b>	<b>1.09</b>	<b>49,70,150</b>	<b>1.09</b>
	<b>At the end of the year</b>			<b>49,70,150</b>	<b>1.09</b>
<b>6</b>	<b>Mauryan First</b>				
	At the beginning of the year	<b>47,00,943</b>	<b>1.04</b>	<b>47,00,943</b>	<b>1.04</b>
	Market Purchase - November 16, 2018	10,000	0.00	47,10,943	1.04
	<b>At the end of the year</b>			<b>47,10,943</b>	<b>1.04</b>
<b>7</b>	<b>Madan Doulatram Bahal</b>				
	At the beginning of the year	<b>42,40,466</b>	<b>0.93</b>	<b>42,40,466</b>	<b>0.93</b>
	Market Purchase - April 27, 2018	57000	0.01	42,97,466	0.95
	Market Purchase - December 31, 2018	1,97,734	0.04	44,95,200	0.99
	<b>At the end of the year</b>			<b>44,95,200</b>	<b>0.99</b>

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>8</b>	<b>Vardhaman Publishers Limited</b>				
	At the beginning of the year	37,37,500	0.82	37,37,500	0.82
	<b>At the end of the year</b>			<b>3,737,500</b>	<b>0.82</b>
<b>9</b>	<b>Gautam Madan Bahal</b>				
	At the beginning of the year	17,76,370	0.39	17,76,370	0.39
	Market Purchase - August 03, 2018	3,86,300	0.09	21,62,670	0.48
	Market Sale - October 12, 2018	(1,19,283)	(0.03)	20,43,387	0.45
	Market Purchase - December 21, 2018	14,00,000	0.31	34,43,387	0.76
	Market Purchase - January 18, 2019	2,23,164	0.05	36,66,551	0.81
	<b>At the end of the year</b>			<b>36,66,551</b>	<b>0.81</b>
<b>10</b>	<b>Vivek Saraogi</b>				
	At the beginning of the year	30,94,941	0.68	30,94,941	0.68
	<b>At the end of the year</b>			<b>30,94,941</b>	<b>0.68</b>

**(b) Class B (Series 1) Shares**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Praween Agrawal</b>				
	At the beginning of the year	-	-	-	-
	Market Purchase - March 08, 2019	14,00,000	3.56	14,00,000	3.56
	<b>At the end of the year</b>			<b>14,00,000</b>	<b>3.56</b>
<b>2</b>	<b>Vivek Saraogi</b>				
	At the beginning of the year	9,22,568	2.34	9,22,568	2.34
	<b>At the end of the year</b>			<b>9,22,568</b>	<b>2.34</b>
<b>3</b>	<b>Sumedha Saraogi</b>				
	At the beginning of the year	4,72,000	1.20	4,72,000	1.20
	<b>At the end of the year</b>			<b>4,72,000</b>	<b>1.20</b>
<b>4</b>	<b>Purvi Pankaj Patel</b>				
	At the beginning of the year	3,90,339	0.99	3,90,339	0.99
	<b>At the end of the year</b>			<b>3,90,339</b>	<b>0.99</b>
<b>5</b>	<b>Vishal Ashwin Patel</b>				
	At the beginning of the year	3,26,253	0.83	3,26,253	0.83
	<b>At the end of the year</b>			<b>3,26,253</b>	<b>0.83</b>
<b>6</b>	<b>B Sumanth Kumar Reddy</b>				
	At the beginning of the year	2,87,326	0.73	2,87,326	0.73
	<b>At the end of the year</b>			<b>2,87,326</b>	<b>0.73</b>
<b>7</b>	<b>Prashant Jayantilal Patel</b>				
	At the beginning of the year	6	0.00	6	0.00
	Market Purchase - November 09, 2018	4,59,414	1.17	4,59,420	1.17
	Market Sale - December 14, 2018	(2,72,518)	(0.69)	1,86,902	0.47
	Market Purchase - February 22, 2019	14,479	0.04	2,01,381	0.51
	Market Purchase - March 29, 2019	83,025	0.21	2,84,406	0.72
	<b>At the end of the year</b>			<b>2,84,406</b>	<b>0.72</b>
<b>8</b>	<b>Damyanti Ashwin Patel</b>				
	At the beginning of the year	2,61,908	0.67	2,61,908	0.67
	Market Sale - September 29, 2018	(10,429)	(0.03)	2,51,479	0.64
	<b>At the end of the year</b>			<b>2,51,479</b>	<b>0.64</b>

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>9</b>	<b>JHP Securities Private Limited</b>				
	At the beginning of the year	45,800	0.12	45,800	0.12
	Market Purchase - May 11, 2018	2,000	0.01	47,800	0.12
	Market Sale - May 18, 2018	(2,000)	(0.01)	45,800	0.12
	Market Purchase - July 06, 2018	2,40,598	0.61	2,86,398	0.73
	Market Sale - August 3, 2018	(45,800)	(0.12)	2,40,598	0.61
	<b>At the end of the year</b>			2,40,598	0.61
<b>10</b>	<b>Pankaj Jayantilal Patel</b>				
	At the beginning of the year	2,23,036	0.57	2,23,036	0.57
	<b>At the end of the year</b>			2,23,036	0.57

#### v. Shareholding of Directors and Key Managerial Personnel

##### (a) Equity Shares

Sr. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity Shares of the Company	No. of Shares	% of total Equity Shares of the Company
<b>1</b>	<b>Mr. Anil Harish</b>				
	At the beginning of the year	10,000	0.00	10,000	-
	At the end of the year			10,000	-
<b>2</b>	<b>Mr. Haresh Chawla<sup>2</sup></b>				
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	At the end of the year			265,000	0.00

##### (b) Class B (Series 1) Shares

Sr. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity Shares of the Company	No. of Class B Shares (Series 1)	% of total Class B Shares (Series 1) of the Company
<b>1</b>	<b>Mr. Kishore Biyani</b>				
	At the beginning of the year	2,121	0.00	2,121	-
	At the end of the year			2,121	-
<b>2</b>	<b>Mr. Vijay Biyani</b>				
	At the beginning of the year	2,121	0.00	2,121	-
	At the end of the year			2,121	-
<b>3</b>	<b>Mr. Anil Harish</b>				
	At the beginning of the year	1,000	0.00	1,000	-
	At the end of the year			1,000	-

Note:

1. Mr. V. K Chopra, Ms. Bala Deshpande, Mr. Dinesh Maheshwari and Mr. Deepak Tanna does not hold any shares in the Company during the Financial Year 2018-19;
2. Mr. Haresh Chawla is appointed as an Additional Director and Independent Director w. e.f. March 28, 2019;

## V. INDEBTNESS

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

(₹ in Crore)

Particulars Secured Loans	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year April 01, 2018</b>				
1) Principal Amount	5,480.87	250.00	-	5,730.87
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	141.58	-	-	141.58
<b>Total (1+2+3)</b>	<b>5,622.45</b>	<b>250.00</b>	<b>-</b>	<b>5,872.45</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	2,368.00	-	44.30	2,412.30
Reduction	(1,333.75)	(250.00)	-	(1,583.75)
<b>Net Change</b>	<b>1,034.25</b>	<b>(250.00)</b>	<b>44.30</b>	<b>828.55</b>
<b>Indebtedness at the end of the financial year March 31, 2019</b>				
1) Principal Amount	6,434.84	-	44.30	6,479.14
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	221.86	-	-	221.86
<b>Total (1+2+3)</b>	<b>6,656.71</b>	<b>-</b>	<b>44.30</b>	<b>6,701.01</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Vijay Biyani	Mr. Dinesh Maheshwari	
1	Gross Salary			
	(a) Salary* as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.89	2.22	5.11
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.00#	0.00#	0.00#
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- As % of Profit			
	- Others, specify			
5	Retiral Benefits <sup>\$</sup>	0.29	0.20	0.49
	<b>Total (A)</b>	<b>3.18</b>	<b>2.42</b>	<b>5.60</b>
	Ceiling as per the Act	₹ 4.10 Crore being 10% of profit under Section 198 of the Companies Act, 2013 read with Schedule V of the Act		

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

<sup>\$</sup> Forms part of exempted perquisites.

<sup>#</sup> Represent ₹ 39,600/-



**B. Remuneration of other Directors:****I. Independent Directors:**

(₹ in Crore)

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. V. K. Chopra	Ms. Bala Despande	Mr. S. Doreswamy*	Mr. Anil Harish	
Fee for attending Board Committee Meetings	0.10	0.07	0.11	0.05	0.33
Commission	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
<b>Total (I)</b>	<b>0.10</b>	<b>0.07</b>	<b>0.11</b>	<b>0.05</b>	<b>0.33</b>

\* Mr. S. Doreswamy has resigned from the position of Independent Director of the Company w.e.f. March 28, 2019.

Note: Mr. Haresh Chawla is appointed as Additional Director and Independent Director of the Company w.e.f. March 28, 2019.

**II. Other Non-Executive Directors:-**

(₹ in Crore)

Particulars of Remuneration	Name of Non-Executive Directors	
	Mr. Kishore Biyani	Total Amount
Fee for attending Board Committee Meetings	0.04	0.04
Commission	Nil	Nil
Others (Gross Remuneration)	Nil	Nil
<b>Total (II)</b>	<b>0.04</b>	<b>0.04</b>
<b>Total (B)=(I)+(II)</b>		<b>0.37</b>
<b>Total (A)+(B)</b>		<b>5.97</b>
Overall Ceiling as per the Act	₹ 8.20 Crore being 10% of profit under Section 198 of the Companies Act, 2013 read with Schedule V of the Act	

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

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Name of KMP	
		Mr. Deepak Tanna	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.56	0.56
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.00#	0.00#
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- As % of Profit		
	- Others, specify		
5	Retiral Benefits	0.03	0.03
	<b>Total (C)</b>	<b>0.59</b>	<b>0.59</b>

# Represent ₹ 32,400

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2019.

## ANNEXURE IV

### FORM NO. AOC - 2

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

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

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

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

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

The details of material contracts or arrangements or transaction at arm's length basis for the year ended March 31, 2019 are as follows:

Name of the Related Parties and Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in Crore) #	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Future Retail Limited ("FRL") (Related Party)	Receipts of Lease Rental for leased Infrastructure Assets	N.A.	675	July 29, 2017	Nil
	Sale of various products including apparels, merchandise and other products etc.		3,200	May 25, 2018	
	Providing of Corporate Guarantee in favour of trustees / lenders / bankers of FRL		5,750	February 12, 2018	
Future Lifestyle Fashions Limited ("FLFL") (Related Party)	Sale of apparel and other products and providing services	N.A.	700	May 25, 2018	Nil

# enhanced limit as sanctioned / approved by the Shareholders of the Company.

Advances in respect of related transactions being adjusted against billings/invoices.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : June 24, 2019

**V. K. Chopra**  
Chairman

## ANNEXURE V

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,  
The Members,  
**Future Enterprises Limited**

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

Based on my verification of the Company's statutory registers, papers, minute books, forms and returns filed with the Registrar of Companies and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, has prima facie complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Statutory Registers, papers, minute books, forms and returns filed with the ROC and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

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

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended March 31, 2019:-

- (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) Based on the representation given by the Management of the Company, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates.
- (vii) I have also examined compliance with the applicable provisions of the following:
  - (a) Secretarial Standards issued by the Institute of Company Secretaries of India;
  - (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that I rely on statutory auditor's reports in relation to Financial Statement and accuracy of financial figures for Sales Tax, Value Added tax, Goods and Service Tax Act, ESIC, Provident fund as disclosed under financial statements, Accounting Standards and note on foreign currency transactions during my audit period.

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

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

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

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

I further report that during the period under review, as per the information provided by the Company, prima facie there were no instances of transaction by the designated persons in the securities of the Company during the closure of window.

I further report that during the audit period:

(a) There were instances of:

1. Issuance and Redemption of Non- Convertible Debentures;
2. Allotment of shares under Employee Stock Option scheme;
3. Major decisions taken by the Members in pursuance to Section 186 of the Act which would have major bearing on the Company's affairs;
4. Acceptance of Deposit from members of the Company and / or public.

(b) There were no instances of:

1. Buy- back of securities / Preferential issue of shares;
2. Foreign Technical Collaborations;
3. Public / Rights issue of shares;
4. Merger / reconstruction etc;
5. Reclassification of shares capital;
6. Change of name pursuant to the Scheme of De-merger;

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai  
Date: May 27, 2019

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

## ANNEXURE VI

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

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

<b>(A) Conservation of Energy:</b>			
(i) the steps taken or impact on conservation of energy	The operations of your company are not energy intensive, however adequate measures have been taken to reduce energy consumption.		
(ii) the steps taken by the company for utilising alternate sources of energy	All efforts are made to use more natural lights in offices / store premises to optimise the consumption of energy.		
(iii) the capital investment on energy conservation equipments;	NIL		
<b>(B) Technology Absorption:</b>			
(i) the efforts made towards technology absorption	N.A.		
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.		
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	N.A.		
a) the details of technology imported;			
b) the year of import;			
c) whether the technology been fully absorbed;			
d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.			
(iv) the expenditure incurred on Research and Development.	N.A.		
<b>(C) Foreign Exchange Earnings and Outgo:</b>			
	(₹ in Crore)		
	<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
	Total Foreign Exchange Used	<b>286.62</b>	162.19
	Total Foreign Exchange Earned	<b>23.33</b>	24.56

For and on behalf of the Board of Directors

Place: Mumbai  
Date : June 24, 2019

**V. K. Chopra**  
Chairman

## ANNEXURE VII

### CORPORATE SOCIAL RESPONSIBILITY

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

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

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

Company's CSR Policy of the Company is available on the website of the Company at the link [http://felindia.in/pdf/CSR\\_Policy.pdf](http://felindia.in/pdf/CSR_Policy.pdf).

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

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

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

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

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

- 5. Details of CSR spent during the financial year 2018-19:**

- a. Total amount to be spent for the financial year 2018-19\*: Nil
- b. Amount unspent, if any : Nil
- c. Manner in which amount spent during the financial year is details below:

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

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

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

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

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date : June 24, 2019

**Bala Deshpande**  
CSR Committee  
Chairperson

**Vijay Biyani**  
Managing Director

## ANNEXURE VIII

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

- ❖ The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the Median Remuneration of the Employees (“MRE”) of the Company for the financial year 2018-19 are as under:

(₹ in Crore)

Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2018-19 (1)	% increase in Remuneration in the Financial Year 2018-19 (2)	Ratio of remuneration of each Director to MRE for Financial Year 2018-19 (3 = (1) / MRE)
<b>1. Managing Director</b>			
Mr. Vijay Biyani	3.18	19.00	199.70
<b>2. Executive Director &amp; Chief Financial Officer</b>			
Mr. Dinesh Maheshwari	2.42	8.00	152.47
<b>3. Company Secretary</b>			
Mr. Deepak Tanna	0.59	14.00	37.08

- ❖ There was 4 % increase in the median remuneration of employees in the financial year;
- ❖ There were 2,021 permanent employees on the rolls of Company as on March 31, 2019;
- ❖ Average percentile increase / decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 4 to 12% whereas there was 14% increase in the managerial remuneration for the same financial year. The increase in remuneration is in line with the market trends in the respective industry;
- ❖ The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date : June 24, 2019

**V. K. Chopra**  
Chairman

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

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

### BOARD OF DIRECTORS

#### Code of Conduct

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

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

#### Composition of the Board

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

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

None of the Directors on the Board are serving as an Independent Director in more than 7 (seven)/ 3 (three) Listed entities, as specified in Regulation 17A of the Listing Regulations. Further, the maximum tenure of Independent Directors are in line with provisions of Section 149 (10) and (11) of the Act and Rules made thereunder.

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

The information on Composition of the Board, category and their Directorships/Committee Membership across all the Companies in which they are Directors, as on March 31, 2019 is as under:



Name & Category of Director	Directorships and Category of Directorships in other Listed Companies	No. of Directorships*		**No. of Memberships / Chairmanships of Committees in public companies	
		Public	Private / Non-profit	Memberships	Chairmanships
Mr. V. K. Chopra Chairman and Independent Director	a. Greenlam Industries Limited (Independent Director) b. Havells India Limited (Independent Director) c. Sheela Foam Limited (Independent Director) d. IIFL Facilities Services Limited (Independent Director) e. India Infoline Finance Limited (Independent Director)	7	1	7	5
Mr. Kishore Biyani Vice Chairman and Director (Promoter)	a. Future Consumer Limited (Non-Executive Director) b. Future Lifestyle Fashions Limited (Managing Director) c. Future Retail Limited (Chairman & Managing Director) d. Inox Leisure Limited (Independent Director)	7	2	3	1
Mr. Vijay Biyani Managing Director (Promoter Group)	Nil	2	8	1	0
Mr. Dinesh Maheshwari Executive Director & CFO	Nil	4	2	3	0
Mr. Anil Harish Independent Director	a. Blue Star Limited (Independent Director) b. Hinduja Ventures Limited (Independent Director) c. Hinduja Global Solutions Limited (Independent Director) d. Oberoi Realty Limited (Independent Director)	6	3	4	2
Mr. S. Doreswamy*** Independent Director	Nil	0	0	0	0
Ms. Bala Despande Independent Director	a. Info Edge (India) Limited (Independent Director) b. Future Supply Chain Solutions Limited (Independent Director)	3	6	3	1
Mr. Haresh Chawla**** Independent Director	a. Prataap Snacks Limited (Independent Director)	2	5	1	1

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

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

\*\*\* Mr. S Doreswamy resigned as an Independent Director of the Company w.e.f. March 28, 2019.

\*\*\*\* Mr. Haresh Chawla was appointed as an Additional Director and Independent Director of the Company w.e.f. March 28, 2019.

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

The details of Equity Shares and Convertible Securities held by Directors in the Company as on March 31, 2019 are as follows:

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

\* Mr. S Doreswamy has resigned from the position of Independent Director of the Company w.e.f. March 28, 2019.

\*\* Mr. Haresh Chawla was appointed as an Additional Director and Independent Director of the Company w.e.f. March 28, 2019.

#### **Familiarisation Programme of Independent Director:**

The familiarisation programme for Independent Directors of Company aims at familiarising them with the overall structure of the Company, their roles, rights, responsibilities therein, nature of the industry in which the Company operates, business model of the Company, etc., in order to provide them with better understanding of the business and operations of the Company. Details of familiarisation programme imparted to Independent Directors is available at website of the Company at [https://felindia.in/pdf/Details\\_of\\_Familiarisation\\_Programs\\_Imparted\\_to\\_Independent\\_Directors.pdf](https://felindia.in/pdf/Details_of_Familiarisation_Programs_Imparted_to_Independent_Directors.pdf).

#### **Skill / Expertise / Competence of the Board of Directors**

The performance of the Board, Independent Directors and Committees of the Board are evaluated annually by circulating separate evaluation templates to the respective Directors facilitating them to provide their feedbacks for each of evaluation criteria. The criteria for evaluation has been determined by the Nomination and Remuneration Committee which inter-alia includes preparation and participation in the meetings, personality and conduct, quality of value added, etc. Below are certain skills and competencies as identified by the Board which are elemental for the effective functioning of the Board and Company and which are possessed by the Board. The skills and competencies have been classified in three categories:

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

#### **Declaration of Independence of Independent Director:**

As per Section 149(6) of the Act and Regulation 16(1)(b) and 25 of Listing Regulations, the Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence laid down under the foregoing provisions.

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

#### **Reason of Resignation of an Independent Director:**

During the year under the review, Mr. S. Doreswamy, resigned from the position of Independent Director of the Company w.e.f. March 28, 2019 owing solely to compelling personal factors. Consequently, he also ceased to be Member/Chairman of the various Committees of the Board in which he was a Member / Chairman. It has been confirmed that there are no other material reasons for his resignation.

## BOARD MEETINGS AND LAST AGM DETAILS

During the year under review, 6 (Six) Board Meetings were held on May 25, 2018, August 13, 2018, September 24, 2018, November 02, 2018, February 05, 2019 and March 28, 2019.

The gap between two Board Meetings did not exceed one hundred and twenty days as prescribed in the Act and Listing Regulations. Thirtieth Annual General Meeting (AGM) of the Company was held on August 29, 2018.

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

Sr. No.	Name of the Director	No. of Board Meetings		30th AGM (August 29, 2018)
		Held	Attended	
1	Mr. V. K. Chopra	6	6	Yes
2	Mr. Kishore Biyani	6	5	Yes
3	Mr. Vijay Biyani	6	5	Yes
4	Mr. Dinesh Maheshwari	6	6	Yes
5	Mr. Anil Harish	6	5	Yes
6	Mr. S. Doreswamy*	6	6	Yes
7	Ms. Bala Despande	6	4	No
8	Mr. Haresh Chawla**	0	0	NA

\* Mr. S. Doreswamy has resigned from the position of Independent Director of the Company w.e.f. March 28, 2019.

\*\* Mr. Haresh Chawla was appointed as an Additional Director and Independent Director of the Company w.e.f. March 28, 2019.

## AUDIT COMMITTEE

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

The Company Secretary functions as Secretary to the Committee.

During the year under review, 6 (Six) meetings of the Audit Committee were held on May 25, 2018, August 13, 2018, September 24, 2018, November 02, 2018, February 05, 2019 and March 28, 2019. The gap between two Audit Committee Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations.

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

Sr. No.	Name of Director	Designation	No. of Meetings	
			Held	Attended
1	Mr. S. Doreswamy*	Independent Director / Chairman (upto March 28, 2019)	6	6
2	Mr. V. K. Chopra#	Independent Director / Chairman (w.e.f. March 29, 2019)	6	6
3	Ms. Bala Despande	Independent Director / Member	6	4
4	Mr. Haresh Chawla**	Independent Director / Member (w.e.f. March 28, 2019)	0	0

\* Mr. S. Doreswamy has resigned from the position of Independent Director of the Company and consequently ceased to be a Chairman and Member of the Committee w.e.f. March 28, 2019.

\*\* Mr. Haresh Chawla was inducted as a Member of the Committee w.e.f. March 28, 2019.

# Mr. V. K. Chopra was appointed as Chairman of the Committee w.e.f. March 29, 2019.

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

## Terms of Reference

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

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

- 1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report;
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 21) Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

## Reviewing of the following information

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

## NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprised of 4 (four) Directors, all of them are Independent Directors. Mr. Anil Harish is the Chairman of the Committee.

During the year under review, 4 (Four) meetings of the Nomination and Remuneration Committee were held on May 25, 2018, August 13, 2018, February 05, 2019 and March 28, 2019.

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

Sr. No.	Name of Director	Designation	No. of Meetings	
			Held	Attended
1	Mr. Anil Harish	Independent Director / Chairman	4	4
2	Mr. V. K. Chopra	Independent Director / Member	4	4
3	Ms. Bala Deshpande	Independent Director / Member	4	4
4	Mr. S. Doreswamy*	Independent Director / Member	4	3
5.	Mr. Haresh Chawla**	Independent Director / Member	0	0

\* Mr. S. Doreswamy has resigned from the position of Independent Director of the Company and consequently ceased to be a Member of the Committee w.e.f. March 28, 2019.

\*\* Mr. Haresh Chawla was inducted as a Member of the Committee w.e.f. March 28, 2019.

## Terms of Reference

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

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

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

7. To establish and from time to time review the policy for ESOP, ESOS and recommend the grants to be made of options under ESOP / ESOS; and
8. To review Company's remuneration and human resources policy.

#### Performance evaluation criteria for Independent Directors

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

### REMUNERATION OF DIRECTORS

#### Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's Remuneration Policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retiral benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in the overall corporate growth, profitability and financial success of the organisation. The Remuneration Policy is in consonance with the existing industry practice.

#### Remuneration Policy for Executive Directors

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

#### Criteria of making payments to Non-Executive Directors

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

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

#### Remuneration to Managing Director / Executive Director

Remuneration to Managing Director / Executive Director for the year ended March 31, 2019:

Name of Managing Director / Executive Director	Salary	Performance Bonus / Commission	Company's Contribution to Funds	Perquisites and allowances*	Total	Total Contract Period	Notice period in months	Stock Options granted
Mr. Vijay Biyani	2.89	-	0.29	0.00	3.18	September 26, 2017 to September 25, 2020	6	Nil
Mr. Dinesh Maheshwari	2.22	-	0.20	0.00	2.42	May 04, 2018 to May 03, 2019	6	Yes

\*Represent ₹ 39,600 /-

Notes:

- (1) All the above components of Remuneration, except Commission, are fixed in nature.

## Remuneration to Non-Executive Directors

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

(₹ in Crore)

Name of Director	Sitting Fee paid	Commission paid#
Mr. V. K. Chopra	0.10	-
Mr. Kishore Biyani	0.04	-
Mr. Anil Harish	0.05	-
Mr. S. Doreswamy*	0.11	-
Ms. Bala Despande	0.07	-

# No Commission was paid to any Director for the financial year 2018-19.

\* Mr. S. Doreswamy has resigned from the position of Independent Director of the Company w.e.f. March 28, 2019.

Note: Mr. Haresh Chawla was appointed as Additional Director and Independent Director of the Company w.e.f. March 28, 2019.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

During the year under review, 4 (Four) Meetings of Stakeholders' Relationship Committee were held on May 25, 2018, August 13, 2018, November 02, 2018 and February 05, 2019.

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

Sr. No.	Name of Director	Designation	No. of meetings	
			Held	Attended
1	Mr. S. Doreswamy*	Independent Director / Chairman (upto March 28, 2019)	4	4
2	Mr. Haresh Chawla**	Independent Director / Chairman (w.e.f. March 28, 2019)	0	0
3	Mr. Vijay Biyani	Managing Director / Member	4	3
4	Mr. Dinesh Maheshwari	Executive Director and CFO / Member	4	4

\* Mr. S. Doreswamy has resigned from the position of Independent Director of the Company and consequently ceased to be a Chairman and Member of the Committee w.e.f. March 28, 2019.

\*\* Mr. Haresh Chawla was inducted as a Chairman and Member of the Committee w.e.f. March 28, 2019.

## Terms of reference of the Committee

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

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

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

## SHARE TRANSFER COMMITTEE

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

### Investors' Grievance Redressal

During the year under review, 22 complaints were received from the Investors and all of them were attended to and resolved promptly. As on March 31, 2019 there was no complaint pending from our end.

### Compliance Officer

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

### Share Transfer System

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

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

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

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

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

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

## VOTING BY SHAREHOLDERS

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

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

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

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



## INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors was held on March 28, 2019 and the attendance of Independent Directors at the above Meeting is as under:

Name of Director	No. of meetings	
	Held	Attended
Mr. S. Doreswamy*	1	1
Mr. V. K. Chopra	1	1
Mr. Anil Harish	1	1
Ms. Bala Despande	1	0
Mr. Haresh Chawla**	0	0

\* Mr. S. Doreswamy has resigned from the position of Independent Director of the Company w.e.f. March 28, 2019.

\*\* Mr. Haresh Chawla was appointed as an Additional Director and Independent Director of the Company w.e.f. March 28, 2019.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee comprises of Ms. Bala Despande, Independent Director Mr. Kishore Biyani, Non-Executive Director and Mr. Vijay Biyani, Managing Director of the Company. During the year under review, one meeting of the Committee was held on May 25, 2018 and the attendance of members of Committee at the above Meeting is as under:

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

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

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

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

## COMMITTEE OF DIRECTORS

The Committee of Directors comprises of Mr. Kishore Biyani, Non-executive Director, Mr. Vijay Biyani, Managing Director and Mr. Dinesh Maheshwari, Executive Director and Chief Financial Officer of the Company. The Board has delegated powers to the Committee of Directors to carry out various activities for day to day operations of the Company. 14 (Fourteen) meetings of the Committee were held during the financial year 2018-19.

## RISK MANAGEMENT COMMITTEE

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

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

## RISK MANAGEMENT

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

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

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

## GENERAL BODY MEETINGS

### Annual General Meeting

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

Year	No. of AGM	Day, Date & Time of AGM	Venue
2017-18	30 <sup>th</sup>	Wednesday, August 29, 2018 at 04:00 PM	Rangaswar, Fourth Floor, Y.B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021
2016-17	29 <sup>th</sup>	Tuesday, August 29, 2017 at 02:30 PM	
2015-16	28 <sup>th</sup>	Monday, August 29, 2016 at 11:30 AM	

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

AGM No.	AGM date	Special Resolutions Passed
30 <sup>th</sup>	August 29, 2018	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
29 <sup>th</sup>	August 29, 2017	<ul style="list-style-type: none"> <li>• Approval of revision in remuneration to Mr. Vijay Biyani as Managing Director of the Company;</li> <li>• Re-appointment and payment of Mr. Vijay Biyani as Managing Director of the Company.</li> </ul>
28 <sup>th</sup>	August 29, 2016	<ul style="list-style-type: none"> <li>• Re-designation of and payment of remuneration to Mr. Vijay Biyani as Managing Director of the Company;</li> <li>• Appointment of and payment of remuneration to Mr. Dinesh Maheshwari as Executive Director and Chief Financial Officer of the Company;</li> <li>• Re-classification of Authorised Capital;</li> <li>• Approval for entering into Related Party Transaction;</li> <li>• Issue of Securities on Private Placement Basis.</li> </ul>

### Extraordinary General Meeting

During the year under review, no Extraordinary General Meeting was held.

### Postal Ballot

During the year under review, the Company had successfully completed the process of obtaining the approval of its Members through Postal Ballots as per provisions of section 110 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof) ("the Rules"), there were 2 (Two) Postal Ballot conducted this year. The approval of members obtained through Postal Ballot were pertaining to:

- Issue of Securities on Private Placement Basis;
- Approval for Acceptance of Deposits from Public and Members of the Company;
- Alteration of Object Clause of Memorandum of Association of the Company;
- Alteration of Articles of Association of the Company.

### Voting Pattern and Procedure for Postal Ballot:

1. The Committee of Directors / Board of Directors of the Company at its meetings held on May 25, 2018 and November 26, 2018, has appointed Mr. Virendra Bhatt, Practising Company Secretary, as the Scrutiniser for conducting the postal ballot voting process for both the Postal Ballots;
2. Process for the Postal Ballots were carried out in a fair and transparent manner. The postal ballot forms had been kept under safe custody of Scrutiniser in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms;
3. All postal forms received / receivable up to the closure of working hours on June 28, 2018 and December 28, 2018 and time fixed by the Company for receipt of the forms in the postal ballot, had been considered by Scrutiniser in his scrutiny;
4. Envelopes containing postal ballot forms received after June 28, 2018 and December 28, 2018 for the respective postal ballot had not been considered for his scrutiny;
5. The result of the both Postal Ballots were announced on June 30, 2018 and December 29, 2018 at the Registered Office of the Company as per scrutinizer's Report are as under:

### Postal Ballot - I Special Resolution - Issue of Securities on Private Placement Basis

Approval of members (both Equity and Class B (Series 1) Shares) obtained for the following business:

To offer, issue and allot, in one or more tranches Secured / Unsecured / Redeemable Non-convertible Debentures ("NCDs") on private placement basis.

Mode of Voting: Postal Ballot /E-voting

Promoter / Public	No. of shares held		No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
	No. of Voting Rights held							
	1	2						
Promoter and Promoter Group	Shares	23,41,97,152	22,70,87,899	100.0000	22,70,87,899	0	100.0000	0.0000
	Voting Rights	22,70,88,007						
Public - Institutions	Shares	2,00,86,895	52,01,184	25.9491	52,01,184	0	100.0000	0.0000
	Voting Rights	2,00,43,785						
Public – Non-Institutions	Shares	23,90,87,700	5,23,82,962	22.1590	5,23,68,961	14,001	99.9733	0.0267
	Voting Rights	23,63,96,285						
Total	Shares	49,33,71,747	28,46,72,145	58.8740	28,46,58,144	14,001	99.9951	0.0049
	Voting Rights	48,35,28,077						

#since the shares includes differential voting rights shares, percentages of votes polled have been derived on the voting rights polled to voting rights held.

### Postal Ballot - II (1) Special Resolution – Approval for Acceptance of Deposits from Public and Members of the Company

Approval of members (both Equity and Class B (Series 1) Shares) obtained for the following business:

To invite / accept / renew from time to time unsecured Deposits from Members of the Company and/or Public.

Category	Mode of Voting	No. of shares held	No. of VR held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]		[2]	$\# [3] = \{ [2] / [1] \} \times 100$	[4]	[5]	$[6] = \{ [4] / [2] \} \times 100$	$[7] = \{ [5] / [2] \} \times 100$
Promoter and Promoter Group	E-Voting	25,64,47,152	24,93,38,007	24,93,37,999	100.0000	24,93,37,999	0	100.0000	0.0000
	Poll			0	0.0000	0	0	0.0000	0.0000
	Postal Ballot			0	0.0000	0	0	0.0000	0.0000
	Total			24,93,37,999	100.0000	24,93,37,999	0	100.0000	0.0000
Public Institutions	E-Voting	2,02,06,141	2,01,63,031	52,39,646	25.9864	4,56,250	47,83,396	8.7076	91.2924
	Poll			0	0.0000	0	0	0.0000	0.0000
	Postal Ballot			0	0.0000	0	0	0.0000	0.0000
	Total			52,39,646	25.9864	4,56,250	47,83,396	8.7076	91.2924
Public Non Institutions	E-Voting	21,69,38,654	21,42,47,239	9,63,67,954	44.9798	9,62,82,447	85,507	99.9113	0.0887
	Poll			0	0.0000	0	0	0.0000	0.0000
	Postal Ballot			4,45,177	0.2078	4,44,996	181	99.9593	0.0407
	Total			9,68,13,131	45.1876	9,67,27,443	85,688	99.9115	0.0885
Total		49,35,91,947	48,37,48,277	35,13,90,776	72.6392	34,65,21,692	48,69,084	98.6143	1.3857

# since the shares includes differential voting rights shares, percentages of votes polled have been derived on the voting rights polled to voting rights held.

#### Postal Ballot - II (2) Special Resolution – Alteration of Object Clause of Memorandum of Association of the Company

To alter the Objects Clause of the Memorandum of Association of the Company (“MOA”).

Category	Mode of Voting	No. of shares held	No. of VR held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]		[2]	$\# [3] = \{ [2] / [1] \} \times 100$	[4]	[5]	$[6] = \{ [4] / [2] \} \times 100$	$[7] = \{ [5] / [2] \} \times 100$
Promoter and Promoter Group	E-Voting	25,64,47,152	24,93,38,007	24,93,37,999	100.0000	24,93,37,999	0	100.0000	0.0000
	Poll			0	0.0000	0	0	0.0000	0.0000
	Postal Ballot			0	0.0000	0	0	0.0000	0.0000
	Total			24,93,37,999	100.0000	24,93,37,999	0	100.0000	0.0000
Public Institutions	E-Voting	2,02,06,141	2,01,63,031	52,39,646	25.9864	52,39,646	0	100.0000	0.0000
	Poll			0	0.0000	0	0	0.0000	0.0000
	Postal Ballot			0	0.0000	0	0	0.0000	0.0000
	Total			52,39,646	25.9864	52,39,646	0	100.0000	0.0000
Public Non Institutions	E-Voting	21,69,38,654	21,42,47,239	9,63,67,554	44.9796	9,63,59,418	8,136	99.9916	0.0084
	Poll			0	0.0000	0	0	0.0000	0.0000
	Postal Ballot			4,43,940	0.2072	4,43,739	201	99.9547	0.0453
	Total			9,68,11,494	45.1868	9,68,03,157	8,337	99.9914	0.0086
Total		49,35,91,947	48,37,48,277	35,13,89,139	72.6388	35,13,80,802	8,337	99.9976	0.0024

# since the shares includes differential voting rights shares, percentages of votes polled have been derived on the voting rights polled to voting rights held.

## Postal Ballot - II (3) Special Resolution – Alteration of Articles of Association of the Company

Category	Mode of Voting	No. of shares held	No. of VR held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]		[2]	#[3]=[2]/[1]x100	[4]	[5]	[6]=[4]/[2]x100	[7]=[5]/[2]x100
Promoter and Promoter Group	E-Voting	25,64,47,152	24,93,38,007	24,93,37,999	100.0000	24,93,37,999	0	100.0000	0.0000
	Poll			0	0.0000	0	0	0.0000	0.0000
	Postal Ballot			0	0.0000	0	0	0.0000	0.0000
	Total			24,93,37,999	100.0000	24,93,37,999	0	100.0000	0.0000
Public Institutions	E-Voting	2,02,06,141	2,01,63,031	52,39,646	25.9864	1,56,250	50,83,396	2.9821	97.0179
	Poll			0	0.0000	0	0	0.0000	0.0000
	Postal Ballot			0	0.0000	0	0	0.0000	0.0000
	Total			52,39,646	25.9864	1,56,250	50,83,396	2.9821	97.0179
Public Non Institutions	E-Voting	21,69,38,654	21,42,47,239	9,63,69,555	44.9805	9,62,81,867	87,688	99.9090	0.0910
	Poll			0	0.0000	0	0	0.0000	0.0000
	Postal Ballot			4,43,940	0.2072	4,43,739	201	99.9547	0.0453
	Total			9,68,13,495	45.1877	9,67,25,606	87,889	99.9092	0.0908
Total		49,35,91,947	48,37,48,277	35,13,91,140	72.6393	34,62,19,855	51,71,285	98.5283	1.4717

# since the shares includes differential voting rights shares, percentages of votes polled have been derived on the voting rights polled to voting rights held.

### MEANS OF COMMUNICATION

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

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

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

### GENERAL SHAREHOLDERS INFORMATION

#### Date, Time and Venue of the 31st (Thirty First) Annual General Meeting

Tuesday, July 30, 2019 at 04.30 PM at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021.

#### Financial Year

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

#### Financial Reporting for

Quarter	Release Date (tentative & subject to change)
1st Quarter ending June, 30	Second week of August, 2019
2nd Quarter/Half-year ending September, 30	Second week of November, 2019
3rd Quarter ending December, 31	Second week of February, 2020
4th Quarter/Year ending March, 31	Fourth week of May, 2020

Note: The above dates are indicative.

## Dividend

During the year under review, the Board of Directors of the Company has not recommended any dividend for the financial year ended March 31, 2019.

## Registered Office

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

## Listing on Stock Exchanges

### Equity Shares and Class B (Series 1) Shares.

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

◆ BSE Limited

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

◆ National Stock Exchange of India Limited

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

## Debt Securities

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

## Listing Fees

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

## Debenture Trustees

**For Non-convertible Debentures Series** (IX B), (IX C), (XIII B), (XV A) to (XV H), (XVII A) to (XVII E), (XVIII A) to (XVIII C), (XX A) to (XX C), (XXII A) & (XXII B), (XXIII), (XXIV A) & (XXIV B) and (XXV A) & (XXV B)

Axis Trustee Services Limited

The Ruby, 2nd Floor, SW,

29 Senapati Bapat Marg,

Dadar West, Mumbai – 400 028.

Tel No.: +91 22 6230 0607, Fax No.: +91 22 6230 0451

Website: [www.axistrustee.com](http://www.axistrustee.com)

**For Non-convertible Debentures Series** (IX F) to (IX I), (X A) & (X B), (XI A) to (XI F), (XIV A) to (XIV G), (XVI A) to (XVI F) and (XIX A) & (XIX B),

Centbank Financial Services Limited

Central Bank of India - MMO Building,

3rd Floor, 55, M.G. Road, Fort

Mumbai 400 001

Tel No.: +91 22 2261 6217, Fax No.: +91 22 2261 6208

Website : [www.cfsl.in](http://www.cfsl.in)

## Stock Code

Shares	ISIN No.	Stock Code	
		BSE	NSE
Equity	INE623B01027	523574	FEL
Class B (Series 1) Shares	IN9623B01058	570002	FELDVR
10.25% Secured Non-Convertible Debentures (Series IX B)	INE623B07107	952009	-

Shares	ISIN No.	Stock Code	
		BSE	NSE
10.25% Secured Non-Convertible Debentures (Series IX C)	INE623B07115	952010	-
10.10% Secured Non-Convertible Debentures (Series IX F)	INE623B07149	952053	-
10.10% Secured Non-Convertible Debentures (Series IX G)	INE623B07156	952054	-
10.10% Secured Non-Convertible Debentures (Series IX H)	INE623B07164	952074	-
10.10% Secured Non-Convertible Debentures (Series IX I)	INE623B07172	952075	-
10.25% Secured Non-Convertible Debentures (Series X A)	INE623B07206	952097	-
10.25% Secured Non-Convertible Debentures (Series X B)	INE623B07214	952098	-
10.25% Secured Non-Convertible Debentures (Series XI A)	INE623B07222	952715	-
10.25% Secured Non-Convertible Debentures (Series XI B)	INE623B07230	952717	-
10.25% Secured Non-Convertible Debentures (Series XI C)	INE623B07248	952718	-
10.25% Secured Non-Convertible Debentures (Series XI D)	INE623B07255	952721	-
10.25% Secured Non-Convertible Debentures (Series XI E)	INE623B07263	952880	-
10.25% Secured Non-Convertible Debentures (Series XI F)	INE623B07271	952881	-
10.10% Secured Non-Convertible Debentures (Series XIII B)	INE623B07305	952883	-
10.25% Secured Non-Convertible Debentures (Series XIV A)	INE623B07339	954328	-
10.25% Secured Non-Convertible Debentures (Series XIV B)	INE623B07347	954330	-
10.25% Secured Non-Convertible Debentures (Series XIV C)	INE623B07354	954326	-
10.25% Secured Non-Convertible Debentures (Series XIV D)	INE623B07362	954340	-
10.25% Secured Non-Convertible Debentures (Series XIV E)	INE623B07370	954343	-
10.25% Secured Non-Convertible Debentures (Series XIV F)	INE623B07388	954334	-
10.25% Secured Non-Convertible Debentures (Series XIV G)	INE623B07396	954335	-
9.75% Secured Non-Convertible Debentures (Series XV A)	INE623B07404	955100	-
9.80% Secured Non-Convertible Debentures (Series XV B)	INE623B07412	955101	-
9.75% Secured Non-Convertible Debentures (Series XV C)	INE623B07420	955140	-
9.80% Secured Non-Convertible Debentures (Series XV D)	INE623B07438	955141	-
9.75% Secured Non-Convertible Debentures (Series XV E)	INE623B07446	955371	-
9.80% Secured Non-Convertible Debentures (Series XV F)	INE623B07453	955373	-
9.50% Secured Non-Convertible Debentures (Series XV G)	INE623B07461	955454	-
9.55% Secured Non-Convertible Debentures (Series XV H)	INE623B07479	955456	-
9.60% Secured Non-Convertible Debentures (Series XVI A)	INE623B07487	955749	-
9.60% Secured Non-Convertible Debentures (Series XVI B)	INE623B07495	955750	-
9.60% Secured Non-Convertible Debentures (Series XVI C)	INE623B07503	955957	-
9.60% Secured Non-Convertible Debentures (Series XVI D)	INE623B07511	955958	-
9.60% Secured Non-Convertible Debentures (Series XVI E)	INE623B07529	956012	-
9.60% Secured Non-Convertible Debentures (Series XVI F)	INE623B07537	956013	-
9.28% Secured Non-Convertible Debentures (Series XVII A)	INE623B07545	956243	-
9.17% Secured Non-Convertible Debentures (Series XVII B)	INE623B07552	956268	-
9.28% Secured Non-Convertible Debentures (Series XVII C)	INE623B07560	956269	-
9.17% Secured Non-Convertible Debentures (Series XVII D)	INE623B07578	956310	-
9.28% Secured Non-Convertible Debentures (Series XVII E)	INE623B07586	956311	-
8.80% Secured Non-Convertible Debentures (Series XVIII A)	INE623B07594	956954	-

Shares	ISIN No.	Stock Code	
		BSE	NSE
8.91% Secured Non-Convertible Debentures (Series XVIII B)	INE623B07602	956955	-
8.91% Secured Non-Convertible Debentures (Series XVIII C)	INE623B07610	957077	-
9.25% Secured Non-Convertible Debentures (Series XIX A)	INE623B07628	957263	-
9.25% Secured Non-Convertible Debentures (Series XIX B)	INE623B07636	957264	-
9.40% Secured Non-Convertible Debentures (Series XX A)	INE623B07644	957711	-
9.50% Secured Non-Convertible Debentures (Series XX B)	INE623B07651	957712	-
9.50% Secured Non-Convertible Debentures (Series XX C)	INE623B07669	957713	-
9.25% Secured Non-Convertible Debentures (Series XXI)	INE623B07677	-	-
9.75% Secured Non-Convertible Debentures (Series XXII A)	INE623B07685	957875	-
9.75% Secured Non-Convertible Debentures (Series XXII B)	INE623B07693	957876	-
10.00% Secured Non-Convertible Debentures (Series XXIII)	INE623B07701	957889	-
10.15% Secured Non-Convertible Debentures (Series XXIV A)	INE623B07719	958303	-
10.15% Secured Non-Convertible Debentures (Series XXIV B)	INE623B07727	958304	-
10.50% Secured Non-Convertible Debentures (Series XXV A)	INE623B07735	958501	-
10.60% Secured Non-Convertible Debentures (Series XXV B)	INE623B07743	958502	-

#### Corporate Identification Number (CIN)

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

#### Stock Performance

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

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
April - 2018	40.05	35.95	15,49,836	40.00	35.85	1,97,07,476
May - 2018	44.50	35.75	6,82,80,368	44.65	35.25	3,24,03,807
June - 2018	41.35	34.70	16,49,842	41.45	34.75	1,43,92,841
July - 2018	42.00	36.00	11,24,545	40.60	35.95	1,06,71,577
August - 2018	48.20	36.05	21,02,805	48.45	36.10	2,50,43,089
September - 2018	51.00	34.10	19,00,049	50.95	33.75	2,11,39,038
October - 2018	43.00	30.45	20,03,168	42.90	30.50	1,49,23,639
November - 2018	44.90	38.50	16,38,475	44.70	38.35	1,04,75,556
December - 2018	43.00	37.40	12,84,423	43.00	37.10	81,11,251
January - 2019	38.20	32.25	6,68,353	38.20	32.15	48,79,070
February - 2019	39.60	30.90	6,17,067	39.75	30.95	57,45,748
March - 2019	42.95	33.55	21,97,140	43.00	33.45	1,48,03,495

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

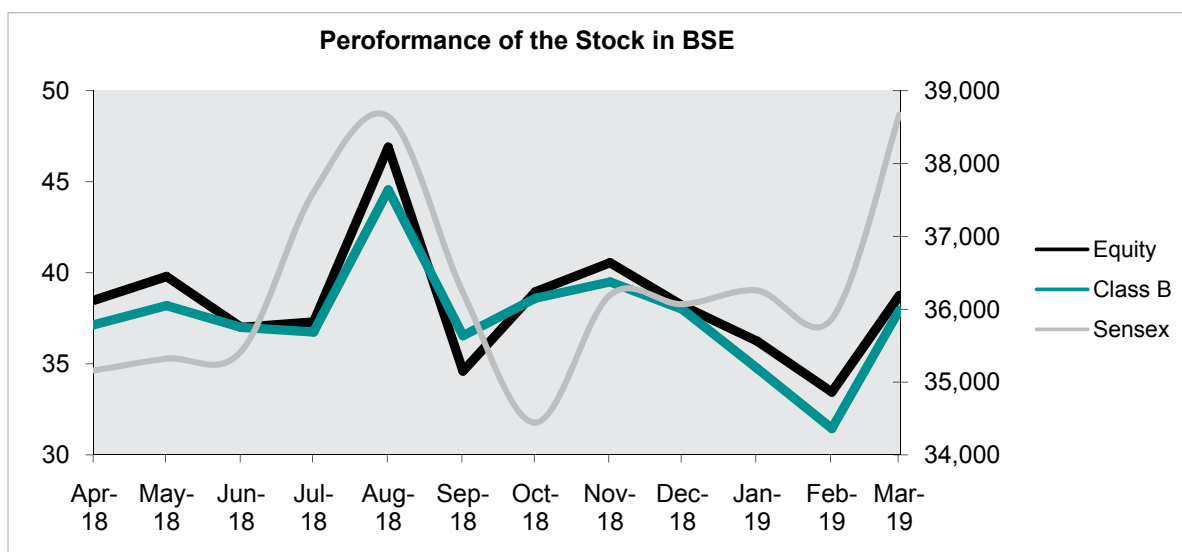
Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
April - 2018	43.00	35.60	45,102	39.75	34.60	5,81,675
May - 2018	44.85	34.60	1,96,905	45.90	34.10	21,77,937
June - 2018	41.00	32.00	43,427	40.45	33.65	4,29,659



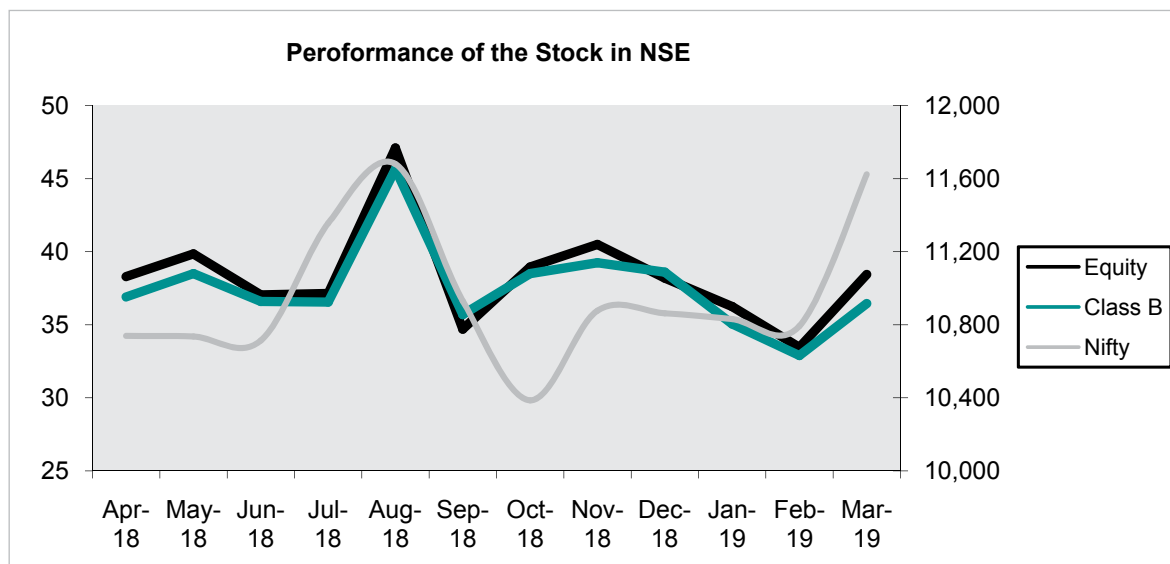
Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High	Low	Volume	High	Low	Volume
July - 2018	39.80	35.30	21,403	39.80	35.00	2,24,006
August - 2018	49.40	33.25	59,217	47.50	34.55	7,34,674
September - 2018	48.45	35.25	29,868	49.00	35.25	18,80,996
October - 2018	41.90	31.50	22,803	42.70	32.65	3,15,521
November - 2018	44.65	38.35	17,025	44.85	38.10	2,64,876
December - 2018	42.00	37.00	18,411	44.50	36.60	1,63,909
January - 2019	40.35	29.20	9,165	38.85	32.50	1,20,314
February - 2019	39.00	30.30	11,105	38.45	30.75	1,07,298
March - 2019	40.85	31.65	16,335	40.70	32.00	2,61,153

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

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



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



## Dematerialisation of shares

99.89% of the Equity Shares and 99.85% of Class B (Series 1) Shares of the Company have been dematerialised as on March 31, 2019. The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialised form.

Status of Dematerialisation of Equity Shares and Class B (Series 1) Shares as on March 31, 2019 is as under:

Particulars	Equity Shares		Class B (Series 1) Shares	
	No. of Shares	% of Total Capital	No. of Shares	% of Total Capital
National Securities Depository Limited	37,49,48,054	82.55%	3,35,94,675	85.32%
Central Depository Services (India) Limited	7,87,70,877	17.34%	57,20,995	14.53%
<b>Total Dematerialised</b>	<b>45,37,18,931</b>	<b>99.89%</b>	<b>3,93,15,670</b>	<b>99.85%</b>
Physical	4,98,337	0.11%	59,009	0.15%
<b>Total</b>	<b>45,42,17,268</b>	<b>100.00%</b>	<b>3,93,74,679</b>	<b>100.00%</b>

Distribution of Shareholding of Equity and Class B (Series 1) Shares as on March 31, 2019

### Equity Shares

No. of Shares	No. of Shareholders	%	No. of Shares for the Range	%
1 to 500	42,007	77.8888	59,56,131	1.3113
501 to 1000	5,491	10.1813	45,11,778	0.9933
1001 to 5000	4,706	8.7258	1,11,91,381	2.4639
5001 to 10000	775	1.4370	60,06,580	1.3224
10001 to 50000	679	1.2590	1,52,86,733	3.3655
50001 to 100000	120	0.2225	89,85,921	1.9783
100001 to 9999999	144	0.2679	98275801	21.6363
10000000 & above	10	0.0185	304002943	66.9290
<b>Total</b>	<b>53,932</b>	<b>100.0000</b>	<b>45,42,17,268</b>	<b>100.0000</b>

### Class B (Series 1) Shares

No. of Shares	No. of Shareholders	%	No. of Shares	%
1 to 500	13,208	92.4865	7,90,010	2.0064
501 to 1000	496	3.4731	4,06,385	1.0321
1001 to 5000	426	2.9830	9,42,288	2.3931
5001 to 10000	66	0.4622	4,91,396	1.2480
10001 to 50000	49	0.3431	12,09,298	3.0713
50001 to 100000	12	0.0840	9,08,346	2.3069
100001 to 9999999	22	0.1541	91,85,203	23.3277
10000000 & above	2	0.0140	2,54,41,753	64.6145
<b>Total</b>	<b>14,281</b>	<b>100.0000</b>	<b>3,93,74,679</b>	<b>100.0000</b>

## Categories of Shareholders as on March 31, 2019

Categories	Equity Shares		Class B (Series 1) Shares	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoters and Promoter Group	22,80,10,572	50.20	2,84,36,580	72.22
Mutual Funds	47,11,443	1.04	75,050	0.19
Banks, Financial Institutions	57,34,922	1.26	96,991	0.25
Venture Capital Funds	0	0.00	0	0.00
Insurance Companies	26,16,004	0.58	400	0.00
Foreign Portfolio Investor	63,41,731	1.40	0	0.00
Non-Resident Indians	22,39,720	0.49	83,749	0.21
Bodies Corporate	12,80,87,784	28.20	11,44,814	2.91
NBFC registered with RBI	5,69,446	0.13	2,000	0.01
Indian Public (Individual)	6,88,31,127	15.15	78,88,767	20.04
Directors & their Relatives	2,75,000	0.06	1,000	0.00
Clearing Members	10,25,675	0.23	20,682	0.05
Trust	5,555	0.00	127	0.00
Hindu Undivided Family	52,18,489	1.15	15,69,743	3.99
Foreign Nationals	0	0.00	0	0.00
Investor Education and Protection Fund	5,49,800	0.12	54,776	0.14
<b>Total</b>	<b>45,42,17,268</b>	<b>100.00</b>	<b>3,93,74,679</b>	<b>100.00</b>

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

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

### Plant Locations

G-6, MIDC, Tarapur, Dist. Thane.

No. 4, Puttappa Industrial Estate, Mahadevpura, Near Hindustan Petroleum, Bengaluru 560 048

### Address for Correspondence:

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

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

#### For securities held in Demat Form:

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

For any query on the Annual Report:

Mr. Deepak Tanna, Company Secretary

Future Enterprises Limited

Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road,

Jogeshwari (East), Mumbai – 400 060

Tel No: +91 22 6644 2200

Fax No: +91 22 6644 2201

Email : [investorrelations@futuregroup.in](mailto:investorrelations@futuregroup.in)

Website: [www.felindia.in](http://www.felindia.in)

### List of all credit ratings obtained by the Company along with any revisions for the financial year 2018-19:

The Company has obtained rating from CARE Ratings Limited, Acuite Ratings & Research Limited and Brickwork Ratings India Private Limited during the year ended March 31, 2019. Further the same had been reaffirmed / revalidated periodically during the year under review. Details of credit rating are as follows:

Sr. No.	Rating Agency	Rating	Outlook	Security
1	CARE Ratings Limited	CARE AA-	Stable	Long Term Bank Facilities (Term Loan, Fund Based, Non-Convertible Debenture and Fixed Deposit)
2	CARE Ratings Limited	CARE A1+	-	Short Term Bank Facilities (Term Loan and Non - Fund Based) and Commercial Paper
3	Acuite Ratings & Research Limited	ACUITE AA	Stable	Non-Convertible Debenture
4	Acuite Ratings & Research Limited	ACUITE AA+ (SO)	Stable	Non-Convertible Debenture
5	Brickwork Ratings India Private Limited	BWR AA (SO)	Stable	Non-Convertible Debenture

### Commodity Price Risk or Foreign Exchange Risk and Hedging activities

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

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

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

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

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

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

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

The details of unclaimed dividend and shares transferred to IEPF during the year 2018-19 are as follows:

Financial Year	Amount of unclaimed dividend transferred	Number of Equity Shares Transferred	Number of Class B (Series 1) Shares Transferred
2010-11	₹8,17,975/-	55,879	5,416
Fractional Shares	₹1,48,022/-	-	-

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

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

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

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

### Unclaimed Shares

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

## DISCLOSURES

### Related Party Transactions

All Related Party Transactions were reviewed / approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. During the year under review, there were no materially significant transactions entered into between the Company and related parties that may have potential conflict with the interests of the Company at large. The details of related party transactions are presented in Note No. 34 in Notes forming part of the financial statements for the year ended March 31, 2019. Policy on dealing with related party transactions is available on the website of the Company at the link [http://felindia.in/pdf/Related\\_Party\\_Transaction\\_Policy.pdf](http://felindia.in/pdf/Related_Party_Transaction_Policy.pdf)

### Details of utilization of funds raised through preferential allotment or qualified institutions placement

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

### Recommendations of Committee to the Board:

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

### Total Fees paid to Statutory Auditor for all services rendered by them: (₹in Crore)

Particulars	Amount
Statutory Audit Fees	0.28
Other Expenses	0.04
<b>Total</b>	<b>0.32</b>

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

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

### Disclosure of Accounting Treatment

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

### Management

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

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

## CEO/CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2019.

## Certificate of Non-Disqualification of Directors

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

## Subsidiary Companies

The Company does not have any material un-listed subsidiary company as on March 31, 2019. However, the Company has a policy for determining material subsidiaries of the Company, which is available on the website of the Company at the link [http://felindia.in/pdf/Policy\\_For\\_Material\\_Subsiidiary.pdf](http://felindia.in/pdf/Policy_For_Material_Subsiidiary.pdf)

## Details of Non-Compliance

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

## Establishment of Whistle Blower Policy/Vigil Mechanism

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

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

## Compliance with mandatory requirements

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

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

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

## AUDITORS REPORT ON CORPORATE GOVERNANCE

To,  
The Members of  
Future Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by Future Enterprises Limited ('the Company') for the financial year ended on March 31, 2019 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

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

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

Place : Mumbai  
Date : May 27, 2019

**Durgesh Kumar Kabra**  
Partner  
Membership No. 044075

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## DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To,  
The Members of  
Future Enterprises Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed their compliances with the Code of Conduct of Board of Directors and senior management for the year ended March 31, 2019.

**For Future Enterprises Limited**

Place : Mumbai  
Date : May 27, 2019

**Vijay Biyani**  
Managing Director

## 5 YEARS FINANCIAL SUMMARY

### Key Highlights of Financial Position

(₹ in crore)

Particulars	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15
Share Capital	98.71	98.67	94.57	85.57	82.84
Reserves & Surplus	3,859.51	3,811.96	3,715.23	3,223.52	5,091.90
Net Worth	3,958.22	3,910.63	3,809.80	3,317.79	5,197.92
Total Borrowings	6,479.14	5,730.87	5,199.41	4,849.58	4,822.75
Capital Employed	10,437.36	9,641.50	9,009.21	8,167.36	10,020.66
Net Block	7,001.12	6,439.29	5,847.93	5,279.41	4,831.66
Investments	1,152.36	1,120.56	1,404.45	1,294.68	1,295.16
Inventory	1,245.33	1,087.23	873.13	859.91	3,522.68

### Key Highlights of Financial Results

Particulars	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15
	12 Months	12 Months	12 Months	12 Months	12 Months
Sales & Operating Income	4,565.64	4,184.80	3,782.09	8,339.56	10,341.66
Total Income	4,592.75	4,368.68	4,013.14	8,376.47	10,368.39
COGS	3,037.83	2,938.96	2,675.41	6,007.94	7,408.18
PBDIT	1,349.35	1,248.17	1,184.36	1,048.75	1,243.28
Interest	577.92	568.41	507.61	488.86	669.04
Depreciation	769.19	698.40	633.19	546.74	512.88
Profit Before Tax	2.24	(18.64)	43.56	13.15	61.37
Profit After Tax	24.02	(12.19)	43.56	11.83	74.07

### Key Financial Ratios

Particulars	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15
COGS / Sales & Operating Income(%)	66.54%	70.23%	70.74%	72.04%	71.63%
Interest / Total Income (%)	12.58%	13.01%	12.65%	5.84%	6.45%
PBDIT/ Interest (Debt-Service Ratio)	2.33	2.20	2.33	2.15	1.86
PBDIT / Total Income (%)	29.38%	28.57%	29.51%	12.52%	11.99%
PBT / Total Income (%)	0.05%	-0.43%	1.09%	0.16%	0.59%
PAT / Total Income (%)	0.52%	-0.28%	1.09%	0.14%	0.71%
Basic EPS (₹)	0.48	(0.25)	0.92	0.26	2.75
Debt Equity Ratio	1.64	1.47	1.36	1.46	0.93

Note:

- Financial numbers of the year ended March 31, 2016 includes 12 months Retail Infrastructure, other operations and 7 months of Retail Business of the Company and 5 months of Retail Infrastructure operation of FRL.
- The Company's business activities underwent changes since October 31, 2015 and hence financial numbers and ratios pertaining to period ending March 31, 2016 onwards not comparable with prior periods.
- Financial numbers of the year ended March 31, 2017 onwards are prepared as per IND AS, hence not comparable with previous years.



## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**FUTURE ENTERPRISES LIMITED**

### Report on the Standalone Financial Statements

#### Opinion

We have audited the standalone Financial Statements of Future Enterprises Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "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, and profit and total comprehensive income (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

The Key Audit Matter	How the matter was addressed in our Audit
<p>Valuation of Inventory</p> <p>Refer note no. 7 to the accompanying standalone financial statements</p> <p>We identified this matter as key in our audit due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory.</p>	<p>Our Procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>◆ Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process.</li> <li>◆ Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard.</li> <li>◆ Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system.</li> <li>◆ Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory.</li> <li>◆ Verification of the determination of net realizable value on a representative sample basis</li> </ul>
<p>Accounting for Lease Rental Income</p> <p>Lease rental income amounted to Rs. 742.97 Crore for the year ended 31 March 2019, Generally lease revenue is recognised net of discount, in accordance with the terms of lease contracts over the lease term on a straight line basis using a standard IT system. Also there are few lease arrangements where revenue recognition is not subject to straight line basis depending on the nature of the lease arrangements and performance of the lease. There is an inherent risk around the accuracy of the revenue recorded given the complexity of the IT system and impact of the terms of lease agreements to the revenue recognition.</p>	<p>Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards. We performed test of controls, assisted by our IT specialists, over revenue recognition with specific focus on whether lease income is recorded over the lease term on a straight line basis or other applicable basis as per the terms of the lease contract. We performed tests of details, on a sample basis, to review the case contracts entered into with the customers to assess whether lease income recorded is as per the contract terms and also to identify any non-standard lease clauses and to assess the appropriateness of the rental income accounting. We assessed the completeness of lease rental income recorded during the year through matching the data used in the revenue recognition to the approved lease agreements with the customers. We also performed detailed substantive analytical procedures of case rental income and the timing of its recognition.</p>

## 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 Management and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders Information, but does not include the standalone financials statements and our auditors 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 information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

## Management's 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 of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

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

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

Materiality is the magnitude of misstatement in the standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the 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 and significant deficiencies in internal control that we identify during our audit.

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

#### **Report on Other Legal and Regulatory Requirements**

1. 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 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 the internal financial controls over financial reporting of the

Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
  - In Our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 40 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

**Durgesh Kumar Kabra**  
Partner  
Membership No. 044075

Place : Mumbai  
Date : May 27, 2019

## ANNEXURE – ‘A’ to the Independent Auditors’ Report

Referred to in Paragraph 1(f) under the heading of “Report on other Legal and Regulatory Requirements” of our report to the members of Future Enterprise Limited of even date

**Report on the 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 Enterprises Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable 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 financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, 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 **DMKH & Co.**  
Chartered Accountants  
FRN : 116886W

**Durgesh Kumar Kabra**

Partner

Membership No. 044075

Place : Mumbai  
Date : May 27, 2019

## ANNEXURE – ‘B’ to the Independent Auditors’ Report

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

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we report that: -

- i. In respect of companies fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) According to the information and explanations given to us, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- ii. a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses 3(iii) (a), (b) and (c) of the order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investment and providing guarantees and securities, as applicable.

- v. In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board (CLB), National Company Law Tribunal (NCLT) or Reserve Bank of India (RBI) or any Court or any other Tribunal.

vi. The 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, thus reporting under clause 3(vi) of the order is not applicable to the Company.

- vii. a) According to information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess, Professional Tax and other material statutory dues applicable to it with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess, Professional Tax 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 except

Name of Statute	Nature of the dues	Amount (in ₹ Crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	3.10	A Y 2014-15	Commissioner of Income Tax Appeal
The West Bengal Tax on Entry of Goods Into Local Areas Act 2012	Entry Tax	1.75	FY 2016-17 & 2017-18	Calcutta High Court

- viii. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings from banks and debenture holders. The Company has not taken any loans from Government or any Financial Institution.

- ix. Based on audit procedure and on the basis of information and explanation given by the management, we are of the opinion that money raised by Company by way of term loan has been applied for the purpose for which they were raised. The Company did not raise any money by way of Initial Public offer or further public offer.
- x. 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 requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv. During the Year, the company has not made any preferential allotment or private placement of shares fully or partly paid convertible debentures and hence, reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In Our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Durgesh Kumar Kabra**  
Partner  
Membership No. 044075

Place : Mumbai  
Date : May 27, 2019

## BALANCE SHEET AS AT MARCH 31, 2019

	Note No.	As at March 31, 2019	(₹ in crore) As at March 31, 2018
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
Property, Plant and Equipment	2	6,786.77	6,439.29
Capital Work-in-Progress	2	521.84	582.65
Intangible Assets	2	214.35	-
Financial Assets			
Investments	3	1,152.36	1,120.56
Loans	4	178.05	173.47
Other Financial Assets	5	0.57	0.17
Other Non-Current Assets	6	456.34	218.71
<b>Total Non-Current Assets</b>		<b>9,310.28</b>	<b>8,534.85</b>
<b>2. Current Assets</b>			
Inventories	7	1,245.33	1,087.23
Financial Assets			
Trade Receivables	8	533.50	488.40
Cash and Cash Equivalents	9	14.62	19.56
Bank Balances Other Than The Above	10	11.29	17.60
Loans	11	21.59	6.95
Other Financial Assets	12	49.36	10.65
Other Current Assets	13	883.62	737.48
<b>Total Current Assets</b>		<b>2,759.31</b>	<b>2,367.87</b>
<b>Total Assets</b>		<b>12,069.59</b>	<b>10,902.72</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	98.71	98.67
Other Equity	15	3,859.51	3,811.96
<b>Total Equity</b>		<b>3,958.22</b>	<b>3,910.63</b>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	5,931.79	5,315.76
Other Financial Liabilities	17	623.36	558.24
Provisions	18	7.61	7.60
Deferred Tax Liabilities (Net)	32	36.86	58.64
<b>Total Non-Current Liabilities</b>		<b>6,599.62</b>	<b>5,940.24</b>
<b>2. Current Liabilities</b>			
Financial Liabilities			
Borrowings	19	374.67	346.36
Trade Payables	20		
Due to Micro, Small and Medium Enterprises		25.71	14.28
Due to Others		635.14	471.18
Other Financial Liabilities	21	394.81	214.50
Provisions	22	0.42	1.35
Other Current Liabilities	23	81.00	4.18
<b>Total Current Liabilities</b>		<b>1,511.75</b>	<b>1,051.85</b>
<b>Total Equity and Liabilities</b>		<b>12,069.59</b>	<b>10,902.72</b>
The accompanying notes are an integral part of the financial statements.	1 - 49		

As per our report of even date attached

For and on behalf of Board of Directors

### For DMKH & CO.

Chartered Accountants  
FRN 116886W

### Durgesh Kumar Kabra

Partner  
Membership No.: 044075

### Mumbai

May 27, 2019

### V. K. Chopra

Chairman & Director

### Bala Deshpande

Director

### Deepak Tanna

Company Secretary

### Vijay Biyani

Managing Director

### Anil Harish

Director  
(Goa)

### Hareesh Chawla

Director

### Dinesh Maheshwari

Executive Director &  
Chief Financial Officer

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>INCOME</b>			
Revenue From Operations	24	4,565.64	4,184.80
Other Income	25	27.11	183.88
<b>Total Income</b>		<b>4,592.75</b>	<b>4,368.68</b>
<b>EXPENSES</b>			
Cost of Materials Consumed		75.26	31.60
Purchase of Stock-In-Trade		3,120.38	3,121.95
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(157.81)	(214.59)
Employee Benefits Expense	27	107.53	86.78
Finance Costs	28	577.92	568.41
Depreciation and Amortization Expense	2	769.19	698.40
Other Expenses	29	98.04	94.77
<b>Total Expenses</b>		<b>4,590.51</b>	<b>4,387.32</b>
<b>Profit / (Loss) Before Tax</b>		<b>2.24</b>	<b>(18.64)</b>
<b>Tax Expense</b>	32	<b>(21.78)</b>	<b>(6.45)</b>
(1) Current Tax		-	-
(2) Deferred Tax		(21.78)	(6.45)
<b>Profit / (Loss) For The Year</b>		<b>24.02</b>	<b>(12.19)</b>
<b>Other Comprehensive Income For The Year</b>			
Re-measurement Gains/ (Losses) on Defined Benefit Plans	31	1.60	(0.80)
Fair Value Changes On Investments		10.97	21.40
<b>Total Comprehensive Income For The Year</b>		<b>36.59</b>	<b>8.41</b>
<b>Earnings Per Equity Share of Face Value of ₹ 2/- each</b>			
Basic - Equity Share	36	0.48	(0.25)
Basic - Class B (Series 1) Share		0.52	(0.25)
Diluted - Equity Share		0.48	(0.25)
Diluted - Class B (Series 1) Share		0.52	(0.25)
The accompanying notes are an integral part of the financial statements.	1-49		

As per our report of even date attached

For and on behalf of Board of Directors

**For DMKH & CO.**

Chartered Accountants  
FRN 116886W

**Durgesh Kumar Kabra**

Partner  
Membership No.: 044075

**Mumbai**

May 27, 2019

**V. K. Chopra**

Chairman & Director

**Bala Despande**

Director

**Deepak Tanna**

Company Secretary

**Vijay Biyani**

Managing Director

**Anil Harish**

Director  
(Goa)

**Haresh Chawla**

Director

**Dinesh Maheshwari**

Executive Director &  
Chief Financial Officer



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
<b>(A) EQUITY SHARE CAPITAL</b>		
<b>Opening Balance</b>	<b>98.67</b>	94.57
Change During The Year		
Issue of Equity Shares Under Employee Stock Option Scheme	<b>0.04</b>	0.42
Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	-	3.69
<b>Closing Balance</b>	<b>98.71</b>	98.67
<b>(B) OTHER EQUITY</b>		
<b>Retained Earnings</b>		
<b>Opening Balance</b>	<b>580.40</b>	583.56
Profit For The Year	<b>24.02</b>	(12.19)
Dividend on Equity Shares	-	(9.61)
Tax on Dividend	-	(1.96)
Transfer to Debenture Redemption Reserve	<b>(24.02)</b>	-
Other Comprehensive Income/(Loss) For The Year		
Fair Value Changes On Investments	<b>10.97</b>	21.40
Re-measurement Gains/ (Losses) on Defined Benefit Plans	<b>1.60</b>	(0.80)
<b>Closing Balance</b>	<b>592.97</b>	580.40
<b>Securities Premium</b>		
<b>Opening Balance</b>	<b>2,830.39</b>	2,735.00
Change During The Year		
Issue of Equity Shares	<b>0.34</b>	3.28
Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	-	92.11
<b>Closing Balance</b>	<b>2,830.73</b>	2,830.39
<b>Debenture Redemption Reserve</b>		
<b>Opening Balance</b>	<b>268.13</b>	268.13
Change During The Year	<b>24.02</b>	-
<b>Closing Balance</b>	<b>292.15</b>	268.13
<b>General Reserve</b>		
<b>Opening Balance</b>	<b>110.82</b>	110.82
Change During The Year	-	-
<b>Closing Balance</b>	<b>110.82</b>	110.82

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
<b>Share Options Outstanding Account</b>		
<b>Opening Balance</b>	<b>2.01</b>	2.79
Change During The Year		
Expense on Employee Stock Option Scheme	<b>3.62</b>	2.49
Exercise of Stock Options	<b>(0.34)</b>	(3.28)
<b>Closing Balance</b>	<b>5.29</b>	2.01
<b>Promotor Equity Contribution</b>		
<b>Opening Balance</b>	<b>20.21</b>	13.68
Change During The Year		
Personal Guarantees By Promoters	<b>7.34</b>	6.53
<b>Closing Balance</b>	<b>27.55</b>	20.21
<b>Equity Component of Optionally Convertible Debentures</b>		
<b>Opening Balance</b>	-	1.27
Change During The Year		
Conversion of Optionally Convertible Debentures (Equity Component)	-	(1.27)
<b>Closing Balance</b>	-	-
<b>TOTAL OTHER EQUITY</b>	<b>3,859.51</b>	3,811.96

As per our report of even date attached

**For DMKH & CO.**

Chartered Accountants  
FRN 116886W

**Durgesh Kumar Kabra**

Partner  
Membership No.: 044075

**Mumbai**

May 27, 2019

For and on behalf of Board of Directors

**V. K. Chopra**

Chairman & Director

**Vijay Biyani**

Managing Director

**Haresh Chawla**

Director

**Bala Despande**

Director

**Anil Harish**

Director  
(Goa)

**Dinesh Maheshwari**

Executive Director &  
Chief Financial Officer

**Deepak Tanna**

Company Secretary

# STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

( ₹ in crore )

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Tax	2.24	(18.64)
<b>Adjusted for:</b>		
Depreciation and Amortization Expense	769.19	698.40
Finance Costs	577.92	568.41
Profit on Sale of Investments	(0.49)	(154.27)
Expense on Employee Stock Option Scheme	3.62	2.49
Loss on Disposal/Discard of Fixed Assets (Net)	5.06	33.19
Dividend Income	(4.52)	(2.47)
Interest Income	(19.88)	(23.46)
<b>Operating Profit Before Working Capital Changes</b>	<b>1,333.14</b>	<b>1,103.66</b>
<b>Adjusted for:</b>		
Trade Receivables	(45.09)	(121.70)
Other Financial Assets and Other Assets	(486.65)	142.14
Inventories	(158.09)	(214.11)
Trade Payables	175.39	6.77
Other Financial Liabilities, Other Liabilities and Provisions	219.01	(67.51)
<b>Cash Generated From Operations</b>	<b>1,037.71</b>	<b>849.25</b>
Taxes Paid	50.81	13.09
<b>Net Cash Flows From Operating Activities</b>	<b>1,088.52</b>	<b>862.34</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(1,275.27)	(1,519.27)
Sale/(Purchase) of Investments	(20.33)	459.56
Dividend Income	4.52	2.47
Interest Income	19.88	23.46
<b>Net Cash Used In Investing Activities</b>	<b>(1,271.20)</b>	<b>(1,033.78)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares	7.38	101.48
Proceeds from Borrowings	748.28	635.25
Dividends Paid (Including Dividend Distribution Tax)	-	(11.57)
Interest Paid	(577.92)	(568.41)
<b>Net Cash Flows From Financing Activities</b>	<b>177.74</b>	<b>156.75</b>
<b>Net (Decrease)/Increase In Cash and Cash Equivalents</b>	<b>(4.94)</b>	<b>(14.69)</b>
<b>Net (Decrease)/Increase In Cash and Cash Equivalents</b>	<b>(4.94)</b>	<b>(14.69)</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>19.56</b>	<b>34.25</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>14.62</b>	<b>19.56</b>

As per our report of even date attached

**For DMKH & CO.**  
Chartered Accountants  
FRN 116886W

**Durgesh Kumar Kabra**  
Partner  
Membership No.: 044075

**Mumbai**  
May 27, 2019

For and on behalf of Board of Directors

**V. K. Chopra**  
Chairman & Director

**Bala Deshpande**  
Director

**Deepak Tanna**  
Company Secretary

**Vijay Biyani**  
Managing Director

**Anil Harish**  
Director  
(Goa)

**Hareesh Chawla**  
Director

**Dinesh Maheshwari**  
Executive Director &  
Chief Financial Officer

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Company Overview And Significant Accounting Policies

#### 1.1 Company Overview

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

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

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 27, 2019.

#### 1.2 Basis of Preparation and Presentation

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

#### 1.3 Use of Estimates

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

#### 1.4 Property, Plant and Equipment

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

An item of property, plant and equipment and any significant part initially recognised is 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 or Loss when the asset is derecognised.

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

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

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

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

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

### 1.5 Intangible Assets

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

An item of Intangible Asset is 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 or Loss when the asset is derecognised.

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

### 1.6 Business Combinations

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

### 1.7 Impairment of Assets

#### (i) Financial Assets

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

#### (ii) Non-Financial Assets

Intangible Assets and Property, Plant and Equipment

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

### (iii) Share Capital

#### Ordinary Shares

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

## 1.8 Financial instruments

### (i) Initial Recognition and Measurement

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

### (ii) Subsequent Measurement

#### a) Non-Derivative Financial Instruments

##### (i) Financial Assets Carried At Amortised Cost

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

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

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

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

##### (iii) Investments in Associates, Joint Venture and Subsidiaries

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

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

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

##### (v) Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### b) Derivative Financial Instruments

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

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

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

Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

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

### (ii) Derecognition of Financial Instruments

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

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

## 1.9 Current Versus Non-Current Classification

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when it is:

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

All other liabilities are classified as non-current.

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

## 1.10 Measurement of Fair Value

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

- In the principal market for the asset or liability, or

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

### 1.11 Inventories

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

### 1.12 Employee Benefits

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

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

### 1.13 Share-Based Payment

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

### 1.14 Provisions

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

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

### 1.15 Revenue recognition

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



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (i) Sale of goods

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

### (ii) Revenue from Sale of Services

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

### (iii) Lease Income

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

### (iv) Interest Income

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

### (v) Dividend Income

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

## 1.16 Foreign Currency Transactions

### (i) Functional Currency

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

### (ii) Transactions and Translations

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

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

## 1.17 Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as Operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### 1.18 Taxation

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

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

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

### 1.19 Earnings Per Share

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

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

### 1.20 Borrowing Costs

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

### 1.21 Application of new and revised standards

#### **Ind AS 116- Leases:**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in IND AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2. Property, Plant and Equipment

(₹ in crore)

Tangible Assets	Freehold Land	Leasehold Land	Building	Leasehold Improve-ments	Plant & Equipments	Office Equipments	Furniture and Fixtures	Vehicles	Total	Capital work in progress
<b>Cost</b>										
<b>As At April 01, 2017</b>	4.83	0.93	7.53	1,609.16	1,070.13	246.61	4,055.45	4.67	6,999.31	386.34
Additions	-	-	-	288.97	190.21	56.67	786.91	0.19	1,322.95	-
Disposals	-	-	-	33.38	-	2.95	1.22	-	37.55	-
<b>As At March 31, 2018</b>	4.83	0.93	7.53	1,864.75	1,260.34	300.33	4,841.14	4.86	8,284.71	582.65
<b>As At April 01, 2018</b>	4.83	0.93	7.53	1,864.75	1,260.34	300.33	4,841.14	4.86	8,284.71	-
Additions	-	-	-	250.56	124.39	37.57	720.22	0.18	1,132.92	-
Disposals	-	-	-	6.28	0.08	4.37	8.40	-	19.13	-
<b>As At March 31, 2019</b>	4.83	0.93	7.53	2,109.03	1,384.65	333.53	5,552.96	5.04	9,398.50	521.84
<b>Depreciation</b>										
<b>As At April 01, 2017</b>	-	0.04	0.29	150.62	127.70	101.63	769.24	1.86	1,151.38	-
Depreciation For The Year	-	0.02	0.19	99.98	82.07	49.09	466.11	0.94	698.40	-
Disposals	-	-	-	4.19	-	-	0.17	-	4.36	-
<b>As At March 31, 2018</b>	-	0.06	0.48	246.41	209.77	150.72	1,235.18	2.80	1,845.42	-
<b>As At April 01, 2018</b>	-	0.06	0.48	246.41	209.77	150.72	1,235.18	2.80	1,845.42	-
Depreciation For The Year	-	0.02	0.20	117.89	86.45	43.67	518.14	0.73	767.10	-
Disposals	-	-	-	0.78	-	-	0.01	-	0.79	-
<b>As At March 31, 2019</b>	-	0.08	0.68	363.52	296.22	194.39	1,753.31	3.53	2,611.73	-
<b>Net book value</b>										
<b>As At March 31, 2019</b>	4.83	0.85	6.85	1,745.51	1,088.43	139.14	3,799.65	1.51	6,786.77	521.84
As At March 31, 2018	4.83	0.87	7.05	1,618.34	1,050.57	149.61	3,605.96	2.06	6,439.29	582.65

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

<b>Intangible Assets</b>	<b>Intellectual Property Rights</b>	<b>Total</b>
Cost		
As At April 01, 2017	-	-
Additions	-	-
Disposals	-	-
<b>As At March 31, 2018</b>	<b>-</b>	<b>-</b>
<b>As At April 01, 2018</b>	<b>-</b>	<b>-</b>
Additions	216.44	216.44
Disposals	-	-
<b>As At March 31, 2019</b>	<b>216.44</b>	<b>216.44</b>
Amortization		
As At April 01, 2017	-	-
Amortization For The Year	-	-
Disposals	-	-
<b>As At March 31, 2018</b>	<b>-</b>	<b>-</b>
<b>As At April 01, 2018</b>	<b>-</b>	<b>-</b>
Amortization For The Year	2.09	2.09
Disposals	-	-
<b>As At March 31, 2019</b>	<b>2.09</b>	<b>2.09</b>
Net book value		
<b>As At March 31, 2019</b>	<b>214.35</b>	<b>214.35</b>
As At March 31, 2018	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
<b>3 Non-Current Financial Assets - Investments</b>		
<b>Trade Investments Fully paid up of ₹ 10/- each unless otherwise stated</b>		
<b>Investments in</b>		
<b>Equity Instruments</b>		
<b>Quoted</b>		
<b>Subsidiary Company</b>		
100 (2,05,15,917) Equity Shares of Future Supply Chain Solutions Limited	0.00	48.18
<b>Others</b>		
49,37,935 Equity Shares of Galaxy Cloud Kitchens Limited (Formerly Known as Galaxy Entertainment Corporation Limited)	19.34	8.39
100 Equity Shares of Future Consumer Limited of ₹ 6/- each (Formerly Known as Future Consumer Enterprise Limited)	0.00	0.01
<b>Unquoted</b>		
<b>Subsidiary Companies</b>		
1,91,60,000 Equity Shares of Future Bazaar India Limited	19.16	19.16
2,73,78,746 Equity Shares of Future Media (India) Limited	36.65	36.65
2,09,30,419 Equity Shares of Future E-Commerce Infrastructure Limited	17.72	17.72
34,58,654 Equity Shares of Work Store Limited (Formerly Known as Staples Future Office Products Limited)	35.92	35.92
2,24,52,099 Equity Shares of Bluerock eServices Private Limited	10.92	10.92
30,000 Equity Shares of Future Merchandising and Sourcing Pte. Limited of \$ 1/- each	0.20	0.20
10,000 (NIL) Equity Shares of Ritvika Trading Private Limited	0.01	-
<b>Joint Ventures</b>		
22,03,500 Equity Shares of Apollo Design Apparel Parks Limited	73.78	73.76
20,65,50,000 Equity Shares of Future Generali India Insurance Company Limited	206.55	206.55
14,32,37,839 (11,64,61,781) Equity Shares of Future Generali India Life Insurance Company Limited	143.24	116.46
22,81,500 Equity Shares of Goldmohur Design and Apparel Park Limited	70.44	70.41
27,43,66,794 (24,86,05,660) Equity Shares of Sprint Advisory Services Private Limited	274.37	248.61
11,18,44,321 Equity Shares of Shendra Advisory Services Private Limited	111.84	111.84
<b>Others</b>		
7,11,74,377 (NIL) partly paid Equity Shares of Livquik Technology (India) Private Limited of ₹ 1/- each	5.00	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
<b>In Preference Shares</b>		
<b>Unquoted</b>		
<b>Subsidiary Companies</b>		
45,13,966 0.01% Non-Cumulative Compulsory Convertible Preference Shares (Series -2) of Future E-Commerce Infrastructure Limited	48.65	48.65
71,72,820 Compulsory Convertible Preference Shares (Series 1) of Future E-Commerce Infrastructure Limited	0.11	0.11
5,58,088 Cumulative Convertible Preference Shares of Work Store Limited (Formerly Known as Staples Future Office Products Limited)	0.70	0.70
<b>Others</b>		
6,30,000 9% Redeemable Preference Shares of Praxis Home Retail Limited of ₹ 100/- each	-	-
<b>In Debentures</b>		
38,00,000 (NIL) Compulsory Convertible Debentures of ₹ 30/- each of Galaxy Cloud Kitchens Limited (Formerly Known as Galaxy Entertainment Corporation Limited)	11.40	-
<b>Non-Trade Investments paid up of ₹ 10/- each unless otherwise stated</b>		
<b>Unquoted</b>		
<b>Others</b>		
48,281 Equity Shares of Foot-Mart Retail India Limited	0.08	0.08
Less : Provision	0.08	0.08
47,71,037 Equity Shares of Pan India Food Solutions Private Limited	5.38	5.38
5,79,771 Equity Shares of Planet Retail Holdings Private Limited	3.13	3.13
<b>In Government and Other Securities</b>		
<b>Quoted</b>		
3,00,000 9% Corporate Bonds of Mahindra & Mahindra Financial Services Limited of ₹ 1000/- each	31.13	31.13
200 8.45% Corporate Bonds of Bajaj Finance Limited of ₹ 10,00,000/- each	20.13	20.13
60 8.75% Corporate Bonds of Bajaj Finance Limited of ₹ 10,00,000/- each	6.07	6.07
<b>Unquoted</b>		
50 Equity Shares of Saraswat Co-Operating Bank Limited	0.00	0.00
National Saving Certificates (Deposited with Sales Tax Authorities)	0.05	0.05
LIC Mutual Fund Liquid Plan	0.47	0.43
	<b>1152.36</b>	<b>1,120.56</b>
<b>Note:</b>		
Quoted Investment Carried At Fair Value Through Other Comprehensive Income		
<b>1 Aggregate Amount of Quoted Investments</b>	<b>76.68</b>	<b>113.91</b>
<b>2 Market Value of Quoted Investments</b>	<b>76.68</b>	<b>1425.94</b>
<b>3 Aggregate Amount of Unquoted Investments</b>	<b>1075.78</b>	<b>1006.73</b>
<b>4 Aggregate Amount of Diminution in Value of Investments</b>	<b>0.08</b>	<b>0.08</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

		As at March 31, 2019	As at Mar 31, 2018
<b>4</b>	<b>Non-Current Financial Assets - Loans</b>		
	Others Unsecured, Considered Good	178.05	173.47
		178.05	173.47
<b>5</b>	<b>Non-Current Financial Assets - Others</b>		
	<b>Bank Balances Other Than Cash and Cash Equivalents</b>		
	Deposit With Banks	0.57	0.17
		0.57	0.17
<b>6</b>	<b>Other Non-Current Assets</b>		
	<b>Capital Advances</b>		
	Others Unsecured, Considered Good	227.89	25.59
	<b>Others</b>		
	Others Unsecured, Considered Good*	228.45	193.12
		456.34	218.71
	(* Includes Balances with Statutory Authorities.)		
<b>7</b>	<b>Inventories</b>		
	Raw Materials	1.76	1.47
	Work-in-Progress	6.11	5.96
	Stock-in-Trade	1,237.46	1,079.80
	Includes Goods-in-Transit of ₹ 11.95 crore (2018: ₹ 14.33 crore )		
		1,245.33	1,087.23
<b>8</b>	<b>Trade Receivables</b>		
	Unsecured, Considered Good	533.50	488.40
		533.50	488.40
<b>9</b>	<b>Cash and Cash Equivalents</b>		
	Balances with Banks	14.60	19.51
	Cash on Hand	0.02	0.05
		14.62	19.56
<b>10</b>	<b>Bank Balances Other Than The Above</b>		
	Deposit With Banks*	11.02	17.26
	On Dividend Accounts	0.27	0.34
		11.29	17.60
	* Held as margin money or security against the borrowings, guarantees and other commitments		
<b>11</b>	<b>Current Financial Assets - Loans</b>		
	Unsecured, Considered Good	21.59	6.95
		21.59	6.95
<b>12</b>	<b>Current Financial Assets-Others</b>		
	Others	49.36	10.65
		49.36	10.65
<b>13</b>	<b>Other Current Assets</b>		
	<b>Other Advances#</b>		
	Unsecured, Considered Good	883.62	737.48
		883.62	737.48
	#Includes Advance to Suppliers, Prepaid Expenses, Statutory Authorities, etc.		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 14 Share Capital

	As at March 31, 2019		As at March 31, 2018	
	Number	(₹ in crore)	Number	(₹ in crore)
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	60,00,00,000	120.00	60,00,00,000	120.00
Equity Shares of Class B (Series 1) of ₹ 2/- each	5,00,00,000	10.00	5,00,00,000	10.00
	<b>65,00,00,000</b>	<b>130.00</b>	<b>65,00,00,000</b>	<b>130.00</b>
<b>Issued *</b>				
Equity Shares of ₹ 2/- each	45,43,13,146	90.86	45,40,92,946	90.82
Equity Shares of Class B (Series 1) of ₹ 2/- each	3,93,83,172	7.88	3,93,83,172	7.88
	<b>49,36,96,318</b>	<b>98.74</b>	<b>49,34,76,118</b>	<b>98.70</b>
<b>Subscribed and Paid up *</b>				
Equity Shares of ₹ 2/- each	45,42,17,268	90.84	45,39,97,068	90.80
Equity Shares of Class B (Series 1) of ₹ 2/- each	3,93,74,679	7.87	3,93,74,679	7.87
	<b>49,35,91,947</b>	<b>98.71</b>	<b>49,33,71,747</b>	<b>98.67</b>

\*Refer Note No 14 (v)

#### (i) Reconciliation of Number of shares

Equity Share of ₹ 2/- each

Particulars	As at March 31, 2019	As at March 31, 2018
	Number of Shares	Number of Shares
<b>Opening Balance</b>	<b>45,39,97,068</b>	43,34,59,836
Add : Shares Issued*	2,20,200	20,96,424
Add : Shares issued on conversion of Optionally Convertible Debentures into Equity Shares	-	1,84,40,808
<b>Closing Balance</b>	<b>45,42,17,268</b>	<b>45,39,97,068</b>

\* 2,20,200 (2018 : 20,96,424) equity shares of ₹ 2/- each issued pursuant to exercise of employees stock options scheme

Equity Shares of Class B (Series 1) of ₹ 2/- each

Particulars	As at March 31, 2019	As at March 31, 2018
	Number of Shares	Number of Shares
<b>Opening Balance</b>	<b>3,93,74,679</b>	3,93,74,679
Shares Issued	-	-
<b>Closing Balance</b>	<b>3,93,74,679</b>	<b>3,93,74,679</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (ii) Terms/Rights Attached to Equity Shares

The Company has Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Equity Shares have been further classified into Equity Shares carrying normal voting and dividend rights (Ordinary Shares) and Equity Shares carrying differential voting and dividend rights Class B (Series 1) Shares.

Each holder of Ordinary Shares, is entitled to one vote per member in case of voting by show of hands and one vote per Ordinary Shares held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the Company.

Each holder of Class B (Series 1) Shares, is entitled to one vote per member in case of voting by show of hands and three vote per four Class B (Series 1) shares held in case of voting by poll/ballot. Each holder of Class B (Series 1) Share is also entitled to 2% additional dividend in addition to normal dividend (including interim dividend, if any) as may declared by the Company. Further, the Company may declare dividend only for Class B (Series 1) Share up to 2% without declaring any dividend for Equity Shares.

All other rights would be same for both classes of Equity Shares.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by shareholder.

### (iii) The Company does not have any holding Company.

### (iv) Shares in the Company held by each shareholder holding more than 5 percent shares and number of Shares held are as under:

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Central Departmental Stores Private Limited	20,01,11,430	44.06	17,78,61,430	39.18
Cedar Support Services Limited	-	-	6,19,19,069	13.64
Bennett, Coleman and Company Limited	5,89,09,916	12.97	-	-
Future Corporate Resources Private Limited (Formerly Known as Suhani Trading and Investment Consultants Private Limited)	2,78,20,408	6.12	2,78,20,408	6.13
Brand Equity Treaties Limited	2,49,99,999	5.50	2,49,99,999	5.51
<b>Equity Shares of Class B (Series 1)</b>				
Central Departmental Stores Private Limited	2,54,41,753	64.61	2,54,41,753	64.61
Future Corporate Resources Private Limited (Formerly Known as Suhani Trading and Investment Consultants Private Limited)	28,79,503	7.31	28,79,503	7.31

### (v) Pursuant to the provisions of the Companies Act, 1956 and Companies Act 2013, the issue of equity shares are kept in abeyance.

- 11,400 Equity Shares of Rights Issue of 2006.
- 84,478 Equity Shares of Rights Issue of 2015.
- 8,493 Equity Shares of Class B (Series 1) of Rights Issue of 2015.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

	As at March 31, 2019	As at March 31, 2018
<b>15. OTHER EQUITY</b>		
<b>Retained Earnings</b>		
<b>Opening Balance</b>	<b>580.40</b>	583.56
Profit For The Year	<b>24.02</b>	(12.19)
Dividend on Equity Shares	-	(9.61)
Tax on Dividend	-	(1.96)
Transfer to Debenture Redemption Reserve	<b>(24.02)</b>	-
Other Comprehensive Income/(Loss) For The Year		
Fair Value Changes On Investments	<b>10.97</b>	21.40
Re-measurement Gains/ (Losses) on Defined Benefit Plans	<b>1.60</b>	(0.80)
<b>Closing Balance</b>	<b>592.97</b>	580.40
<b>Securities Premium</b>		
<b>Opening Balance</b>	<b>2,830.39</b>	2,735.00
Change During The Year		
Issue of Equity Shares	<b>0.34</b>	3.28
Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	-	92.11
<b>Closing Balance</b>	<b>2,830.73</b>	2,830.39
<b>Debenture Redemption Reserve</b>		
<b>Opening Balance</b>	<b>268.13</b>	268.13
Change During The Year	<b>24.02</b>	-
<b>Closing Balance</b>	<b>292.15</b>	268.13
<b>General Reserve</b>		
<b>Opening Balance</b>	<b>110.82</b>	110.82
Change During The Year	-	-
<b>Closing Balance</b>	<b>110.82</b>	110.82
<b>Share Options Outstanding Account</b>		
<b>Opening Balance</b>	<b>2.01</b>	2.79
Change During The Year		
Expense on Employee Stock Option Scheme	<b>3.62</b>	2.49
Exercise of Stock Options	<b>(0.34)</b>	(3.28)
<b>Closing Balance</b>	<b>5.29</b>	2.01
<b>Promotor Equity Contribution</b>		
<b>Opening Balance</b>	<b>20.21</b>	13.68
Change During The Year		
Personal Guarantees By Promoters	<b>7.34</b>	6.53
<b>Closing Balance</b>	<b>27.55</b>	20.21
<b>Equity Component of Optionally Convertible Debentures</b>		
<b>Opening Balance</b>	-	1.27
Change During The Year		
Conversion of Optionally Convertible Debentures (Equity Component)	-	(1.27)
<b>Closing Balance</b>	-	-
<b>TOTAL OTHER EQUITY</b>	<b>3,859.51</b>	3,811.96

### Nature and Purpose of Reserves :

#### a) Securities Premium Reserve

Securities Premium Reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and Company can use this reserve for buy-back of shares.

#### b) Capital Reserve

Capital Reserve reflect amounts arising out of adjustment pursuant to giving effect to various schemes of arrangements.

#### c) Debenture Redemption Reserve

Debenture Redemption Reserve is created out of profits of the company and is to be utilised to redemption of Debentures only

#### d) General Reserve

The General Reserve is mainly created/built by the Company from time to time by transferring the profits from retained earnings. This reserve can be utilised for various purposes in compliance with applicable provisions of the Companies Act, 2013 and rules made there under

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		As at March 31, 2019	As at March 31, 2018
<b>16</b>	<b>Non-Current Financial Liabilities - Borrowings</b>		
	<b>Secured</b> (Refer Note 45)		
	Non-Convertible Debentures	4,919.40	4,324.89
	Long-Term Loan from Banks /Other	974.52	990.87
		5,893.92	5,315.76
	<b>Unsecured</b>		
	Public Deposits	37.87	-
		37.87	-
		5,931.79	5,315.76
<b>17</b>	<b>Non-Current Financial Liabilities - Others</b>		
	Deposit Received from Others	623.36	558.24
		623.36	558.24
<b>18</b>	<b>Non-Current Liabilities - Provisions</b>		
	Long Term Provision for Employee Benefits	7.61	7.60
		7.61	7.60
<b>19</b>	<b>Current Financial Liabilities - Borrowings</b>		
	<b>Secured</b>		
	Term Loans from Bank	100.00	-
	Working Capital Loans and Others (Refer Note No. 45)	274.67	346.36
		374.67	346.36
<b>20</b>	<b>Trade Payables</b>		
	Due to Micro, Small and Medium Enterprises (Refer Note No. 39)	25.71	14.28
	Due to Others	635.14	471.18
		660.85	485.46
<b>21</b>	<b>Current-Other Financial Liabilities</b>		
	Current Maturities of Long-Term Borrowings	166.25	68.75
	Current Maturities of Public Deposits	6.43	-
	Interest Accrued But Not Due on Borrowings	221.86	141.58
	Unclaimed Dividends *	0.27	0.34
	Others	-	3.83
		394.81	214.50
	*There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
<b>22</b>	<b>Current Provisions</b>		
	Short Term Provision for Employee Benefits	0.42	1.35
		0.42	1.35
<b>23</b>	<b>Other Current Liabilities</b>		
	Other Payables	81.00	4.18
		81.00	4.18

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Crore)

		Year Ended March 31, 2019	Year Ended March 31, 2018
<b>24</b>	<b>Revenue From Operations</b>		
	Sale of Products	4,012.46	3,578.28
	Less: Vat, Sales Tax, GST	189.79	152.87
	Other Operating Revenue	742.97	759.39
		<b>4,565.64</b>	<b>4,184.80</b>
<b>25</b>	<b>Other Income</b>		
	Interest Income	19.88	23.46
	Dividend on Non-Current Investments	4.52	2.47
	Excess Provisions/Liabilities Written Back	0.25	1.58
	Profit on sale of Investments	0.49	154.27
	Miscellaneous Income	1.97	2.10
		<b>27.11</b>	<b>183.88</b>
<b>26</b>	<b>Changes in Inventories of Stock-in-Trade</b>		
	<b>Opening Inventories</b>		
	Stock-in-Trade	1,079.80	866.93
	Work-in-Progress	5.96	4.24
	<b>Closing Inventories</b>		
	Stock-in-Trade	1,237.46	1,079.80
	Work-in-Progress	6.11	5.96
		<b>(157.81)</b>	<b>(214.59)</b>
<b>27</b>	<b>Employee Benefits Expense</b>		
	Salaries, Wages and Bonus	98.26	79.95
	Contribution to Provident and Other Funds	4.44	3.50
	Employee Stock Option Expense	3.62	2.49
	Staff Welfare Expenses	1.21	0.84
		<b>107.53</b>	<b>86.78</b>
<b>28</b>	<b>Finance Costs</b>		
	Interest Expense	575.33	565.46
	Other Borrowing Costs	2.59	2.95
		<b>577.92</b>	<b>568.41</b>
<b>29</b>	<b>Other Expenses</b>		
	Power and Fuel	4.22	1.63
	Repairs and Maintenance	1.15	0.44
	Insurance	3.33	3.39
	Rates and Taxes	4.13	2.79
	Rent Including Lease Rentals	18.69	15.07
	Corporate Social Responsibility Expenses	-	1.82
	Loss on Disposal/Discard of Fixed Assets (Net)	5.06	33.19
	Exchange Fluctuation (Gain)/Loss (Net)	6.28	(1.90)
	Miscellaneous Expenses	55.18	38.34
		<b>98.04</b>	<b>94.77</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 30. Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

#### (i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

#### (ii) Foreign Currency Risk

The Company is exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies.

The Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

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

	(₹ in crore)	
	2018-19	2017-18
Trade Payables	59.19	113.98
Trade Receivables	3.81	3.57

#### (iii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 533.50 crore and ₹ 488.40 crore 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.

#### (iv) Liquidity Risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

	(₹ in crore)	
	2018-19	2017-18
Borrowings	374.67	346.36
Trade Payables	660.85	485.46
Other Financial Liabilities	394.81	214.50

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (v) Financial Instruments Valuation

All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

- The fair value of quoted investment is measured at quoted price or NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

(₹ in crore)

Particulars	As At March 31 2019			As At March 31 2018		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Trade Receivables	533.50	-	-	488.40	-	-
Cash and Bank Balances	25.91	-	-	37.16	-	-
Loans	199.64	-	-	180.42	-	-
Other Financial Assets	49.93	-	-	10.82	-	-
<b>At FVTOCI</b>						
Investments	102.11	93.07	9.04	74.72	65.73	8.99
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Borrowings	6,306.47	-	-	5,662.12	-	-
Trade Payables	660.85	-	-	485.46	-	-
Other Financial Liabilities	1,018.17	-	-	772.74	-	-

The financial instruments are categorised into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

### (vi) Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. In Net debt, the Company includes interest bearing loans and borrowings, trade and other payables less cash and cash equivalents.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

	March 31, 2019	March 31, 2018
Gross Debt	6,479.15	5,730.87
Trade Payables	660.85	485.46
Other Payables	926.49	708.17
Less: Cash and Cash Equivalents	14.62	19.56
<b>Net Debt</b>	<b>8,051.87</b>	<b>6,904.94</b>
Equity	98.71	98.67
Other Equity	3,859.51	3,811.96
<b>Total Capital</b>	<b>3,958.22</b>	<b>3,910.63</b>
<b>Capital and Net Debt</b>	<b>12,010.09</b>	<b>10,815.57</b>
<b>Gearing Ratio</b>	<b>67.04%</b>	<b>63.84%</b>

In order to achieve this overall objective, the Company's capital management amongst other things aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

### 31. Employee Benefits - Gratuity

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

#### (i) Change in Present Value of Defined Benefit Obligation

(₹ in crore)

	2018-19	2017-18
Defined Benefit Obligation at the beginning	5.60	3.57
Service Cost	1.00	1.04
Interest Expense	0.41	0.24
Acquisition / Divestiture	-	0.24
Remeasurement-Actuarial (gains)/losses	(1.60)	0.80
Benefits Paid	(0.53)	(0.30)
Defined Benefit Obligation at the end	4.88	5.60

#### (ii) Change in Fair Value of Plan Assets

(₹ in crore)

	2018-19	2017-18
Fair Value of Plan Assets at the beginning	-	-
Transfer of assets	-	-
Remeasurement-Return on plan assets excluding amounts included in interest income	-	-
Contributions	-	-
Actuarial Gain/ (Loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (iii) Net Defined Benefit Liability/ (Assets)

(₹ in crore)

	2018-19	2017-18
Defined Benefit Obligation	4.88	5.60
Fair Value of Plan Assets	-	-
Surplus /(Deficit)	4.88	5.60
Effect of Assets Ceiling	-	-
Net Defined Benefit Liability/ (Assets)	4.88	5.60

### (iv) Total Expenses Recognised in the Statement of Profit and Loss Account

(₹ in crore)

	2018-19	2017-18
Current Service cost	1.00	1.04
Net interest on the net defined benefit liability/asset	0.41	0.24
Immediate recognition of (gains)/losses - other long term benefits	-	-
Total Expenses Recognised in Profit And Loss Account	1.41	1.29

### (v) Remeasurement Effects Recognised in Other Comprehensive Income (OCI)

(₹ in crore)

	2018-19	2017-18
Actuarial (gains)/losses	(1.60)	0.80
(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	(1.60)	0.80

### (vi) Total Cost Recognised in Comprehensive Income

(₹ in crore)

	2018-19	2017-18
Expenses Recognised in Profit And Loss Account	1.41	1.29
Remeasurement Effects Recognised in Other Comprehensive Income (OCI)	(1.60)	0.80
Total Cost Recognised in Comprehensive Income	(0.19)	2.08

### (vii) Reconciliation of Amounts in Balance Sheet

(₹ in crore)

	2018-19	2017-18
Defined Benefit Obligation at the beginning	5.60	3.57
Acquisitions	-	0.24
Total expenses recognised in Profit and Loss Account	1.41	1.29
Total Remeasurement included in OCI	(1.60)	0.80
Contribution Paid	-	-
Benefits Paid During the Year	(0.53)	(0.30)
Defined Benefit Obligation at the end	4.88	5.60

### (viii) Reconciliation of Amounts in Statement of Other Comprehensive Income

(₹ in crore)

	2018-19	2017-18
OCI (Income)/ Loss beginning of the Year	(0.47)	(1.26)
Total Remeasurement included in OCI	(1.60)	0.80
OCI (Income)/ Loss end of the Year	(2.07)	(0.47)



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (ix) Expected Maturity Profile of Defined benefit Obligation

	2018-19	2017-18
Year 1	0.27	0.52
Year 2	0.53	0.30
Year 3	0.36	0.37
Year 4	0.30	0.43
Year 5	0.68	0.37
Year 6 - 10	2.04	2.78

(₹ in crore)

### (x) Financial Assumptions

	2018-19	2017-18
Discount Rate	7.55%	7.70%
Expected Rate of Salary Increase	7% for first 2 Years and 5% thereafter	5.00%

### (xi) Demographic Assumptions

	2018-19	2017-18
Mortality Rate	IALM (2006-08) ultimate	IALM (2006-08) ultimate
Withdrawal Rate	Service < 5 Years : 16% Service > 5 Years : 2%	2 % to 10 %
Retirement age	58 Years	58 Years

### (xii) Sensitivity Analysis

	2018-19	2017-18
Discount Rate		
a. Discount Rate -100 basis point	5.41	6.13
b. Discount Rate +100 basis point	4.41	5.14
Salary increase Rate		
a. Rate -100 basis point	4.45	5.17
b. Rate +100 basis point	5.37	6.08

(₹ in crore)

## 32. Income Tax Expense

### (i) Reconciliation of Tax Expenses

	2018-19	2017-18
Profit Before Tax	2.24	(18.64)
Applicable tax rate	34.94%	34.61%
Computed expected tax expense	0.78	(6.45)
Effect of Non-deductible Expense	-	-
Effect of Additional deduction	(22.56)	-
Carried forward losses utilised	-	-
<b>Tax Expense charged to the Statement of Profit &amp; Loss</b>	<b>(21.78)</b>	<b>(6.45)</b>

(₹ in crore)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### (ii) Deferred Tax

	(₹ in crore)	
	2018-19	2017-18
Unused Tax Losses	187.07	234.93
Accelerated depreciation for tax purpose	(226.74)	(296.67)
Other items giving rise to temporary differences	2.81	3.10
Deferred tax asset / (liability)	(36.86)	(58.64)

### 33. Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations predominantly relate to manufacturing, trading and leasing of assets. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

		(₹ in crore)	
		2018-19	2017-18
<b>1.</b>	<b>Segment Revenue</b>		
	Manufacturing and Trading	3,822.67	3425.41
	Leasing and Other	742.97	759.39
	Revenue from Operations	4,565.64	4184.80
<b>2.</b>	<b>Segment Results</b>		
	Manufacturing and Trading	627.88	399.00
	Leasing and Other	87.15	65.53
	Total Segment Profit Before Interest and Tax	715.03	464.53
	Less :		
	Finance Costs	577.92	568.41
	Net Unallocated Income (Net)	134.87	(85.24)
	Total Profit Before Tax	2.24	(18.64)
<b>3.</b>	<b>Segment Assets</b>		
	Manufacturing and Trading	2,284.28	1,906.50
	Leasing and Other	7,225.00	6,771.89
	Unallocated	2,560.31	2,224.33
	Total Assets	12,069.59	10,902.72
<b>4.</b>	<b>Segment Liabilities</b>		
	Manufacturing and Trading	563.70	423.51
	Leasing and Other	720.51	620.19
	Unallocated	126.17	75.94
	Total Liabilities	1,410.38	1,119.64

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 34. Related Party Disclosures

Disclosure as required by Ind AS 24 "Related Party Disclosures" are given below:

(i) List of Related Parties

#### **A Subsidiary Companies**

- (i) Bluerock eServices Private Limited
- (ii) Future E-Commerce Infrastructure Limited
- (iii) Future Media (India) Limited
- (iv) Future Merchandising and Sourcing Pte. Ltd.
- (v) Future Supply Chain Solutions Limited (FSCSL) (Subsidiary of RTPL w.e.f. December 24, 2018)
- (vi) Futurebazaar India Limited
- (vii) Office Shop Private Limited (100% Subsidiary of Work Store Limited)
- (viii) Ritvika Trading Private Limited (RTPL) (w.e.f. November 19, 2018)
- (ix) Vulcan Express Private Limited (100% Subsidiary of FSCSL)
- (x) Work Store Limited

#### **B Associate Company**

- (i) Leanbox Logistics Solutions Private Limited (Associate of FSCSL)

#### **C Joint Venture Companies**

- (i) Apollo Design Apparel Parks Limited
- (ii) Future Generali India Insurance Company Limited
- (iii) Future Generali India Life Insurance Company Limited
- (iv) Goldmohur Design and Apparel Park Limited
- (v) Shendra Advisory Services Private Limited
- (vi) Sprint Advisory Services Private Limited

#### **D Enterprises over which Key Managerial Personnel are able to exercises significant influence**

- (i) Future Ideas Company Limited
- (ii) Future Retail Limited
- (iii) Future Lifestyle Fashions Limited
- (iv) Future Sharp Skills Limited
- (v) Retail Light Techniques India Limited

#### **E Entities Able to Exercise Significant Influence:**

- (i) Central Departmental Stores Private Limited
- (ii) Future Corporate Resources Private Limited (formerly known as Suhani Trading and Investment Consultants Private Limited)

#### **F Key Managerial Personnel**

- (i) Mr. Vijay Biyani
- (ii) Mr. Dinesh Maheshwari
- (iii) Mr. Deepak Tanna

#### **G Relatives of Key Managerial Personnel**

- (i) Mrs. Pravina Tanna

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2. Transaction with Related Parties

(₹ in crore)

Nature of Transaction	Subsidiaries	Associates/ Joint Ventures	Key Managerial Personnel Exercise Significant Influence	Key Managerial Personnel/ Relatives
Sale of Goods and Services	- -	- (1.05)	<b>4,213.34</b> (3,076.99)	- -
Purchases of Goods and Services	<b>23.65</b> (17.52)	<b>381.24</b> (235.11)	<b>33.23</b> (3.05)	<b>0.03</b> -
Purchases of Fixed Assets	- -	- -	- (1.38)	- -
Managerial Remuneration	- -	- -	- -	<b>6.20</b> (5.44)
Dividend Received	<b>2.05</b> -	<b>2.46</b> (2.46)	- -	- -
Investment	<b>0.01</b> (1.20)	<b>52.54</b> (115.11)	- -	- -
Outstanding Balances as on March 31, 2019				
Receivable	<b>0.10</b> (17.45)	- -	<b>110.19</b> (373.93)	- -
Payable	<b>3.17</b> (0.18)	<b>208.35</b> -	<b>132.84</b> -	- -

Note: Previous year figures are given in parenthesis.

### 3. Significant Related Party Transactions

- A Sale of Goods and Services and Fixed Assets includes Apollo Design Apparel Parks Limited ₹ Nil (2018: ₹ 0.01 crore), Future Retail Limited ₹ 3,838.14 crore (2018: ₹ 3,076.99 crore).
- B Purchases of Goods and Services includes Future Supply Chain Solutions Limited ₹ 23.56 crore (2018: ₹ 17.52 crore), Apollo Design Apparel Parks Limited ₹ 179.11 crore (2018: ₹ 97.89 crore), Goldmohur Design and Apparel Park Limited ₹ 199.23 crore (2018: ₹ 136.60 crore), Future Generali India Life Insurance Company Limited ₹ 0.24 crore (2018: ₹ 0.35 crore), Future Generali India Insurance Company Limited ₹ 2.67 crore (2018: ₹ 0.35 crore) Future Ideas Company Limited ₹ 0.18 (2018: ₹ 0.11 crore), Future Media (India) Limited ₹ Nil (2018: ₹ 0.18 crore), Future Retail Limited ₹ Nil (2018 : ₹ 4.32 crore), Galaxy Entertainment Corporation Limited ₹ Nil (2018 : 0.18 crore).
- C Managerial Remuneration includes Mr. Vijay Biyani ₹ 3.18 crore (2018: 2.68 crore), Mr. Dinesh Maheshwari ₹ 2.42 crore (2018: ₹ 2.24 crore). Key Managerial Remuneration Mr. Deepak Tanna ₹ 0.59 crore (2018: ₹ 0.52 crore).
- D Dividend Received includes Apollo Design Apparel Parks Limited ₹ 1.21 crore (2018: ₹ 1.21 crore), Goldmohur Design and Apparel Park Limited ₹ 1.25 crore (2018: ₹ 1.25 crore), Future Supply Chain Solutions Limited ₹ 2.05 crore (2018: ₹ Nil)
- E Investment includes Sprint Advisory Services Private Limited ₹ 25.76 crore (2018: ₹ 56.36 crore), Future Generali India Life Insurance Company Limited ₹ 26.78 crore (2018 : ₹ 58.75 crore), Future E-Commerce Infrastructure Limited ₹ Nil (2018 : 1.00 crore), Future Merchandising And Sourcing Pte. Limited ₹ Nil (2018 : ₹ 0.20 crore).

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 35. Joint Venture Companies Information

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2019	Percentage of Interest as on March 31, 2018
1	Apollo Design Apparel Parks Limited	Equity	India	39.00%	39.00%
2	Future Generali India Insurance Company Limited	Equity	India	25.51%	25.51%
3	Future Generali India Life Insurance Company Limited	Equity	India	7.77%	6.70%
4	Goldmohur Design and Apparel Park Limited	Equity	India	39.00%	39.00%
5	Sprint Advisory Services Private Limited	Equity	India	49.81%	49.81%
6	Shendra Advisory Services Private Limited	Equity	India	49.82%	49.82%

#### Company's Interest in the Joint Ventures

S. No.	Name of the Company	As on	Assets	Liabilities	Year ended on	Income	Expenditure
1	Apollo Design Apparel Parks Limited	March 31, 2019	50.79	5.20	March 31, 2019	85.77	80.70
2	Future Generali India Insurance Company Limited	March 31, 2019	1,407.24	1,190.47	March 31, 2019	810.19	784.19
3	Future Generali India Life Insurance Company Limited	March 31, 2019	332.55	312.77	March 31, 2019	111.06	125.75
4	Goldmohur Design and Apparel Park Limited	March 31, 2019	58.21	14.36	March 31, 2019	91.46	86.87
5	Sprint Advisory Services Private Limited	March 31, 2019	449.80	0.02	March 31, 2019	0.00	0.05
6	Shendra Advisory Services Private Limited	March 31, 2019	197.64	0.01	March 31, 2019	0.05	0.04

### 36. Earnings Per Share

Statement of Calculation of Basic and Diluted EPS is as under:

	Units	2018-19	2017-18
Profit After Tax	₹ in crore	24.02	(12.19)
The Weighted average number of Ordinary Shares for Basic EPS	No. in crore	45.42	48.13
The Weighted average number of Class B (Series 1) Shares for Basic EPS	No. in crore	3.94	3.94
The Weighted average number of Ordinary Shares for Diluted EPS	No. in crore	45.42	48.13
The Weighted average number of Class B (Series 1) Shares for Diluted EPS	No. in crore	3.94	3.94
The Nominal Value per Share (Ordinary and Class B Shares)	₹	2.00	2.00
Share of Profit for Ordinary Shares for Basic EPS	₹ in crore	21.96	(12.19)
Share of Profit for Class B (Series 1) Shares for Basic EPS	₹ in crore	2.06	-
Share of Profit for Ordinary Shares for Diluted EPS	₹ in crore	21.96	(12.19)
Share of Profit for Class B (Series 1) Shares for Diluted EPS	₹ in crore	2.06	-
Earnings Per Ordinary Share (Basic)		0.48	(0.25)
Earnings Per Class B (Series 1) Share (Basic)		0.52	(0.25)
Earnings Per Ordinary Share (Diluted)		0.48	(0.25)
Earnings Per Class B (Series 1) Share (Diluted)		0.52	(0.25)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 37. Employee Stock Option Scheme

The company had received approval of the Board and Shareholders for issuance of 1,02,74,989 Equity Shares of ₹ 2 each for offering to eligible employees of the Company under Employee Stock Option Scheme (FEL ESOP 2012 & FEL ESOP 2015). During the year the Company has granted in aggregate 47,45,000 (2018- Nil) options out of which (i) 42,45,000 Options exercisable at a price of ₹21.60 each (ii) 5,00,000 Options exercisable at a price of ₹21.90 each plus all applicable taxes, as may be levied in this regard on the Company. The options to be granted, would vest over a maximum period of 3 years or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee from the date of grant based on specified criteria.

Stock Option activity under the scheme is set out below:

	2018-19		2017-18	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	13,13,333	2	34,09,757	2
Number of options revised	-	2	-	2
Granted during the year	47,45,000	(21.60 and 21.90)	-	2
Forfeited / cancelled during the year	-	2	-	2
Exercised during the year	2,20,200	2	20,96,424	2
Expired during the year	-	-	-	-
Outstanding at the end of the year	58,38,133	2	13,13,333	2
Exercisable at the end of the year	58,38,133	2	13,13,333	2
Weighted average remaining contractual life of outstanding options (in years)	3.65		2.75	
Weighted average fair value of options granted ₹				
-On August 31, 2015 : ₹ 105.29				
-On November 07, 2016 : ₹ 15.66				
-On November 07, 2016 : ₹ 15.30				
-On December 12, 2016 : ₹ 14.31				
-On August 13, 2018 : ₹ 22.78				
-On February 05, 2019 : ₹ 23.29				

Method and Assumptions used to estimate the fair value of options granted during the previous year:

1. Date of Grant	February 05, 2019	August 13, 2018	November 07, 2016	November 07, 2016	August 31, 2015	August 31, 2015
2. Risk Free Interest Rate	7.20%	7.72%	6.57%	6.41%	7.68%	7.70%
3. Expected Life	3.65	3.65	2.75	Immediate Vesting	2.75	3.00
4. Expected Volatility	43.75%	44.03%	43.12%	47.00%	58.69%	58.78%
5. Dividend Yield	-	-	-	-	0.52%	0.52%
6. Price of the underlying share in market at the time of the option grant (₹)	38.23	37.40	16.64	17.30	115.00	115.00

### 38. Leases

The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases payable not later than one year is ₹1.92 crore (2018: ₹ 13.60 crore), payable later than one year but not later than five year is ₹1.70 crore (2018: ₹ 8.40 crore) .

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 39. Details of dues to Micro, Small And Small Enterprises Development as defined under the MSMED Act, 2006

There are no Micro, Small and Medium Enterprises, to whom the company owes dues which are outstanding for more than 45 days during the year. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

### 40. Contingent Liabilities

Claims Against the Company Not Acknowledged as Debts, in respect of Income Tax ₹ 3.10 crore (2018: ₹ 0.54 crore), Value Added Tax ₹ 1.75 crore (2018 : ₹1.75 crore), Letter of Credit ₹ 143.06 crore (2018: ₹ 123.17 crore) and Other money for which the Company is Contingently Liable, Bank Guarantees Given ₹ 10 crore, Corporate Guarantees Given ₹ 5,752.00 crore (2018: ₹ 5,753.26 crore).

There are various labour, legal metrology, food adulteration and cases under other miscellaneous acts pending against the Company, the liability of which cannot be ascertained. However, management does not expect significant or material liabilities devolving on the Company.

41. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of M/s. Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni has filed a review petition with hon'ble Supreme Court which is pending for disposal Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

### 42. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 87.21 crore (2018: ₹ 95.89 crore).

43. The borrowing cost capitalised during the year ended March 31, 2019 was ₹ 56.47 crore (2018 : ₹46.53 crore).

### 44. Payment to the Auditor

	(₹ in crore)	
	2018-19	2017-18
Statutory Audit Fees	0.28	0.28
Certification & Consultation Fees	0.04	0.02
<b>Total</b>	<b>0.32</b>	<b>0.30</b>

### 45. Expenditure on Corporate Social Responsibilities

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend ₹ Nil till FY 2018-19 on Corporate Social Responsibility (CSR) activities. Against it, the Company has during the year under review spent an amount of ₹ Nil towards CSR activities. In respect of CSR spending for the year under review, there are no amounts outstanding to be paid.

### 46. Security clause in respect to Secured Borrowings

#### (i) Non-Convertible Debentures

- ₹ 200.00 crore (2018: ₹ 200.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.25% per annum and are redeemable as per terms of issuance in FY 2020-21.
- ₹ Nil (2018 : ₹ 500.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.10% per annum.
- ₹ Nil (2018: ₹ 365.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.10% per annum.
- ₹ 35.00 crore (2018: ₹ 35.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.25% per annum and are redeemable as per terms of issuance in two installment as ₹ 14.00 crore in FY 2020-21 and ₹ 21.00 crore in FY 2021-22.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- e) ₹ 300.00 crore (2018: ₹ 400.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.25% per annum and are redeemable as per terms of issuance in two installments as ₹ 120.00 crore in FY 2020-21 and ₹ 180.00 crore in FY 2021-22.
- f) ₹ 450.00 crore (2018: ₹ 750.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.10% per annum and are redeemable fully as per terms of issuance in FY 2021-22.
- g) ₹ 197.50 crore (2018: ₹ 197.50 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.25% per annum and are redeemable as per terms of issuance in two installments as ₹ 104.00 crore in FY 2021-22 and ₹ 93.50 crore in FY 2022-23.
- h) ₹ 51.00 crore (2018: ₹ 51.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.75% per annum and are redeemable fully as per terms of issuance in FY 2021-22.
- i) ₹ 84.00 crore (2018: ₹ 84.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.80% per annum and are redeemable as per terms of issuance fully in FY 2023-24.
- j) ₹ 27.00 crore (2018: ₹ 27.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.50% per annum and are redeemable fully as per terms of issuance in FY 2021-22.
- k) ₹ 18.00 crore (2018: ₹ 18.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.55% per annum and are redeemable as per terms of issuance fully in FY 2023-24.
- l) ₹ 949.00 crore (2018: ₹ 949.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.60% per annum and are redeemable as per terms of issuance in two installments as ₹ 379.60 crore in FY 2021-22 and ₹ 569.40 crore in FY 2022-23.
- m) ₹ 94.00 crore (2018: ₹ 94.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.28% per annum and are redeemable as per terms of issuance fully in FY 2024-25.
- n) ₹ 26.00 crore (2018: ₹ 26.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.17% per annum and are redeemable as per terms of issuance fully in FY 2022-23.
- o) ₹ 88.00 crore (2018: ₹ 88.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 8.80% per annum and are redeemable as per terms of issuance fully in FY 2022-23.
- p) ₹ 162.00 crore (2018: ₹ 162.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 8.91% per annum and are redeemable as per terms of issuance fully in FY 2024-25.
- q) ₹ 150.00 crore (2018: ₹ 150.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.25% per annum and are redeemable as per terms of issuance in two installments as ₹ 60.00 crore in FY 2022-23 and ₹ 90.00 crore in FY 2023-24.
- r) ₹ 20.00 crore (2018: ₹ 20.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.40% per annum and are redeemable as per terms of issuance fully in FY 2022-23.
- s) ₹ 84.00 crore (2018: ₹ 84.00 crore) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.50% per annum and are redeemable as per terms of issuance fully in FY 2024-25.
- t) ₹ 150.00 crore (2018: ₹ 150.00 crore) are secured by Personal Guarantee of Promoters and Corporate Guarantee of Promoter Entity, carries coupon rate of 9.25% per annum and are redeemable as per terms of issuance in three installments as ₹ 45.00 crore in FY 2021-22, ₹ 45.00 crore in FY 2022-23 and ₹ 60.00 crore in FY 2023-24.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- u) ₹ 300.00 crore (2018: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 9.75% per annum and are redeemable as per terms of issuance in two installments as ₹ 120.00 crore in FY 2023-24 and ₹ 180.00 crore in FY 2024-25.
- v) ₹ 500.00 crore (2018: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.00% per annum and are redeemable as per terms of issuance fully in FY 2024-25.
- w) ₹ 300.00 crore (2018: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.15% per annum and are redeemable as per terms of issuance in two installments as ₹ 120.00 crore in FY 2023-24 and ₹ 180.00 crore in FY 2024-25.
- x) ₹ 500.00 crore (2018: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.50% per annum and are redeemable as per terms of issuance fully in FY 2021-22.
- y) ₹ 250.00 crore (2018: ₹ Nil) are secured by First Pari-Passu charge on Company's specific immovable properties and movable fixed assets, carries coupon rate of 10.60% per annum and are redeemable as per terms of issuance fully in FY 2024-25.
- z) NCD from Banks and Financial Institution of ₹ 1,310.00 crore are secured by Corporate Guarantee of Future Retail Limited.

### (ii) Term Loan from Banks

- a) ₹ 222.46 crore (2018 : ₹ 266.67 crore) are secured by First Pari-Passu charge on entire Fixed Assets of the company (present & future) except assets exclusively charged to other lenders.
- b) ₹ 336.22 crore (2018 : ₹ 347.47 crore) are secured by First Pari-Passu charge on tangible fixed assets (movable and immovable) present and future, of the company (excluding specific immovable properties).
- c) ₹ 486.94 crore (2018: ₹ 451.34 crore) are secured by First Pari-Passu charge on entire Fixed Assets of the company (present & future) excluding specific immovable properties.
- d) ₹ 99.96 crore (2018: ₹ Nil) are secured by First Pari-Passu charge on Tangible Fixed Assets (movable and immovable) present and future, of the company (excluding specific immovable properties). Lease rental receipts backed by guarantee from Future Retail Limited towards their lease obligation to pay Lease Rental to the company.

### (iii) Working Capital Loans from Banks

₹ 274.67 crore (2018 : ₹ 96.36 crore) are secured by (a) First Pari-Passu Charge on Current Assets (present and future) of the company (b) Second Pari-Passu Charge on the Tangible Fixed Assets (present and future) of the company (excluding specific immovable properties) and (c) Corporate Guarantee of Future Retail Limited (d) First Pari-Passu Charge on all piece and parcel of lease land situated in G-6 MIDC Industrial Area, Tarapur.

### (iv) Short Term Loan

₹ 100.00 crore (2018: ₹ Nil) are secured by Residual Charge on Tangible movable Fixed Assets and Current Assets, both present and future of the company.

- (v) Term Loans from Banks and other of ₹ 809.40 crore are secured by personal guarantee of promoter directors.
- (vi) Term Loans from Banks and Other of ₹ 1045.63 crore are secured by Corporate Guarantee of Future Retail Limited.
- (vii) Term Loans from Banks are repayable as follows: ₹ 166.25 crore in FY 2019-20, ₹ 241.25 crore in FY 2020-21, ₹ 287.46 crore in FY 2021-22, ₹ 274.97 crore in FY 2022-23, ₹ 138.19 crore in FY 2023-24, ₹ 30.00 crore in FY 2024-25 and ₹ 7.46 crore in FY 2025-26.
- (viii) Installments falling due in respect of all the above Loans (Term Loan & NCDs) upto 31.03.2020 aggregating ₹ 166.25 crore have been grouped under Current Maturities of Long-Term Borrowings.
- (ix) Weighted average rate of interest on the Term Loans is 10.34 % p.a. (2018: 10.61% p.a.)
- (x) Weighted average rate of interest on the Working Capital Loans from Banks is 10.22 % p.a.
- (xi) Unsecured Public Deposit issued of ₹ 44.30 crore. No. of Public Deposit issued 3,832 and deposit falling due upto March 31, 2020 aggregating to ₹ 6.43 crore

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

47. Pursuant to the Composite Scheme of Arrangement between the Future Enterprise Limited (the Company) and Bharti Retail Limited (now known as Future Retail Limited (FRL)) and their respective Shareholders and Creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 2013 (the Scheme), the Shareholders and OCD holders of Bharti Group have agreed to share with the respective companies (i.e. The company and FRL) an upside on the realization out of the shares of the two companies, subject to certain broad terms and conditions. Further, the said transaction has been partially completed and amount received under this arrangement is shown a part of other Current liabilities.

### 48. Particulars of Loans, Guarantee and Investment under Section 186(4) of the Companies Act, 2013

(₹ in crore)

S No.	Name	Purpose of Loan	Amount as at March 31, 2019 (Including Interest Accrued)	Maximum outstanding during the year	Amount as at March 31, 2018 (Including Interest Accrued)	Maximum outstanding during the Previous year
<b>A</b>	<b>Corporate Guarantee Given</b>					
I	Galaxy Cloud Kitchens Limited (Formerly Known as Galaxy Entertainment Corporation Limited)- For Axis Bank Limited	To secure credit facilities	2.00	Not Applicable	3.26	Not Applicable
II	Future Retail Limited for various borrowing facilities.	To secure credit facilities	5,750.00	Not Applicable	5,750.00	Not Applicable

### 49. Details of Miscellaneous Expenses

(₹ in crore)

	2018-19	2017-18
Professional and Legal Fees	6.58	10.92
Travelling and Conveyance Expenses	7.46	7.13
Bank Charges	5.37	4.71
Labour Charges	3.36	0.12
Other Expenses	32.41	15.46
<b>Total</b>	<b>55.18</b>	<b>38.34</b>

As per our report of even date attached

#### For DMKH & CO.

Chartered Accountants  
FRN 116886W

#### Durgesh Kumar Kabra

Partner  
Membership No.: 044075

#### Mumbai

May 27, 2019

For and on behalf of Board of Directors

#### V. K. Chopra

Chairman & Director

#### Bala Deshpande

Director

#### Deepak Tanna

Company Secretary

#### Vijay Biyani

Managing Director

#### Anil Harish

Director  
(Goa)

#### Haresh Chawla

Director

#### Dinesh Maheshwari

Executive Director &  
Chief Financial Officer

# INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
**FUTURE ENTERPRISES LIMITED**

## Report on the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of Future Enterprises Limited ("the Company"), its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), associates and Jointly Controlled Entities, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other comprehensive income), the Consolidated statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates and Jointly Controlled Entities as at March 31, 2019, and consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and Jointly Controlled Entities, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

The Key Audit Matter	How the matter was addressed in our Audit
<p>Valuation of Inventory Refer note no. 7 to the accompanying Consolidated Financial Statements We identified this matter as key in our audit due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory.</p>	<p>Our Procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"><li>• Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process.</li><li>• Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard.</li><li>• Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system.</li><li>• Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory.</li><li>• Verification of the determination of net realizable value on a representative sample basis</li></ul>

The Key Audit Matter	How the matter was addressed in our Audit
<p>Accounting for Lease Rental Income</p> <p>Lease rental income amounted to Rs. 742.97 Crore for the year ended 31 March 2019, Generally lease revenue is recognised net of discount, in accordance with the terms of lease contracts over the lease term on a straight line basis using a standard IT system. Also there are few lease arrangements where revenue recognition is not subject to straight line basis depending on the nature of the lease arrangements and performance of the lease. There is an inherent risk around the accuracy of the revenue recorded given the complexity of the IT system and impact of the terms of lease agreements to the revenue recognition.</p>	<p>Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards.</p> <p>We performed test of controls, assisted by our IT specialists, over revenue recognition with specific focus on whether lease income is recorded over the lease term on a straight line basis or other applicable basis as per the terms of the lease contract. We performed tests of details, on a sample basis, to review the case contracts entered into with the customers to assess whether lease income recorded is as per the contract terms and also to identify any non-standard lease clauses and to assess the appropriateness of the rental income accounting. We assessed the completeness of lease rental income recorded during the year through matching the data used in the revenue recognition to the approved lease agreements with the customers. We also performed detailed substantive analytical procedures of case rental income and the timing of its recognition.</p>

### Information Other than the Consolidated 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate

Governance and Shareholders Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

### Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Jointly Controlled Entities and an Associate Company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group and of its Jointly Controlled Entities and an Associate Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Jointly Controlled Entities and Associate Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group and of its Jointly Controlled Entities and an Associate Company are 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its Jointly Controlled Entities and an Associate Company are also responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibility for the audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risk of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are incorporated in India and abroad, has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements.

Materiality is the magnitude of misstatement in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the 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 may have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### **Other Matters**

We did not audit the Financial Statements of the ten subsidiaries whose Financial Statements reflect total assets of Rs. 1242.98 Crore as at March 31, 2019, total revenues of Rs. 1531.86 Crore for the year ended on that date as considered in the Consolidated Financial Statements. These Financial Statements and the other financial information have been audited by other auditors whose report has been furnished to us by the Management, and our opinion on the consolidated results to the extent they have been derived from such Financial Statements is based solely on the other auditor's report.

The Consolidated Financial Statements also includes the Group's share of profit after tax of 14.47 Crore for the year

ended March 31, 2019, as considered in the Consolidated Financial Statements, in respect of Jointly Controlled Entities, whose financial statement have not been audited by us. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and other disclosures included in respect of these subsidiaries and associate, and our reporting terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the auditors.

We have relied on the unaudited Financial Statements of two Jointly Controlled Entities whose Financial Statements reflect the Group's share of profit of 6.12 Crore for the year ended on that date. These unaudited Financial Statements are approved by the respective Board of Directors of these Companies and have been furnished to us by the management and our report in so far as it relates to amounts included in respect of this Jointly Controlled Entities are based solely on such approved unaudited Financial Statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the IND AS specified under Section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the

statutory auditors of its Subsidiary Companies and Jointly Controlled Entities and associates Companies incorporated in India, None of the Directors of these entities 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditors' reports of the subsidiary companies, associate companies and jointly controlled companies. Our report expresses and unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

In our opinion and to 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its Jointly Controlled Entities and an Associate Company – Refer Note 43 to the Consolidated Financial Statements.
- ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts in case of Subsidiary Companies, Jointly Controlled Entities and Associate Companies which were required to be transferred to Investor Education and Protection Fund.

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

**Durgesh Kumar Kabra**

Partner

Membership No. 044075

Place : Mumbai  
Date : May 27, 2019

## Annexure – A to the Independent Auditors' Report

### Report on the Internal Financial Controls Over Financial Reporting under Clause (I) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the Consolidated Financial Statement of Future Enterprises Limited ("The Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") its associates and jointly control entities as at and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of the Holding Company and its Subsidiary Companies, its jointly control entities and associates incorporated in India, as at that date.

### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company and its Subsidiary Companies, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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.

### Auditor's 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") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required 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 risk of material misstatement of the Consolidated Financial Statement, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company, its subsidiaries, associates and jointly controlled entities internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statement for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

### Inherent Limitation of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility

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

### Opinion

In our opinion, the Company and its Subsidiary Companies, which are Companies incorporated in India and abroad have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial reporting were operating effectively as at March 31, 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 Accountant of India (ICAI).

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Financial Statements of 10 Subsidiary Companies, 6 Joint Ventures entities and 1 Associates are based on the corresponding reports of the auditors of such Companies.

**For DMKH & CO.**

Chartered Accountants

FRN: 116886W

**Durgesh Kumar Kabra**

Partner

Membership No. 044075

Place : Mumbai

Date : May 27, 2019



# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

	Note No.	As At March 31, 2019	(₹ in crore) As At March 31, 2018
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
Property, Plant and Equipment	2	7,206.24	6,756.15
Capital Work-in-Progress	2	597.48	585.20
Intangible Assets	2	216.89	2.72
Financial Assets			
Investments	3	956.69	855.90
Loans	4	178.05	205.97
Other Financial Assets	5	56.08	0.39
Other Non-Current Assets	6	528.86	231.32
<b>Total Non-Current Assets</b>		<b>9,740.29</b>	<b>8,637.65</b>
<b>2. Current Assets</b>			
Inventories	7	1,261.77	1,097.30
Financial Assets			
Investments	8	0.01	9.55
Trade Receivables	9	896.15	777.21
Cash and Cash Equivalents	10	141.41	102.29
Bank Balances Other than The Above	11	26.05	30.16
Loans	12	52.02	19.45
Other Financial Assets	13	57.44	23.27
Other Current Assets	14	907.50	759.72
<b>Total Current Assets</b>		<b>3,342.35</b>	<b>2,818.95</b>
<b>Total Assets</b>		<b>13,082.64</b>	<b>11,456.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	98.71	98.67
Instruments Entirely Equity In Nature	16	15.40	15.40
Other Equity	17	4,173.32	3,936.57
<b>Total Equity</b>		<b>4,287.43</b>	<b>4,050.64</b>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	18	6,152.64	5,340.87
Other Financial Liabilities	19	624.26	559.94
Provisions	20	12.94	12.56
Deferred Tax Liabilities (Net)		36.86	74.17
<b>Total Non-Current Liabilities</b>		<b>6,826.70</b>	<b>5,987.54</b>
<b>2. Current Liabilities</b>			
Financial Liabilities			
Borrowings	21	392.10	354.56
Trade Payables	22		
Due to Micro, Small and Medium Enterprises		27.38	14.28
Due to Others		958.35	741.36
Other Financial Liabilities	23	460.51	276.48
Provisions	24	8.05	1.65
Other Current Liabilities	25	122.11	27.41
Current Tax Liabilities (Net)		-	2.68
<b>Total Current Liabilities</b>		<b>1,968.51</b>	<b>1,418.42</b>
<b>Total Equity and Liabilities</b>		<b>13,082.64</b>	<b>11,456.60</b>
The accompanying notes are an integral part of the financial statements.	1-47		

As per our report of even date attached

For and on behalf of Board of Directors

**For DMKH & CO.**

Chartered Accountants  
FRN 116886W

**Durgesh Kumar Kabra**

Partner  
Membership No.: 044075

**Mumbai**

May 27, 2019

**V. K. Chopra**

Chairman & Director

**Bala Despande**

Director

**Deepak Tanna**

Company Secretary

**Vijay Biyani**

Managing Director

**Anil Harish**

Director  
(Goa)

**Haresh Chawla**

Director

**Dinesh Maheshwari**

Executive Director &  
Chief Financial Officer

# STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>INCOME</b>			
Revenue From Operations	26	5,983.14	5,103.09
Other Income	27	81.82	183.23
<b>Total Income</b>		<b>6,064.96</b>	<b>5,286.32</b>
<b>EXPENSES</b>			
Cost of Materials and Services Consumed	28	961.30	556.95
Purchase of Stock-In-Trade	29	3,289.14	3,226.95
Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	30	(158.69)	(215.73)
Employee Benefits Expense	31	234.13	179.58
Finance Costs	32	597.62	577.79
Depreciation and Amortization Expense	2	815.58	725.21
Other Expenses	33	192.85	180.30
<b>Total Expenses</b>		<b>5,931.93</b>	<b>5,231.05</b>
<b>Profit Before Share of Profit From Associate and Joint Ventures</b>		<b>133.03</b>	<b>55.27</b>
Share of Profit From Associate and Joint Ventures		20.63	9.36
<b>Profit Before Tax</b>		<b>153.66</b>	<b>64.63</b>
<b>Tax Expense</b>			
(1) Current Tax		-	25.91
(2) Deferred Tax		(21.78)	(1.02)
<b>Profit For The Year</b>		<b>175.44</b>	<b>39.74</b>
<b>Attributable To :</b>			
Equity Holders of The Parent		144.96	6.90
Non-Controlling Interest		30.48	32.84
<b>Other Comprehensive Income For The Year</b>			
Other Comprehensive Income	34	13.26	21.20
Share of OCI from Associate and Joint Ventures		0.64	(6.78)
<b>Total Other Comprehensive Income For The Year</b>		<b>13.90</b>	<b>14.42</b>
<b>Attributable To :</b>			
Equity Holders of The Parent		13.90	14.40
Non-Controlling Interest		-	0.02
<b>Total Comprehensive Income For The Year</b>		<b>189.34</b>	<b>54.16</b>
<b>Earnings Per Equity Share of Face Value of ₹ 2/- each</b>	40		
Basic - Equity Share		2.93	0.13
Basic - Class B (Series 1) Share		2.97	0.17
Diluted - Equity Share		2.93	0.13
Diluted - Class B (Series 1) Share		2.97	0.17
The accompanying notes are an integral part of the financial statements.	1-47		

As per our report of even date attached

**For DMKH & CO.**

Chartered Accountants  
FRN 116886W

**Durgesh Kumar Kabra**

Partner  
Membership No.: 044075

**Mumbai**

May 27, 2019

For and on behalf of Board of Directors

**V. K. Chopra**

Chairman & Director

**Bala Despande**

Director

**Deepak Tanna**

Company Secretary

**Vijay Biyani**

Managing Director

**Anil Harish**

Director  
(Goa)

**Haresh Chawla**

Director

**Dinesh Maheshwari**

Executive Director &  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	As At March 31, 2019	As At March 31, 2018
<b>(A) EQUITY SHARE CAPITAL</b>		
<b>Opening Balance</b>	<b>98.67</b>	94.57
Change During The Year		
Issue of Equity Shares Under Employee Stock Option Scheme	<b>0.04</b>	0.42
Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	-	3.69
<b>Closing Balance</b>	<b>98.71</b>	98.67
<b>(B) INSTRUMENTS ENTIRELY EQUITY IN NATURE</b>		
<b>Preference Share Capital</b>		
<b>Opening Balance</b>	<b>15.40</b>	23.53
Change During The Year		
Purchase (Redemption) of Preference Shares	-	(8.13)
<b>Closing Balance</b>	<b>15.40</b>	15.40
<b>OTHER EQUITY</b>		
<b>Retained Earnings</b>		
<b>Opening Balance</b>	<b>336.00</b>	286.13
Profit For The Year	<b>144.96</b>	6.90
Adjustment on Account of Subsidiary	<b>(59.70)</b>	38.92
Adjustment on Account of Associate/Joint Venture	-	1.22
Dividend on Equity Shares	<b>(2.78)</b>	(9.61)
Transferred to Debenture Redemption Reserve	<b>(49.02)</b>	-
Tax on Dividend	-	(1.96)
Other Comprehensive Income/(Loss) For The Year	<b>13.90</b>	14.40
<b>Closing Balance</b>	<b>383.36</b>	336.00
<b>Capital Reserve</b>		
<b>Opening Balance</b>	<b>0.00</b>	0.00
Adjustment / Restatement on Account of Subsidiary	<b>17.14</b>	0.00
<b>Closing Balance</b>	<b>17.14</b>	0.00
<b>Securities Premium</b>		
<b>Opening Balance</b>	<b>2,987.02</b>	2,891.63
Change During The Year		
Issue of Equity Shares	<b>0.34</b>	3.28
Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	-	92.11
<b>Closing Balance</b>	<b>2,987.36</b>	2,987.02

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	As At March 31, 2019	As At March 31, 2018
<b>Share Options Outstanding Account</b>		
<b>Opening Balance</b>	3.79	2.79
Change During The Year		
Expense on Employee Stock Option Scheme	7.34	4.28
Exercise of Stock Options	(0.34)	(3.27)
Less : Transfer to Securities Premium on Exercise of ESOP	(0.76)	-
<b>Closing Balance</b>	<b>10.03</b>	<b>3.79</b>
<b>Equity Component of Optionally Convertible Debentures</b>		
<b>Opening Balance</b>	-	1.27
Change During The Year		
Conversion of Optionally Convertible Debentures (Equity Component)	-	(1.27)
<b>Closing Balance</b>	-	-
<b>Capital Reserve on Consolidation</b>		
	<b>41.40</b>	<b>8.06</b>
<b>Non - Controlling Interest</b>		
<b>Opening Balance</b>	202.53	124.36
Change During The Year	75.99	78.17
<b>Closing Balance</b>	<b>278.52</b>	<b>202.53</b>
<b>Debenture Redemption Reserve</b>		
<b>Opening Balance</b>	268.13	268.13
Add : Transfer From Profit & Loss Account	49.02	-
<b>Closing Balance</b>	<b>317.15</b>	<b>268.13</b>
<b>Promoter Equity Contribution</b>		
<b>Opening Balance</b>	20.21	13.68
Change During The Year		
Personal Guarantees By Promoters	7.34	6.53
<b>Closing Balance</b>	<b>27.55</b>	<b>20.21</b>
<b>General Reserve</b>		
<b>Opening Balance</b>	110.82	110.82
Transfer During The Year	-	-
<b>Closing Balance</b>	<b>110.82</b>	<b>110.82</b>
<b>TOTAL OTHER EQUITY</b>	<b>4,173.32</b>	<b>3,936.57</b>

As per our report of even date attached

**For DMKH & CO.**

Chartered Accountants  
FRN 116886W

**Durgesh Kumar Kabra**

Partner  
Membership No.: 044075

**Mumbai**

May 27, 2019

For and on behalf of Board of Directors

**V. K. Chopra**

Chairman & Director

**Bala Despande**

Director

**Deepak Tanna**

Company Secretary

**Vijay Biyani**

Managing Director

**Anil Harish**

Director  
(Goa)

**Haresh Chawla**

Director

**Dinesh Maheshwari**

Executive Director &  
Chief Financial Officer

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in Crore)

		Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax	133.03	55.27
	<b>Adjusted for :</b>		
	Depreciation and Amortization Expense	815.58	725.21
	Expense on Employee Stock Option Scheme	7.34	4.28
	Finance Costs	597.62	577.79
	Dividend Income	(0.00)	(0.00)
	(Profit) on Sale of Investments	(48.87)	(145.36)
	Loss on Disposal/Discard of Fixed Assets (Net)	5.13	29.80
	Interest Income	(25.97)	(29.67)
	Allowances For Bad and Doubtful Debts	3.75	2.25
		<b>1,354.58</b>	1,164.30
		<b>1,487.61</b>	1,219.57
	<b>Operating Profit Before Working Capital Changes</b>		
	<b>Adjusted for :</b>		
	Trade and Other Receivables	(122.69)	(176.09)
	Inventories	(164.47)	(214.45)
	Other Financial Assets and Other Assets	(463.26)	146.40
	Trade and Other Payables	230.09	113.86
	Other Financial Liabilities, Other Liabilities and Provisions	244.45	(51.01)
		<b>(275.86)</b>	(181.30)
	<b>Cash Generated From Operations</b>	<b>1,211.75</b>	1,038.28
	Share in Profit/(Loss) of Joint Ventures and Associate Company	30.48	(32.84)
	Share in Minority Interest	75.99	78.17
	Adjustment on Account of Associate/Joint Venture Include in Consolidation	-	1.22
	Adjustment on Account of Subsidiary Include in Consolidation	(59.70)	38.92
	Taxes Paid	72.71	(10.17)
	<b>Net Cash Flow From Operating Activities</b>	<b>1,124.85</b>	1,113.58
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant and Equipment	(1,497.25)	(1,661.23)
	Sale of Investments	40.35	442.88
	Interest Received	25.97	29.67
	<b>Net Cash Used In Investing Activities</b>	<b>(1,430.92)</b>	(1,188.68)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in Crore)

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Borrowings	<b>938.97</b>	589.74
Proceeds From Issue of Share Capital	<b>6.62</b>	101.49
Redemption of Preference Shares	-	(8.12)
Dividend Paid (Including Dividend Distribution Tax)	<b>(2.78)</b>	(11.57)
Interest Paid	<b>(597.62)</b>	(577.79)
<b>Net Cash From Financing Activities</b>	<b>345.19</b>	93.75
<b>Net Increase /(Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>39.12</b>	18.65
Net Increase /(Decrease) In Cash And Cash Equivalents	<b>39.12</b>	18.65
Cash and Cash Equivalents At Beginning of The Year	<b>102.29</b>	83.64
<b>Cash and Cash Equivalents At End of The Year</b>	<b>141.41</b>	102.29

As per our report of even date attached

**For DMKH & CO.**  
Chartered Accountants  
FRN 116886W  
**Durgesh Kumar Kabra**  
Partner  
Membership No.: 044075  
**Mumbai**  
May 27, 2019

For and on behalf of Board of Directors

<b>V. K. Chopra</b> Chairman & Director	<b>Vijay Biyani</b> Managing Director	<b>Haresh Chawla</b> Director
<b>Bala Despande</b> Director	<b>Anil Harish</b> Director (Goa)	<b>Dinesh Maheshwari</b> Executive Director & Chief Financial Officer
<b>Deepak Tanna</b> Company Secretary		

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. Company Overview And Significant Accounting Policies

### 1.1 Overview

Future Enterprises Limited ('the company or parent') is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956 on October 12, 1987. The Company, its Subsidiaries, Joint Ventures and Associate collectively refer to as a 'Group'.

The Group engaged in the business of manufacturing, trading, leasing of assets, logistics services and joint ventures with Life and Non Life Insurance services.

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 27, 2019.

### 1.2 Basis of Preparation and Presentation

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

### 1.3 Basis of Consolidation

The Group consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Group, it controlled its subsidiaries, associates and joint venture.

Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-Group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

Associates are entities over which the Group has significant influence but not control. Investments in associates and joint ventures are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates and joint ventures includes goodwill identified on acquisition.

### 1.4 Use of Estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

### 1.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

An item of property, plant and equipment and any significant part initially recognised is 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 or Loss when the asset is derecognised.

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building	: 30 years
Plant and Equipment	: 15 years
Office Equipment*	: 3 to 6 years
Furniture And Fixture	: 10 years
Electrical Installation and Equipment	: 10 years
Vehicles	: 10 years
Leasehold Improvement*	: Lease term or 15 Years, whichever is lower

\*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

### 1.6 Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets acquired in a business combination is recorded at fair value on the date of acquisition. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life not exceeding ten years and assessed for impairment whenever there is an indication that the Intangible assets may be impaired. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

An item of Intangible Asset is 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 or Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 1.7 Goodwill

Goodwill on acquisition of Subsidiaries and Joint Ventures is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

### 1.8 Impairment of Assets

#### (i) Financial Assets

The Group recognizes loss allowances using the expected credit losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in such case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

### (ii) Non-Financial Assets

#### (a) Intangible Assets and Property, Plant and Equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be 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 amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

## 1.9 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

## 1.10 Financial instruments

### (i) Initial Recognition and Measurement

The Group recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised on the trade date.

### (ii) Subsequent Measurement

#### a) Non-Derivative Financial Instruments

##### (i) Financial Assets Carried At Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (ii) Financial Assets At Fair Value Through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

##### (iii) Investments in Associates and Joint Venture

Investments in Associates and Joint Venture are carried at cost.

##### (iv) Financial Assets at Fair Value Through Profit or Loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (v) Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration 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) Derivative Financial Instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

#### (i) Financial Assets or Liabilities, at Fair Value Through Profit or Loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ liabilities if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

#### (ii) Derecognition of Financial Instruments

The Group derecognises a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

### 1.11 Current Versus Non-Current Classification

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 1.12 Measurement of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Input for the asset or liability that are not based on observable market data (unobservable inputs).

### 1.13 Inventories

Inventories are valued at lower of cost or net realizable value. Inventories of traded goods are valued at lower of cost or net realizable value. Finished Goods and Work-in-Progress include cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed on weighted average basis.

### 1.14 Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the period in which the related service is rendered.

Post-employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognised in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the statement of profit and loss.

### 1.15 Share-Based Payment

The Group recognizes compensation expense relating to share-based payments in statement of profit and loss, using fair-value. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

### 1.16 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

### 1.17 Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

### 1.18 Revenue recognition

Revenue is recognised on a fair value basis to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Sale of goods

Revenue from sale of goods is recognised, when significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It also includes excise duty and excludes value added tax and Goods and Service Tax(GST). It is measured at fair value of consideration received or receivable, net of returns and allowances.

(ii) Revenue from Sale of Services

Revenue from Sale of services are recognised as they are rendered based on arrangements with the customers.

(iii) Lease Income

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight - line basis as per the terms of the agreements in the statement of profit or loss.

(iv) Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(v) Dividend Income

Dividend income is recognised when the Group's right to receive the payment is established.

### 1.19 Foreign Currency Transactions

(i) Functional Currency

Consolidated financial statements of the Group's are presented in Indian Rupees (₹), which is also the functional currency.

(ii) Transactions and Translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gain and losses are presented in the statement of profit and loss on net basis within other gains/ (losses).

### 1.20 Leases

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### 1.21 Taxes on Income

Income tax comprises current and deferred income tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent there is reasonable certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### 1.22 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

### 1.23 Borrowing Costs

Borrowing costs, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as part of the cost of the respective asset. All other borrowing costs are charged in the period, in which they occur in the statement of profit and loss.

### 1.24 Application of new and revised standards

#### Ind AS 116- Leases:

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in IND AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2 Property, Plant And Equipment

(₹ in crore)

Tangible Assets	Freehold Land	Leasehold Land	Leasehold Improvement	Building	Plant and Machinery	Computer	Office Equipment	Furniture and Fixtures	Vehicle	Total	Capital Work-in-Progress
<b>Cost :</b>											
<b>As At April 1st, 2018</b>	4.83	28.87	1,864.75	7.53	1,506.98	32.27	311.85	4,929.36	10.06	8,696.50	585.20
Additions	-	0.49	250.56	-	193.76	37.59	43.50	756.13	0.18	1,282.21	-
Disposals / Transfers		0.30	6.28	-	0.26	0.35	4.46	9.01	1.31	21.97	-
Less : Asset Held For Sale											
<b>As At March 31, 2019</b>	<b>4.83</b>	<b>29.06</b>	<b>2,109.03</b>	<b>7.53</b>	<b>1,700.48</b>	<b>69.51</b>	<b>350.90</b>	<b>5,676.48</b>	<b>8.93</b>	<b>9,956.75</b>	<b>585.20</b>
<b>Accumulated Depreciation :</b>											
<b>As At April 1st, 2018</b>	-	11.89	246.41	0.48	241.74	15.64	155.98	1,263.82	4.49	1,940.44	-
Depreciation Charged For The Year		8.66	117.89	0.20	105.47	6.73	45.84	526.10	1.52	812.42	-
Disposals / Transfers		0.16	0.78		0.09	0.33	0.09	0.32	0.58	2.36	-
<b>As At March 31, 2019</b>	<b>-</b>	<b>20.39</b>	<b>363.52</b>	<b>0.68</b>	<b>347.12</b>	<b>22.04</b>	<b>201.73</b>	<b>1,789.60</b>	<b>5.42</b>	<b>2,750.50</b>	<b>-</b>
<b>Net Book Value</b>											
<b>As At March 31, 2019</b>	<b>4.83</b>	<b>8.66</b>	<b>1,745.51</b>	<b>6.85</b>	<b>1,353.36</b>	<b>47.47</b>	<b>149.17</b>	<b>3,886.88</b>	<b>3.51</b>	<b>7,206.25</b>	<b>597.48</b>
As At March 31, 2018	4.83	16.98	1,618.34	7.05	1,265.24	16.63	155.88	3,665.54	5.58	6,756.07	585.20

### Other Intangible Assets

	Computer Software	Brands / Trademarks	Total	Intangible Assets under Development
<b>Cost</b>				
<b>As At April 1st, 2018</b>	9.54	0.29	9.83	
Additions	0.89	216.44	217.33	-
Disposals / Transfers	-	-	-	-
<b>As At March 31, 2019</b>	<b>10.43</b>	<b>216.73</b>	<b>227.16</b>	<b>-</b>
<b>Accumulated Amortisation</b>				
<b>As At April 1st, 2019</b>	6.87	0.24	7.11	-
Amortisation Charged For The Year	1.02	2.14	3.16	-
Disposals / Transfers				
<b>As At March 31, 2019</b>	<b>7.89</b>	<b>2.38</b>	<b>10.27</b>	<b>-</b>
<b>Net Book Value</b>				
<b>As At March 31, 2019</b>	<b>2.54</b>	<b>214.35</b>	<b>216.89</b>	<b>-</b>
As At March 31, 2018	2.67	0.05	2.72	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 Non-Current Financial Assets-Investments

(₹ in crore)

	As At March 31, 2019	As At March 31, 2018
<b>Quoted Investments</b>		
<b>Investment in Equity Instruments</b>		
<b>Others</b>		
100 (15,00,00,000) Equity Shares of Future Consumer Limited of ₹ 6/- each (Formerly Known as Future Consumer Enterprise Limited)	0.00	0.01
49,37,935 Equity Shares of Galaxy Cloud Kitchens Limited (Formerly Known as Galaxy Entertainment Corporation Limited)	19.34	8.39
<b>Associate</b>		
<b>Investment in Equity Instruments</b>		
<b>Unquoted Investments</b>		
Investment in Equity Instruments		
1,78,500 Equity Share of ₹ 10 Each of Leanbox Logistics Solutions Pvt Ltd.	4.93	8.71
<b>Joint Ventures</b>		
22,03,500 Equity Shares of Apollo Design Apparel Parks Limited	92.48	88.09
20,65,50,000 Equity Shares of Future Generali India Insurance Company Limited	204.32	173.56
11,64,61,781 (5,77,15,020) Equity Shares of Future Generali India Life Insurance Company Limited	79.87	67.61
22,81,500 Equity Shares of Goldmohur Design and Apparel Park Limited	88.41	84.32
24,86,05,660 (19,22,47,809) Equity Shares of Sprint Advisory Services Private Limited	272.72	247.01
11,18,44,321 Equity Shares of Shendra Advisory Services Private Limited	110.86	110.86
<b>Others</b>		
6,30,000 9% Redeemable Preference Shares of Praxis Home Retail Limited of ₹ 100/- each	-	-
19,833 Convertible Debentures of ₹ 10 Each of Leanbox Logistics Solutions Pvt Ltd.	1.00	1.00
38,00,000 (NIL) Compulsory Convertible Debentures of ₹ 30/- each of Galaxy Cloud Kitchens Limited (Formerly Known as Galaxy Entertainment Corporation Limited)	11.40	-
<b>Non - Trade Investments Paid Up of ₹ 10/- each Unless Otherwise Stated</b>		
<b>Equity Instruments</b>		
<b>Unquoted</b>		
<b>Others</b>		
48,281 Equity Shares of Foot-Mart Retail India Limited	0.08	0.08
Less: Provision	(0.08)	(0.08)
47,71,037 Equity Shares of Pan India Food Solutions Limited	5.38	5.38
5,79,771 Equity Shares of Planet Retail Holdings Private Limited	3.13	3.13
7,11,74,377 (NIL) partly paid Equity Shares of Livquik Technology (India) Private Limited of ₹ 1/- each	5.00	-
<b>Investment in Government or Other Securities</b>		
<b>Quoted</b>		
2,00,000 9% Bonds of Mahindra & Mahindra Financial Services Limited	31.13	31.13
200 8.45% Bonds of Bajaj Finance Ltd	20.13	20.13
60 8.75% Bonds of Bajaj Finance Ltd	6.07	6.07
<b>Unquoted</b>		
National Saving Certificates (Deposited with Sales Tax Authorities)	0.05	0.07
LIC Mutual Fund Liquid Plan	0.47	0.43
50 (NIL) Equity Shares of Saraswat Co-Operating Bank Limited	0.00	0.00
	<b>956.69</b>	<b>855.90</b>
<b>Note:</b>		
Investment Carried At Fair Value Through Other Comprehensive Income		
<b>Aggregate Amount of Quoted Investments</b>	<b>76.68</b>	65.74
<b>Market Value of Quoted Investments</b>	<b>76.68</b>	8.40
<b>Aggregate Amount of Unquoted Investments</b>	<b>1,075.78</b>	790.16
<b>Aggregate Amount of Diminution in Value of Investments</b>	<b>0.08</b>	0.08

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		As At March 31, 2019	As At March 31, 2018
<b>4</b>	<b>Non-Current Financial Asset - Loans</b>		
	Others Unsecured, Considered Good	178.05	205.97
		<b>178.05</b>	<b>205.97</b>
<b>5</b>	<b>Non-Current Financial Assets - Others</b>		
	Deposit with Banks	56.08	0.39
		<b>56.08</b>	<b>0.39</b>
<b>6</b>	<b>Other - Non Current Assets</b>		
	<b>Capital Advances</b>		
	Others Unsecured, Considered Good	227.95	26.13
	<b>Others</b>		
	Others Unsecured, Considered Good*	300.91	205.19
	Doubtful	0.23	0.23
	Less: Provisions	(0.23)	(0.23)
	(* Includes Balances with Government Authorities.)		
		<b>528.86</b>	<b>231.32</b>
<b>7</b>	<b>Inventories</b>		
	Raw Material	1.76	1.48
	Work-in-Progress	6.11	5.96
	Stock-in-Trade	1,253.90	1,089.86
		<b>1,261.77</b>	<b>1,097.30</b>
<b>8</b>	<b>Current Financial Asset - Investments</b>		
	<b>Quoted Investments</b>		
	Investment in Mutual Fund	-	9.55
	National Saving Certificate	0.01	-
		<b>0.01</b>	<b>9.55</b>
<b>9</b>	<b>Trade Receivables (Refer Note No. 35)</b>		
	Unsecured, Considered Good	896.15	784.66
	Unsecured, Considered Doubtful	9.53	0.95
	Less: Provision For Doubtful Debts	(0.71)	(0.95)
	Less: Allowance For Credit Losses	(8.82)	(7.45)
		<b>896.15</b>	<b>777.21</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

	As At March 31, 2019	As At March 31, 2018
<b>10 Cash And Cash Equivalents</b>		
Balances with Banks	141.14	101.11
Cheque on Hand	0.25	-
Cash on Hand	0.02	1.18
	<b>141.41</b>	<b>102.29</b>
<b>11 Bank Balance Other Than The Above</b>		
<b>Dividend Account</b>	<b>0.88</b>	0.34
Deposits with Banks*	25.17	29.82
	<b>26.05</b>	<b>30.16</b>
*Held as margin money or security against the Borrowings, Guarantees and other Commitments.		
<b>12 Current Financial Assets - Loans</b>		
<b>Unsecured , Considered Good</b>	<b>39.02</b>	-
Inter-Corporate Deposits	13.00	12.50
	<b>52.02</b>	<b>12.50</b>
<b>Security Deposits :</b>		
Unsecured, Considered Good	-	6.95
Unsecured, Considered Doubtful	-	0.05
Less: Allowance For Bad and Doubtful Advances	-	(0.05)
	-	6.95
	<b>52.02</b>	<b>19.45</b>
<b>13 Current Financial Assets - Others</b>		
Balances with Government Authorities	0.06	1.36
Other Advances	3.54	0.03
Deposits	53.83	11.22
<b>Others</b>		
Secured, Considered Good	0.01	-
Unsecured, Considered Good	-	0.01
Doubtful	1.07	11.68
Less: Provisions	(1.07)	(1.03)
	<b>57.44</b>	<b>23.27</b>
<b>14 Other Current Assets</b>		
Insurance Claim Receivables	0.81	0.73
Income Accrued / Interest Accrued But Not Received	3.59	2.63
Other Advances #	903.10	756.36
	<b>907.50</b>	<b>759.72</b>

#Includes Advance to Suppliers, Prepaid Expenses etc.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 15 Share Capital

	As at March 31, 2019		As at March 31, 2018	
	Number	(₹ in crore)	Number	(₹ in crore)
<b>Authorised</b>				
Equity Shares of ₹ 2/- each	60,00,00,000	120.00	60,00,00,000	120.00
Equity Shares of Class B (Series 1) of ₹ 2/- each	5,00,00,000	10.00	5,00,00,000	10.00
Preference Shares of ₹100/- each	-	-	-	-
	<b>65,00,00,000</b>	<b>130.00</b>	<b>65,00,00,000</b>	<b>130.00</b>
<b>Issued *</b>				
Equity Shares of ₹ 2/- each	45,43,13,146	90.86	45,40,92,946	90.82
Equity Shares of Class B (Series 1) of ₹ 2/- each	3,93,83,172	7.88	3,93,83,172	7.88
	<b>49,36,96,318</b>	<b>98.74</b>	<b>49,34,76,118</b>	<b>98.70</b>
<b>Subscribed and Paid up *</b>				
Equity Shares of ₹ 2/- each	45,42,17,268	90.84	45,39,97,068	90.80
Equity Shares of Class B (Series 1) of ₹2/- each	3,93,74,679	7.87	3,93,74,679	7.87
	<b>49,35,91,947</b>	<b>98.71</b>	<b>49,33,71,747</b>	<b>98.67</b>

\*Refer Note No 15 (v)

#### (i) Reconciliation of Number of shares

Equity Share of ₹2/- each

Particulars	As at March 31, 2019	As at March 31, 2018
	Number of Shares	Number of Shares
<b>Opening Balance</b>	<b>45,39,97,068</b>	43,34,59,836
Add : Shares Issued*	<b>2,20,200</b>	20,96,424
Add : Shares issued on conversion of Optionally Convertible Debentures into Equity Shares	-	1,84,40,808
<b>Closing Balance</b>	<b>45,42,17,268</b>	<b>45,39,97,068</b>

\* 2,20,200 (2018 : 20,96,424) equity shares of ₹ 2/- each issued pursuant to exercise of employees stock options scheme

Equity Shares of Class B (Series 1) of ₹2/- each

Particulars	As at March 31, 2019	As at March 31, 2018
	Number of Shares	Number of Shares
<b>Opening Balance</b>	<b>3,93,74,679</b>	3,93,74,679
Shares Issued	-	-
<b>Closing Balance</b>	<b>3,93,74,679</b>	<b>3,93,74,679</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (ii) Terms/Rights Attached to Equity Shares

The Company has Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Equity Shares have been further classified in to Equity Shares carrying normal voting and dividend rights (Ordinary Shares) and Equity Shares carrying differential voting and dividend rights Class B (Series 1) Shares.

Each holder of Ordinary Shares, is entitled to one vote per member in case of voting by show of hands and one vote per Ordinary Shares held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the company.

Each holder of Class B (Series 1) Shares, is entitled to one vote per member in case of voting by show of hands and three vote per four Class B (Series 1) shares held in case of voting by poll/ballot. Each holder of Class B (Series 1) Share is also entitled to 2% additional dividend in addition to normal dividend (including interim dividend, if any) as may declared by the company. Further, the Company may declare dividend only for Class B (Series 1) Share up to 2% without declaring any dividend for Equity Shares. All other rights would be same for both classes of Equity Shares.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by shareholder.

### (iii) The Company does not have any holding Company.

### (iv) Shares in the Company held by each shareholder holding more than 5 percent shares and number of Shares held are as under:

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Central Departmental Stores Private Limited	20,01,11,430	39.18	17,78,61,430	39.18
Cedar Support Services Limited	-	-	6,19,19,069	13.64
Bennett, Coleman and Company Limited	5,89,09,916	12.97	-	-
Future Corporate Resources Private Limited (Formerly Known as Suhani Trading and Investment Consultants Private Limited)	2,78,20,408	6.13	2,78,20,408	6.13
Brand Equity Treaties Limited	2,49,99,999	5.51	2,49,99,999	5.51
<b>Equity Shares of Class B (Series 1)</b>				
Central Departmental Stores Private Limited	2,54,41,753	64.61	2,54,41,753	64.61
Future Corporate Resources Private Limited (Formerly Known as Suhani Trading and Investment Consultants Private Limited)	28,79,503	7.31	28,79,503	7.31

### (v) Pursuant to the provisions of the Companies Act, 1956 and Companies Act 2013, the issue of equity shares are kept in abeyance.

- 11,400 Equity Shares of Rights Issue of 2006.
- 84,478 Equity Shares of Rights Issue of 2015.
- 8,493 Equity Shares of Class B (Series 1) of Rights Issue of 2015.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		As At March 31, 2019	As At March 31, 2018
<b>16</b>	<b>Instruments Entirely Equity In Nature</b>		
	<b>Preference Share Capital</b>		
	<b>Opening Balance</b>	15.40	23.53
	Change During The Year		
	Purchase (Redemption) of Preference Shares	-	(8.13)
	<b>Closing Balance</b>	15.40	15.40
<b>17</b>	<b>Other Equity</b>		
	<b>Retained Earnings</b>		
	<b>Opening Balance</b>	336.00	286.13
	Profit For The Year	144.96	6.90
	Adjustment / Restatement on Account of Subsidiary	(59.70)	38.92
	Adjustment on Account of Associate/Joint Venture	-	1.22
	Transferred to Debenture Redemption Reserve	(49.02)	-
	Proposed Dividend on Equity Shares	(2.78)	(9.61)
	Tax on Dividend	-	(1.96)
	Other Comprehensive Income/(Loss) For The Year	13.90	14.40
	<b>Closing Balance</b>	383.36	336.00
	<b>Capital Reserve</b>		
	<b>Opening Balance</b>	0.00	0.00
	Adjustment/Restatement on Account of Subsidiary	17.14	0.00
	<b>Closing Balance</b>	17.14	0.00
	<b>Securities Premium</b>		
	<b>Opening Balance</b>	2,987.02	2,891.63
	Change During The Year		
	Add : Premium received during the Year	-	-
	Issue of Equity Shares	0.34	3.28
	Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	-	92.11
	<b>Closing Balance</b>	2,987.36	2,987.02
	<b>Share Options Outstanding Account</b>		
	<b>Opening Balance</b>	3.79	2.79
	Change During The Year		
	Expense on Employee Stock Option Scheme	7.34	4.28
	Exercise of Stock Options	(0.34)	(3.27)
	Less: Transfer to Securities Premium on exercise of ESOP	(0.76)	-
	<b>Closing Balance</b>	10.03	3.79

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

	As At March 31, 2019	As At March 31, 2018
<b>Equity Component of Optionally Convertible Debentures</b>		
<b>Opening Balance</b>	-	1.27
Change During The Year		
Issue of Optionally Convertible Debentures (Equity Component)	-	(1.27)
<b>Closing Balance</b>	-	-
<b>Capital Reserve on Consolidation</b>		
	<b>41.40</b>	<b>8.06</b>
<b>Non - Controlling Interest</b>		
<b>Opening Balance</b>	<b>202.53</b>	124.36
Change During the Year	<b>75.99</b>	78.17
<b>Closing Balance</b>	<b>278.52</b>	<b>202.53</b>
<b>Debenture Redemption Reserve</b>		
<b>Opening Balance</b>	<b>268.13</b>	268.13
Add : Transfer from Profit & Loss Account	<b>49.02</b>	-
<b>Closing Balance</b>	<b>317.15</b>	<b>268.13</b>
<b>Promoter Equity Contribution</b>		
<b>Opening Balance</b>	<b>20.21</b>	13.68
Change During The Year		
Personal Guarantees By Promoters	<b>7.34</b>	6.53
<b>Closing Balance</b>	<b>27.55</b>	<b>20.21</b>
<b>General Reserve</b>		
<b>Opening Balance</b>	<b>110.82</b>	110.82
Transfer During The Year	-	-
<b>Closing Balance</b>	<b>110.82</b>	<b>110.82</b>
<b>TOTAL OTHER EQUITY</b>	<b>4,173.32</b>	<b>3,936.56</b>

### Nature and Purpose of Reserves :

#### a) Securities Premium Reserve

Securities Premium Reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and Company can use this reserve for buy-back of shares.

#### b) Capital Reserve

Capital Reserve reflect amounts arising out of adjustment pursuant to giving effect to various schemes of arrangements.

#### c) Debenture Redemption Reserve

Debenture Redemption Reserve is created out of profits of the company and is to be utilised to redemption of Debentures only

#### d) General Reserve

The General Reserve is mainly created/built by the Company from time to time by transferring the profits from retained earnings. This reserve can be utilised for various purposes in compliance with applicable provisions of the Companies Act, 2013 and rules made there under

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		As At March 31, 2019	As At March 31, 2018
<b>18</b>	<b>Non-Current Financial Liabilities - Borrowings</b>		
	<b>Secured Loans</b>		
	Non Convertible Debentures	5,129.94	4,324.89
	Long Term Loan From Banks / Others	1,022.67	1,015.98
	<b>Unsecured Loans</b>		
	Non Convertible Debentures	2.03	-
	Compulsory Convertible Debenture	1.00	-
		<b>6,152.64</b>	<b>5,340.87</b>
<b>19</b>	<b>Non-Current - Financial Liabilities - Others</b>		
	Deposits Received From Others	624.26	559.94
		<b>624.26</b>	<b>559.94</b>
<b>20</b>	<b>Non-Current Liabilities - Provisions</b>		
	Long Term Provision For Employee Benefits	12.94	12.56
		<b>12.94</b>	<b>12.56</b>
<b>21</b>	<b>Current Financial Liabilities - Borrowings</b>		
	<b>Secured</b>		
	Term Loans From Banks	100.00	-
	Working Capital Loans and Others	292.10	354.56
		<b>392.10</b>	<b>354.56</b>
<b>22</b>	<b>Current Financial Liabilities - Trade Payables</b>		
	Trade Payables		
	Due to Micro, Small and Medium Enterprises	27.38	14.28
	Due to Others	958.35	741.36
		<b>985.73</b>	<b>755.64</b>
<b>23</b>	<b>Current - Other Financial Liabilities</b>		
	Current Maturities of Long-Term Borrowings	166.25	76.60
	Current Maturities of Public Deposits	6.43	-
	Interest Accrued But Not Due on Borrowings	225.50	141.58
	Unclaimed Dividend*	0.27	0.34
	Other Payables #	62.06	57.96
		<b>460.51</b>	<b>276.48</b>
	* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund .		
	# Includes Statutory Dues, Security Deposits, Creditors for Capital Expenditure, Advance from Customers, etc.		
<b>24</b>	<b>Current Provisions</b>		
	Short Term Provision For Employee Benefits	0.58	1.65
	Other Provisions	7.47	-
		<b>8.05</b>	<b>1.65</b>
<b>25</b>	<b>Other Current Liabilities</b>		
	Advance From Customers	2.13	1.94
	Employee Related Liabilities	1.39	-
	Other Payables *	118.59	25.47
	*Other Payables includes Statutory Dues, Deferred Interest etc.	<b>122.11</b>	<b>27.41</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		Year Ended March 31, 2019	Year Ended March 31, 2018
<b>26</b>	<b>Revenue From Operations</b>		
	Sale of Products	4,198.98	3,696.09
	Sale of Services	1,229.77	799.03
	Less : VAT, Sales Tax, GST	(189.79)	(152.87)
	Other Operating Revenues	744.18	760.84
		<b>5,983.14</b>	<b>5,103.09</b>
<b>27</b>	<b>Other Income</b>		
	Interest Income	25.97	29.67
	Profit on Sale of Investment	48.87	145.36
	Excess Provisions/Liabilities Written Back	1.02	2.36
	Miscellaneous Income	5.96	5.84
		<b>81.82</b>	<b>183.23</b>
<b>28</b>	<b>Cost of Materials Consumed</b>		
	Cost of Materials and Services Consumed	961.30	556.95
		<b>961.30</b>	<b>556.95</b>
<b>29</b>	<b>Purchases of Stock-In-Trade</b>		
	Purchases of Stock-In-Trade	3,289.14	3,226.95
		<b>3,289.14</b>	<b>3,226.95</b>
<b>30</b>	<b>Changes In Inventories of Work-In-Progress And Stock- In-Trade</b>		
	<b>Changes in Inventories of and Work-In-Progress :</b>		
	<b>Closing Inventory :</b>		
	Work-in-Progress	6.11	5.96
	Stock-In-Trade	1,248.37	1,089.65
		<b>1,254.48</b>	<b>1,095.61</b>
	<b>Opening Inventory :</b>		
	Work-in-Progress	5.96	4.24
	Stock-In-Trade	1,089.83	875.64
		<b>1,095.79</b>	<b>879.88</b>
		<b>(158.69)</b>	<b>(215.73)</b>
<b>31</b>	<b>Employee Benefits Expense</b>		
	Salaries, Wages and Bonus	211.53	165.13
	Contribution to Provident and Other Funds	8.99	6.12
	Employee Stock Option Expense	7.34	4.28
	Staff Welfare Expenses	6.27	4.05
		<b>234.13</b>	<b>179.58</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

		Year Ended March 31, 2019	Year Ended March 31, 2018
<b>32</b>	<b>Finance Costs</b>		
	Interest Expense	593.51	574.85
	Other Borrowing Costs	4.11	2.94
		<b>597.62</b>	<b>577.79</b>
<b>33</b>	<b>Other Expenses</b>		
	Power and Fuel	24.23	13.59
	Rent including Lease Rentals	25.74	22.89
	Repairs and Maintenance	14.52	11.85
	Insurance	5.56	4.82
	Rates and Taxes	6.26	3.40
	Labour Charges	0.36	0.44
	Advertisement and Marketing	0.60	1.44
	Loss on Disposal / Discard of Fixed Assets (Net)	5.13	29.80
	Provision For Doubtful Debts / Advances	0.99	0.10
	Allowance For Credit Loss	2.76	2.14
	Sundry Balances Written Off	0.07	0.10
	Corporate Social Responsibility Expenses	1.27	1.82
	Exchange Fluctuation Loss / (Gain) (Net)	6.31	(1.90)
	Miscellaneous Expenses	99.05	89.81
		<b>192.85</b>	<b>180.30</b>
<b>34</b>	<b>Other Comprehensive Income</b>		
	Re-measurement Gains/ (Losses) on Defined Benefit Plans	2.27	(0.20)
	Fair Value Changes on Investment	10.99	21.40
		<b>13.26</b>	<b>21.20</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 35 Financial Risk Management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Group manage market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

#### (i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is not exposed to significant interest rate risk as at the respective reporting dates.

#### (ii) Foreign Currency Risk

The Group are exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies.

The Group follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

The following table analysis foreign currency risk from financial instruments as of:

	(₹ in crore)	
	2018-19	2017-18
Trade Payables	3.30	114.02
Trade Receivables	11.15	3.57

#### (iii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹896.15 crore and ₹771.21 crore 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 Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grant credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.

#### (iv) Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Typically the Group ensure that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

	(₹ in crore)	
	2018-19	2017-18
Short-Term Borrowings	392.10	354.56
Trade Payables	985.73	755.64
Other Financial Liabilities	460.51	276.48

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (v) Financial Instruments Valuation

All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

- The fair value of quoted investment is measured at quoted price or NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

(₹ in crore)

Particulars	As At March 31, 2019			As At March 31, 2018		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Trade Receivables	896.15	-	-	777.21	-	-
Cash and Bank Balances	167.47	-	-	132.46	-	-
Loans	230.06	-	-	225.42	-	-
Other Financial Assets	113.51	-	-	23.66	-	-
<b>At FVTOCI</b>						
Investments	102.12	93.08	9.04	84.31	75.28	9.03
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Borrowings	6,544.75	-	-	5,695.43	-	-
Trade Payables	985.73	-	-	755.64	-	-
Other Financial Liabilities	1,084.77	-	-	836.42	-	-

The financial instruments are categorised into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

### (vi) Capital Management

For the purpose of the Group capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

	March 31, 2019	March 31, 2018
Borrowings	6,544.75	5,695.43
Trade Payables	985.73	755.64
Other Payables	1,206.90	863.83
Less: Cash and Cash Equivalents	167.47	132.46
<b>Net Debt</b>	<b>8,569.91</b>	<b>7,182.44</b>
Equity	98.71	98.67
Other Equity	4,173.29	3,936.57
<b>Total Capital</b>	<b>4,272.01</b>	<b>4,035.24</b>
<b>Capital and Net Debt</b>	<b>12,841.92</b>	<b>11,217.68</b>
<b>Gearing Ratio</b>	<b>67%</b>	<b>64%</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

### 36. Deferred Tax Expense

(₹ in crore)

	2018-19	2017-18
Unused Tax Losses	187.07	234.93
Accelerated Depreciation for Tax Purpose	(226.74)	(312.23)
Other items giving rise to temporary differences	2.81	3.13
Deferred tax asset / (liability)	<b>(36.86)</b>	<b>(74.17)</b>

### 37 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to manufacturing, trading and leasing of assets. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

(₹ in crore)

Particulars	2018-19	2017-18
<b>1 Segment Revenue</b>		
Manufacturing and Trading	4,010.40	3,544.67
Leasing and Others	742.97	759.39
Logistics	1,229.77	799.03
Revenue from Operations	<b>5,983.14</b>	<b>5,103.09</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

Particulars	2018-19	2017-18
<b>2 Segment Results</b>		
Manufacturing and Trading	596.80	402.27
Leasing and Others	87.15	65.53
Logistics	76.95	93.02
Less :		
Finance Costs	597.62	577.79
Net Unallocated Income (Net)	9.62	(81.61)
Total Profit Before Tax	153.66	64.63
<b>3 Segment Assets</b>		
Manufacturing and Trading	2,350.76	1,723.97
Leasing and Others	7,225.00	6,771.89
Logistics	1,126.34	736.42
Unallocated	2,380.54	2,224.33
Total Assets	13,082.64	11,456.60
<b>4 Segment Liabilities</b>		
Manufacturing and Trading	815.15	495.42
Leasing and Others	720.51	620.19
Logistics	353.84	285.69
Unallocated	49.80	91.05
Total Liabilities	1,939.29	1,492.35

### 38 Related Party Disclosures

Disclosure as required by Ind AS 24 "Related Party Disclosures" are given below:

#### (i) List of Related Parties

##### A Subsidiary Companies

- (i) Bluerock eServices Private Limited
- (ii) Future E-Commerce Infrastructure Limited
- (iii) Future Media (India) Limited
- (iv) Future Merchandising and Sourcing Pte. Ltd.
- (v) Future Supply Chain Solutions Limited (FSCSL) (Subsidiary of RTPL w.e.f. December 24, 2018)
- (vi) Futurebazaar India Limited
- (vii) Office Shop Private Limited (100% Subsidiary of Work Store Limited)
- (viii) Ritvika Trading Private Limited (RTPL) (w.e.f. November 19, 2018)
- (ix) Vulcan Express Private Limited (100% Subsidiary of FSCSL)
- (x) Work Store Limited

##### B Associate Company

- (i) Leanbox Logistics Solutions Private Limited (Associate of FSCSL)

##### C Joint Venture Companies

- (i) Apollo Design Apparel Parks Limited
- (ii) Future Generali India Insurance Company Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (iii) Future Generali India Life Insurance Company Limited
- (iv) Goldmohur Design and Apparel Park Limited
- (v) Shendra Advisory Services Private Limited
- (vi) Sprint Advisory Services Private Limited

### D Enterprises over which Key Managerial Personnel are able to exercises significant influence

- (i) Future Ideas Company Limited
- (ii) Future Retail Limited
- (iii) Future Lifestyle Fashions Limited
- (iv) Future Sharp Skills Limited
- (v) Retail Light Techniques India Limited

### E Entities Able to Exercise Significant Influence:

- (i) Central Departmental Stores Private Limited
- (ii) Future Corporate Resources Private Limited (formerly known as Suhani Trading and Investment Consultants Private Limited)

### F Key Managerial Personnel

- (i) Mr. Vijay Biyani
- (ii) Mr. Dinesh Maheshwari
- (iii) Mr. Deepak Tanna

### G Relatives of Key Managerial Personnel

- (i) Mrs. Pravina Tanna

## (2) Transaction with Related Parties

(₹ in crore)

Nature of Transaction	Associates/Joint Ventures	Key Management Personnel Exercise Significant Influence	Key Management Personnel/Relatives
Sale of Goods and Services	- (1.05)	<b>3,838.14</b> (3,076.99)	- -
Purchases of Goods and Services	<b>384.92</b> (235.11)	<b>0.18</b> (3.05)	<b>0.03</b> -
Purchases of Fixed Assets	- -	- (1.38)	- -
Managerial Remuneration	- -	- -	<b>6.20</b> (5.44)
Dividend Received	<b>2.46</b> (2.46)	- -	- -
Investment	<b>52.54</b> (115.11)	- -	- -
Outstanding Balances as on March 31, 2019	-		-
Receivable	- -	<b>405.73</b> (373.93)	- -
Payable	<b>208.35</b> -	- -	- -

Note: Previous year figures are given in parenthesis.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (iii) Significant Related Party Transactions

- A Sale of Goods and Services and Fixed Assets includes Apollo Design Apparel Parks Limited ₹ NIL (2018: ₹ 0.01 crore), Future Retail Limited ₹ 3838.14 crore (2018: ₹ 3076.99 crore).
- B Purchases of Goods and Services and Fixed Assets includes Apollo Design Apparel Parks Limited ₹ 179.11 crore (2018 : ₹ 97.89 crore), Goldmohur Design and Apparel Park Limited ₹ 203.15 crore (2018: ₹ 136.60 crore), Future Generali India Life Insurance Company Limited ₹ 0.23 crore (2018: ₹ 0.35 crore), Future Ideas Company Limited ₹ 0.18 crore (2018 : ₹ 0.11 crore), Galaxy Entertainment Corporation Limited ₹ NIL (2018 - ₹ 0.18 crore), Future Retail Limited ₹ NIL (2018 : ₹ 1.61 crore).
- C Managerial Remuneration includes Mr. Vijay Biyani ₹ 3.18 crore (2018: ₹ 2.68 crore), Mr. Dinesh Maheshwari ₹ 2.42 crore (2018: ₹ 2.24 crore), Key Managerial Personnel includes Mr. Deepak Tanna ₹ 0.59 crore (2018: ₹ 0.52 crore).
- D Dividend Received includes Apollo Design Apparel Parks Limited ₹ 1.21 crore (2018: ₹ 1.21 crore), Goldmohur Design and Apparel Park Limited ₹ 1.25 crore (2018: ₹ 1.25 crore).
- E Investment includes Sprint Advisory Services Private Limited ₹ 25.76 crore (2018: ₹ 56.36 crore), Future Generali India Life Insurance Company Limited ₹ 26.78 (2018: ₹ 58.75 crore).

### 39. Interest In Other Entities

#### Subsidiary Companies :

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2019	Percentage of Interest as on March 31, 2018
1	Futurebazaar India Limited	Equity	India	100.00%	100.00%
2	Future Media (India) Limited	Equity	India	93.10%	93.10%
3	Future Supply Chain Solutions Limited	Equity	India	51.22%*	51.22%
4	Future E-Commerce Infrastructure Limited	Equity	India	86.71%	86.71%
5	Office Shop Private Limited	Equity	India	61.67%#	61.67%
6	Work Store Limited	Equity	India	61.67%	61.67%
7	Bluerock eServices Private Limited	Equity	India	100.00%	100.00%
8	Future Merchandising and Sourcing Pte. Ltd	Equity	Foreign	100.00%	100.00%
9	Ritvika Trading Private Limited	Equity	India	100.00%	0.00%
10	Vulcan Express Private Limited	Equity	India	51.22%\$	51.22%

\* Held by Ritvika Trading Private Limited

# Held by Work Store Limited

\$ Held by Future Supply Chain Solutions Limited

#### Joint Venture Companies Information :

Sr. No	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2019	Percentage of Interest as on March 31, 2018
1	Apollo Design Apparel Parks Limited	Equity	India	39.00%	39.00%
2	Future Generali India Insurance Company Limited	Equity	India	25.51%	25.51%
3	Future Generali India Life Insurance Company Limited	Equity	India	7.77%	6.70%
4	Goldmohur Design and Apparel Park Limited	Equity	India	39.00%	39.00%
5	Sprint Advisory Services Private Limited	Equity	India	49.81%	49.81%
6	Shendra Advisory Services Private Limited	Equity	India	49.82%	49.82%

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Company's Interest in the Joint Ventures :

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018
Assets	2,496.24	2,049.27
Liabilities	1522.82	1,132.56
Income	1098.53	923.11
Expenditure	1077.61	905.67

### Associate Company Information :

Sr. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2019	Percentage of Interest as on March 31, 2018
1	Leanbox Logistics Private Limited <sup>#</sup>	Equity	India	25.61%	25.61%

<sup>#</sup> Associate of Future Supply Chain Solutions Limited

#### 40. Earnings Per Share

Statement of Calculation of Basic and Diluted EPS is as under:

(₹ in crore)

	Units	2018-19	2017-18
Profit for the Year attributable to Equity Holders	₹ in crore	144.94	6.90
Weighted average number of Ordinary Shares for Basic EPS	No. in crore	45.42	45.39
Weighted average number of Class B (Series 1) Shares for Basic EPS	No. in crore	3.94	3.94
Weighted average number of Ordinary Shares for Diluted EPS	No. in crore	45.42	45.39
Weighted average number of Class B (Series 1) Shares for Diluted EPS	No. in crore	3.94	3.94
The Nominal Value per Share (Ordinary and Class B Shares)	₹	2	2.00
Share of Profit for Ordinary Shares for Basic EPS	₹ in crore	133.22	6.20
Share of Profit for Class B (Series 1) Shares for Basic EPS	₹ in crore	11.71	0.70
Share of Profit for Ordinary Shares for Diluted EPS	₹ in crore	133.22	6.20
Share of Profit for Class B (Series 1) Shares for Diluted EPS	₹ in crore	11.71	0.70
Earnings Per Ordinary Share (Basic)	₹	2.93	0.14
Earnings Per Class B (Series 1) Share (Basic)	₹	2.97	0.18
Earnings Per Ordinary Share (Diluted)	₹	2.93	0.14
Earnings Per Class B (Series 1) Share (Diluted)	₹	2.97	0.18

#### 41. Leases

The Group (consist subsidiary companies) has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases payable not later than one year is ₹ 68.00 crore(2018: ₹ 43.63 crore), payable later than one year but not later than five year is ₹ 129.74 crore (2018: ₹ 81.19 crore) and payable later than five years is ₹ 30.77 crore (2018: ₹ 15.18 crore).

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

42. For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of the Entities in the Group		2018-19							
		Net Assets (Total Assets minus Total Liabilities)		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	Amount (₹ in Crore)	As a % of Consolidated Profit	Amount (₹ in Crore)	As a % of Consolidated Profit	Amount (₹ in Crore)	As a % of Consolidated Profit	Amount (₹ in Crore)	As a % of Consolidated Profit
Future Enterprises Limited	97.93%	3,958.25	77.35%	95.92	94.86%	12.57	79.04%	108.50	
Subsidiaries									
Future E-Commerce Infrastructure Limited	-0.95%	(38.56)	0.58%	0.72	0.00%	-	0.53%	0.72	
Futurebazaar India Limited	-0.03%	(1.32)	0.65%	0.80	0.00%	-	0.58%	0.80	
Future Media (India) Limited	-0.04%	(1.54)	-0.08%	(0.09)	0.00%	-	-0.07%	(0.09)	
Future Supply Chain Solutions Limited	7.08%	286.03	25.41%	31.52	4.68%	0.62	23.41%	32.14	
Work Store Limited (Formerly Known as a Staples Future Office Products Limited )	1.09%	43.91	0.78%	0.97	0.36%	0.05	0.74%	1.02	
Office Shop Private Limited	-0.32%	(12.98)	-0.50%	(0.62)	0.00%	-	-0.45%	(0.62)	
Bluerock eServices Private Limited	-0.54%	(21.65)	-0.42%	(0.51)	0.00%	-	-0.37%	(0.51)	
Future Merchandising and Sourcing Pte. Ltd	0.00%	0.12	-0.04%	(0.05)	0.10%	0.01	-0.02%	(0.03)	
Ritvika Trading Private Limited	-0.00%	(0.11)	-0.10%	(0.13)	0.00%	-	-0.09%	(0.13)	
<b>Subtotal</b>		<b>4,212.16</b>		<b>128.53</b>		<b>13.26</b>		<b>141.78</b>	
Intercompany Elimination and Consolidation Adjustments	-4.21%	(170.27)	-3.64%	(4.52)			-3.29%	(4.52)	
<b>Total</b>		<b>4,041.89</b>		<b>124.01</b>		<b>13.26</b>		<b>137.27</b>	
Non - Controlling Interest		278.52		0.32		-		0.32	
Associates (Investment as per Equity Method)									
Leanbox Logistics Solutions Pvt Ltd.		(1.40)		(1.11)		-		(1.11)	
<b>Joint Ventures (Investment as per Equity Method)</b>									
Apollo Design Apparel Parks Limited		18.69		3.25		0.02		3.26	
Goldmohur Design and Apparel Park Limited		17.97		2.91		0.00		2.91	
Future Generali India Insurance Company Limited		(2.23)		30.32		0.44		30.76	
Future Generali India Life Insurance Company Limited		(63.37)		(14.69)		0.17		(14.52)	
Sprint Advisory Services Private Limited		(1.65)		(0.05)		-		(0.05)	
Shendra Advisory Services Private Limited.		(0.99)		0.00		-		0.00	
<b>Grand Total</b>		<b>4,287.44</b>		<b>144.96</b>		<b>13.90</b>		<b>158.86</b>	



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 43. Contingent Liabilities

Claims Against the Group Not Acknowledged as Debts, In respect of Income Tax ₹ 3.10 Crore (2018: ₹ 0.54 Crore), Value Added Tax ₹ 5.56 Crore (2018: ₹ 5.56 Crore), Service Tax ₹ 3.92 Crore (2018 : ₹ 3.92 Crore) Others ₹ NIL (2018: ₹ 0.06 Crore), Letter of Credit ₹ 143.06 Crore (2018: ₹ 123.17 Crore) and Other money for which the Company is Contingently Liabile, Corporate Guarantees Given ₹ 5,752.00 Crore (2018: ₹ 5,753.26 Crore).

Share in the Contingent Liabilities of Associate Company and Joint Ventures ₹ 6.22 Crore (2018: ₹ 40.96 Crore).

There are various labour, legal metrology, food adulteration and cases under other miscellaneous acts pending against the Group, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Group.

### 44. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 124.76 Crore (2018: ₹ 115.17 Crore).

### 45 Payment to the Auditor (Inclusive of Goods & Service Tax)

(₹ in Crore)

	2018-19	2017-18
Statutory Audit Fees	0.62	0.63
Certification & Other Expenses	0.04	0.32
<b>Total</b>	<b>0.66</b>	<b>0.95</b>

46. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of M/s. Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni has filed a review petition with hon'ble Supreme Court which is pending for disposal Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

47. Pursuant to the Composite Scheme of Arrangement between the Future Enterprise Limited (the Company) and Bharti Retail Limited (now known as Future Retail Limited (FRL)) and their respective Shareholders and Creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 2013 (the Scheme), the Shareholders and OCD holders of Bharti Group have agreed to share with the respective companies (i.e. The company and FRL) an upside on the realization out of the shares of the two companies, subject to certain broad terms and conditions. Further, the said transaction has been partially completed and amount received under this arrangement is shown a part of other Current liabilities.

As per our report of even date attached

For and on behalf of Board of Directors

**For DMKH & CO.**

Chartered Accountants  
FRN 116886W

**Durgesh Kumar Kabra**

Partner  
Membership No.: 044075

**Mumbai**

May 27, 2019

**V. K. Chopra**

Chairman & Director

**Bala Despande**

Director

**Deepak Tanna**

Company Secretary

**Vijay Biyani**

Managing Director

**Anil Harish**

Director  
(Goa)

**Haresh Chawla**

Director

**Dinesh Maheshwari**

Executive Director &  
Chief Financial Officer

## Form NO. AOC. 1

**Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures (Pursuant to the first proviso to sub-section (3) of Section 125 read with rule of Companies (Accounts) Rules, 2014)**

### Part "A" : Subsidiaries

Sl. No.	Name of Subsidiary Companies	Date of becoming Subsidiary	Reporting Period of the Subsidiary Concerned, if different from the Holding Company reporting Period	Reporting Currency	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investment (excluding investment in subsidiaries)	Revenue From Operations	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1	Future Media (India) Limited	March 8, 2006	March 31, 2019	INR	29.41	(27.81)	9.78	8.19	-	-	(0.10)	-	(0.10)	-	93.10 %
2	Futurebazaar India Limited	August 17, 2006	March 31, 2019	INR	19.16	(20.48)	0.26	1.58	-	101.60	0.80	-	0.80	-	100 %
3	Future E-Commerce Infrastructure Limited	May 25, 2007	March 31, 2019	INR	50.98	(89.54)	2.74	41.30	-	100.40	0.83	-	0.83	-	86.71%
4	Bluerock e-Services Private Limited	April 16, 2016	March 31, 2019	INR	22.45	(44.10)	1.13	22.78	-	-	(.51)	-	(.51)	-	100%
5	Work Store Limited	February 8, 2013	March 31, 2019	INR	5.61	65.59	85.03	13.83	-	87.29	1.58	-	1.58	-	61.67%
6	Office Shop Private Limited*	February 8, 2013	March 31, 2019	INR	0.01	(21.05)	0.66	21.70	-	.19	(1.01)	-	(1.01)	-	61.67%
7	Future Merchandising Pte. Ltd.	July 3, 2017	March 31, 2019	SGD \$	.20	(.08)	0.16	0.04	-	-	(.04)	-	(.04)	-	100%
8	Ritvika Trading Private Limited	November 19, 2018	March 31, 2019	INR	.01	(.12)	14.69	14.80	-	-	(0.13)	-	(0.13)	-	100%
9	Future Supply Chain Solutions Limited <sup>s</sup>	December 24, 2018	March 31, 2019	INR	40.08	560.27	1183.92	583.57	10.00	1112.77	96.38	-	65.16	-	51.22%
10	Vulcan Express Private Limited <sup>#</sup>	February 2, 2018	March 31, 2019	INR	15.06	(17.53)	2.18	4.66	-	2.94	(1.64)	-	(1.64)	-	51.22%

Note : Revenue from Operations excludes Other Income

\* 100% subsidiary of Work Store Limited

# 100% subsidiary of Future Supply Chain Solutions Limited

\$ Future Supply Chain Solutions Limited Subsidiary of Ritvika Trading Private Limited w.e.f. December 24, 2018

## Part B : Associate and Joint Ventures

### Statement pursuant to Section 129 (3) of Companies Act , 2013 related to Associate and Joint Ventures

Sl. No.	Name of Associate / Joint Ventures	Date of becoming Associate / Joint Ventures	Reporting Period of the Associate/ Joint Venture	Share of Associate/ Joint Ventures held by the company on the year end			Description how there is a significant influence	Reason why the associate/ joint venture is not consolidated	Net Worth attributable to Shareholding as per latest audited Balance Sheet (Rs. in crore)*		Profit / Loss for the year	
				No.	Amount of Investment in Associate / Joint Ventures (₹ in crore)	Extent of the Holding Companies Interest (%)			Considered in Consolidation (₹ in crore)	Not Considered in Consolidation (₹ in crore)		
1	Apollo Design Apparel Parks Limited	November 22, 2007	March 31, 2019	22,03,500	73.78	39.00	Due to Joint Venture Agreement	-	45.59	3.24	-	
2	Goldmohur Design and Apparel Park Limited	November 22, 2007	March 31, 2019	22,81,500	70.44	39.00	Due to Joint Venture Agreement	-	43.85	2.91	-	
3	Future Generali India Insurance Company Limited	May 23, 2006	March 31, 2019	20,65,50,000	206.55	25.51	Due to Joint Venture Agreement	-	216.78	30.32	-	
4	Future Generali India Life Insurance Company Limited	May 23, 2006	March 31, 2019	14,32,37,839	143.24	7.77	Due to Joint Venture Agreement	-	19.78	(14.49)	-	
5	Sprint Advisory Services Private Limited	May 23, 2006	March 31, 2019	27,43,66,794	274.37	49.81	Due to Joint Venture Agreement	-	449.94	(0.05)	-	
6	Shendra Advisory Services Private Limited	May 23, 2006	March 31, 2019	11,18,44,321	111.84	49.82	Due to Joint Venture Agreement	-	197.68	(0.00)	-	
7	Leanbox Logistics Solutions Private Limited#	July 27, 2017	March 31, 2019	1,78,500	8.99	25.61	Due to Shareholding (Associates)	-	1.18	(1.11)	-	

\* Aggregate of the paid-up equity share capital and convertible preference share.

# Associate of Future Supply Chain Solutions Limited

As per our report of even date attached

**For DMKH & CO.**

Chartered Accountants  
FRN 116886W

**Durgesh Kumar Kabra**

Partner

Membership No.: 044075

**Mumbai**

May 27, 2019

For and on behalf of Board of Directors

**V. K. Chopra**

Chairman & Director

**Vijay Biyani**

Managing Director

**Hareesh Chawla**

Director

**Bala Despande**

Director

**Anil Harish**

Director  
(Goa)

**Dinesh Maheshwari**

Executive Director & Chief  
Financial Officer

**Deepak Tanna**

Company Secretary





**Reliance Retail Ventures Limited**

**Financial Statements**

**2019-20**

Certified True Copy,  
For **Reliance Retail Ventures limited**



**K. Sridhar**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of RELIANCE RETAIL VENTURES LIMITED**

### **Report on the Audit of Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone Financial Statements of **Reliance Retail Ventures Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules 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 opinion.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity 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 provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **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 of India 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 purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the accounting standards specified under section 133 of the Act;
  - e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting with reference to these standalone financial statements;

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact on its financial position.
- 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 **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration no. 101720W/W100355



**Amit Chaturvedi**  
**Partner**  
Membership No.: 103141  
UDIN : 20103141AAAAJE6157

Place : Mumbai  
Date : April 30, 2020

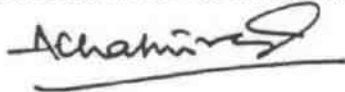
**"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF RELIANCE RETAIL VENTURES LIMITED**

(Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date)

- i) As the Company had no Fixed Assets during the year, clause (i) of paragraph 3 of the Order is not applicable to the company.
- ii) As the Company had no Inventories during the year, clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- iii) 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 Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv) Company has not directly or indirectly advanced loan to the person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act. Company has complied with the provisions of the section 186 of the Act, in respect of investments, loans, guarantee or security given.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii) In respect of Statutory dues :
  - a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, duty of customs, duty of excise, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, duty of customs, duty of excise, cess on account of any dispute, which have not been deposited.
- viii) The Company has not raised loans from financial institutions or banks or government or by issue of debentures and hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.

- xii) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration no. 101720WW/100355



**Amit Chaturvedi**  
Partner  
Membership No.: 103141

Place : Mumbai  
Date : April 30, 2020

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF RELIANCE RETAIL VENTURES LIMITED**

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Reliance Retail Ventures Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these standalone financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Standalone Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company ; and (3) provide reasonable 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 Financial statements.

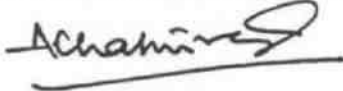
**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference To These Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, 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 issued by ICAI.

For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration no. 101720W/W100355



**Amit Chaturvedi**  
Partner  
Membership No.: 103141

Place : Mumbai  
Date : April 30, 2020

**Reliance Retail Ventures Limited**  
**Standalone Balance Sheet as at 31st March, 2020**

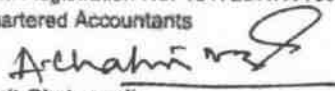
	Notes		As at 31st March, 2020	₹ As at 31st March, 2019
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Financial Assets				
Investments	1	7638 87 46 267	7678 12 57 719	
Other Non-Current Assets	2	4 56 87 545	5 61 94 073	
<b>Total Non-Current Assets</b>		<u>7643 44 33 812</u>	<u>7683 74 51 792</u>	
<b>Current assets</b>				
Financial Assets				
Loans	3	70 56 32 560	-	
Cash and Cash Equivalents	4	3 34 28 980	2 35 83 113	
Other Financial Assets	5	8 56 39 510	16 116	
Other Current Assets	6	2 22 26 572	2 33 86 292	
<b>Total Current Assets</b>		<u>84 69 27 622</u>	<u>4 69 85 521</u>	
<b>Total Assets</b>		<u><u>7728 13 61 434</u></u>	<u><u>7688 44 37 313</u></u>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	7	6000 00 00 000	6000 00 00 000	
Other Equity	8	1656 22 67 326	1648 12 53 626	
<b>Total Equity</b>		<u>7656 22 67 326</u>	<u>7648 12 53 626</u>	
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Other Financial Liabilities	9	55 00 00 000	-	
<b>Total Non-Current Liabilities</b>		<u>55 00 00 000</u>	<u>-</u>	
<b>Current Liabilities</b>				
Financial Liabilities				
Trade Payables Due to:				
Micro and Small Enterprise	10	-	-	
Other than Micro and Small Enterprise		1 10 37 858	8 97 296	
Other Financial Liabilities	11	15 00 00 000	40 00 00 000	
Other Current Liabilities	12	80 56 250	22 86 391	
<b>Total Current liabilities</b>		<u>16 90 94 108</u>	<u>40 31 83 687</u>	
<b>Total Liabilities</b>		<u>71 90 94 108</u>	<u>40 31 83 687</u>	
<b>Total Equity and Liabilities</b>		<u><u>7728 13 61 434</u></u>	<u><u>7688 44 37 313</u></u>	

Significant Accounting Policies  
See accompanying Notes to the Financial Statements 1 to 24

**Reliance Retail Ventures Limited**

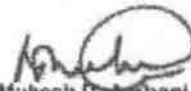
As per our Report of even date

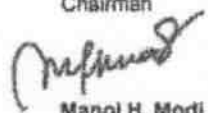
For Chaturvedi & Shah LLP  
Firm Registration No: 101720W/W100355  
Chartered Accountants


  
Amit Chaturvedi  
Partner  
Membership No:103141

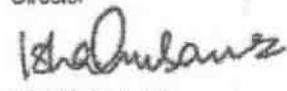



For and on behalf of the Board

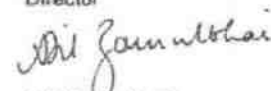
  
Mukesh D. Ambani  
Chairman

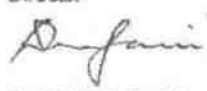
  
Manoj H. Modi  
Director

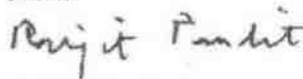
  
Akash M. Ambani  
Director


  
Isha M. Ambani  
Director

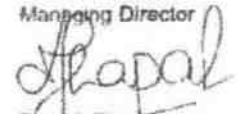
  
Pankaj Pawar  
Director


  
Adil Zainulbhai  
Director

  
Prof. Dipak C. Jain  
Director

  
Ranjit V. Pandit  
Director

  
V. Subramaniam  
Managing Director

  
Dinesh Thapar  
Chief Financial Officer

  
K. Sridhar  
Company Secretary

Mumbai  
Dated : 30th April, 2020



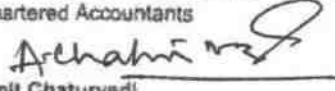
**Reliance Retail Ventures Limited**  
**Standalone Statement of Profit and Loss for the year ended 31st March, 2020**

	Notes	2019-20	₹ 2018-19
<b>INCOME</b>			
Income from Services		192 51 99 482	16 52 00 000
Less: GST		29 36 74 497	2 52 00 000
Revenue from Operations		<u>163 15 24 985</u>	<u>14 00 00 000</u>
Other Income	13	9 90 44 603	1 95 54 152
<b>Total Income</b>		<u>173 05 69 588</u>	<u>15 95 54 152</u>
<b>EXPENSES</b>			
Other Expenses	14	162 46 28 342	14 86 73 284
<b>Total Expenses</b>		<u>162 46 28 342</u>	<u>14 86 73 284</u>
<b>Profit before Tax</b>		10 59 41 246	1 08 80 868
Tax Expenses:			
Current Tax		2 49 27 546	22 18 484
<b>Profit for the Year</b>		<u>8 10 13 700</u>	<u>86 62 384</u>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss		-	-
<b>Total Comprehensive Income for the Year</b>		<u>8 10 13 700</u>	<u>86 62 384</u>
<b>Earnings per Equity Share of face value of ₹ 10 each</b>			
Basic and Diluted	17	0.01	0.00
Significant accounting policies See accompanying Notes to the Financial Statements	1 to 24		

**Reliance Retail Ventures Limited**

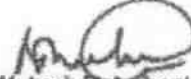
As per our Report of even date

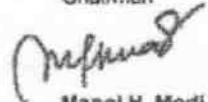
For Chaturvedi & Shah LLP  
Firm Registration No: 101720W/W100355  
Chartered Accountants


  
Amit Chaturvedi  
Partner  
Membership No:103141





For and on behalf of the Board

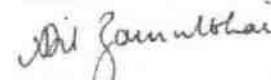
  
Mukesh D. Ambani  
Chairman


  
Manoj H. Modi  
Director

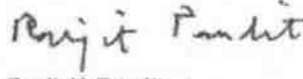
  
Akash M. Ambani  
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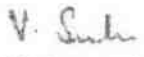
  
Isha M. Ambani  
Director

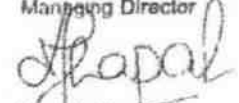
  
Pankaj Pawar  
Director


  
Adil Zainulbhai  
Director

  
Prof. Dipak C. Jain  
Director

  
Ranjit V. Pandit  
Director

  
V. Subramaniam  
Managing Director

  
Dinesh Ingar  
Chief Financial Officer

  
K. Sridhar  
Company Secretary

Mumbai  
Dated : 30th April, 2020

**Reliance Retail Ventures Limited**  
**Standalone Statement of Changes in Equity for the year ended 31st March, 2020**

**A. Equity Share Capital**

Balance As at 1st April, 2018	Changes in equity share capital during the year 2018-19	Balance As at 31st March, 2019	Changes in equity share capital during the year 2019-20	Balance As at 31st March, 2020
6000 00 00 000	-	6000 00 00 000	-	6000 00 00 000

₹

**B. Other Equity**

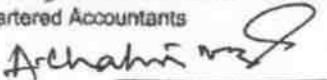
	Instrument Classified as Equity		Reserves & Surplus		Total
	8.5% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each, (OCPS) ₹ 2.5 paid up	Call money towards OCPS	Securities Premium	Retained Earnings	
Balance at the beginning of reporting period 1st April, 2018	200 00 00 000	-	800 00 00 000	(2 74 06 758)	997 25 91 242
Call money towards OCPS	-	650 00 00 000	-	-	650 00 00 000
Total Comprehensive Income for the year	-	-	-	86 62 384	86 62 384
<b>Balance at the end of reporting period 31st March, 2019</b>	<b>200 00 00 000</b>	<b>650 00 00 000</b>	<b>800 00 00 000</b>	<b>(1 87 46 374)</b>	<b>1648 12 53 626</b>
Balance at the beginning of reporting period 1st April, 2019	200 00 00 000	650 00 00 000	800 00 00 000	(1 87 46 374)	1648 12 53 626
Total Comprehensive income for the year	-	-	-	8 10 13 700	8 10 13 700
<b>Balance at the end of reporting period 31st March, 2020</b>	<b>200 00 00 000</b>	<b>650 00 00 000</b>	<b>800 00 00 000</b>	<b>6 22 67 326</b>	<b>1656 22 67 326</b>

₹

**Reliance Retail Ventures Limited**


As per our Report of even date

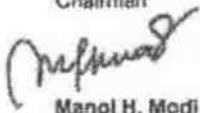
For Chaturvedi & Shah LLP  
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Chartered Accountants


  
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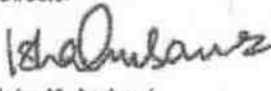



For and on behalf of the Board

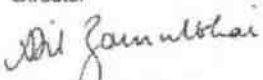
  
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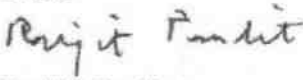
  
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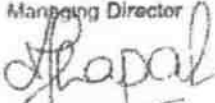
  
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Managing Director

  
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Chief Financial Officer

  
K. Sridhar  
Company Secretary

Mumbai  
Dated : 30th April, 2020

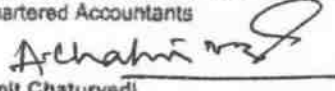
Reliance Retail Ventures Limited  
Standalone Cash Flow Statement for the year ended 31st March, 2020

	2019-20	₹ 2018-19
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per Statement of Profit and Loss	10 59 41 246	1 08 80 868
Adjusted for:		
Interest Income	(9 90 44 603)	(1 95 54 152)
Operating Profit before Working Capital Changes	<u>68 96 643</u>	<u>( 86 73 284)</u>
Adjusted for:		
Trade and Other Receivables	11 59 721	( 7 32 539)
Trade and Other Payables	<u>31 59 10 420</u>	<u>39 42 84 233</u>
Cash Generated from Operations	<u>31 70 70 141</u>	<u>39 35 51 694</u>
Taxes paid (net)	32 39 66 784	38 48 78 410
Net Cash Used in Operating Activities	<u>(1 44 21 018)</u>	<u>(1 40 56 633)</u>
	<u>30 95 45 766</u>	<u>37 08 21 777</u>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Subsidiaries/Debusbidarisation of Subsidiaries	39 25 11 452	(687 08 46 244)
Movement in Loans and Advances	(70 56 32 560)	-
Interest income	1 34 21 209	1 96 91 821
Net cash flow (Used in) Investing Activities	<u>(29 96 99 899)</u>	<u>(685 11 54 423)</u>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Preference Share	-	650 00 00 000
Net Cash Flow from Financing Activities	<u>650 00 00 000</u>	<u>650 00 00 000</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	98 45 867	1 96 67 354
Opening Balance of Cash and Cash Equivalents	2 35 83 113	39 15 759
Closing Balance of Cash and Cash Equivalents (Refer Note "4")	<u>3 34 28 980</u>	<u>2 35 83 113</u>

**Reliance Retail Ventures Limited**

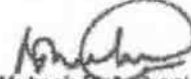
As per our Report of even date

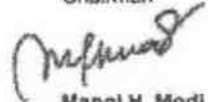
For Chaturvedi & Shah LLP  
Firm Registration No: 101720W/W100355  
Chartered Accountants


  
Amit Chaturvedi  
Partner  
Membership No:103141

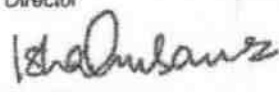


For and on behalf of the Board

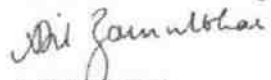
  
Mukesh D. Ambani  
Chairman


  
Manoj H. Modi  
Director

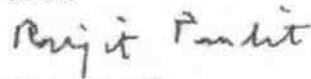
  
Akash M. Ambani  
Director

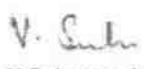
  
Isha M. Ambani  
Director

  
Pankaj Pawar  
Director


  
Adil Zainulbhai  
Director

  
Prof. Dipak C. Jain  
Director

  
Ranjit V. Pandit  
Director

  
V. Subramaniam  
Managing Director

  
Dinesh Theagar  
Chief Financial Officer

  
K. Sridhar  
Company Secretary

Mumbai  
Dated : 30th April, 2020

Reliance Retail Ventures Limited  
NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST March 2020

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**A. CORPORATE INFORMATION**

Reliance Retail Ventures Limited ("the Company") is a public limited company incorporated in India having its registered office and principal place of business at 4<sup>th</sup> floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai-400002. The Company's holding Company is Reliance Industries Limited. The Company is engaged in Organised Retail.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**B.1 BASIS OF PREPARATION AND PRESENTATION**

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which have been measured at fair value amount:

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the Rules notified under the relevant provisions of the Companies Act, 2013.

The Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

**B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Current and Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current Classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least months after the reporting period.

All other assets are classified as non-current.

A liability is current when –

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is 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.

The Company classifies all other liabilities as non-current.

**(b) Cash and Cash Equivalent**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(c) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Reliance Retail Ventures Limited**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST March 2020**

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**(d) Tax expenses**

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

**- Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

**- 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 assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

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 carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**(e) Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement, because it typically controls the goods or services before transferring them to the customer.

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified and also accrues discounts to certain customers based on customary business practices which is derived on the basis of crude price volatility and various market demand – supply situations. Consideration are determined based on its most likely amount

**Contract balances**

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional.



**Reliance Retail Ventures Limited**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST March 2020**

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**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company.

**Interest income**

Interest income from a financial asset is recognised using effective interest rate method.

**Dividend Income**

Dividend income is recognised when the Company's right to receive the payment has been established.

**(f) Financial Instruments**

**i) Financial Assets**

**A. Initial Recognition and Reasurement:**

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit and Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

**B. Subsequent Measurement**

**a) Financial Assets carried at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)**

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.

**c) Financial Assets at Fair Value Through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

**C. Investment in Subsidiaries, Associates and Joint Ventures**

The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

**D. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognized in Statement of Profit and loss when the company's right to receive payment is established.

**E. Impairment of Financial Assets**

**Reliance Retail Ventures Limited**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST March 2020**

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In accordance with Ind AS 109, the Company uses "Expected Credit Loss"(ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**ii) Financial Liabilities**

**A. Initial Recognition and Measurement:**

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost.

Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**B. Subsequent Measurement:**

Financial liabilities are carried at amortized cost using the effective interest method.

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.

**iii) Derivative Financial Instruments**

The company uses various derivative financial instruments such as currency forwards and commodity contracts to mitigate the risk of changes in exchange rates and commodity prices. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss..

**iv) Derecognition of Financial Instruments**

The company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial Liability (or a part of a Financial Liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**v) Offsetting**

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Reliance Retail Ventures Limited  
NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST March 2020

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**(g) Earnings per share**

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

**C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

**a) Recoverability of trade receivable:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include assessing the credit worthiness of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**b) Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**c) Impairment of Financial Assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**d) Estimation uncertainty relating to the global health pandemic on Covid 19:**

The impact of COVID – 19 on the business operations for the Company for the current year 2019-20 is not significant as those were continuing normally until the nationwide lockdown near the end of the year. Management has performed the assessment of the effect of COVID -19 on the recoverability of the value of assets as at the end of the year and liquidity position as well as business activities in the foreseeable future. Based on the assessment, presently there are no significant concerns regarding recoverability of the value of the assets as well as on liquidity and continuity of the business. The impact of COVID – 19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.

**Reliance Retail Ventures Limited**

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

1. Investments - Non-Current	Units	As at 31st March, 2020 Amount	Units	As at 31st March, 2019 Amount
<b>Investments measured at Cost</b>				
<b>In Equity Shares of Subsidiary Companies - Unquoted, Fully Paid Up</b>				
Reliance Retail Limited of ₹ 10 each	498,70,26,060	4993 19 41 400	498,70,26,060	4993 19 41 400
Reliance Brands Limited of ₹ 10 each	8,08,60,000	80 86 00 000	8,08,60,000	80 86 00 000
Reliance Lifestyle Holdings Limited of ₹ 10 each	-	-	50,000	5 00 000
Rhea Retail Private Limited of ₹ 10 each	-	-	7,77,33,201	205 01 45 670
Genesis La Mode Private Limited of ₹ 10 each	60,00,000	10 56 60 000	60,00,000	10 56 60 000
GML India Fashion Private Limited of ₹ 10 each	25,00,000	4 47 75 000	25,00,000	4 47 75 000
GLF Lifestyle Brands Private Limited of ₹ 10 each	4,49,70,180	38 44 95 039	4,49,70,180	38 44 95 039
GLB Body Care Private Limited of ₹ 10 each	7,85,369	15 62 884	7,85,369	15 62 884
Genesis Luxury Fashion Private Limited of ₹ 10 each	3,59,917	3 36 81 033	3,59,917	3 36 81 033
Genesis Colors Limited of ₹ 10 each	36,53,408	88 80 26 618	36,53,408	88 80 26 618
Shri Kannan Departmental Store Private Limited of ₹ 100 each	8,49,267	164 78 34 218	-	-
Reliance GAS Lifestyle India Private Limited of ₹ 10 each	10,00,000	1 03 00 000	-	-
<b>Sub-total (a)</b>		<u>5385 68 76 192</u>		<u>5424 93 87 644</u>
<b>In Preference Shares of Subsidiary Companies - Unquoted, Partly Paid Up</b>				
Reliance Retail Limited of ₹ 10 each, ₹ 2.5 Paid Up	79,99,89,606	1381 18 70 075	79,99,89,606	1381 18 70 075
<b>Sub-total (b)</b>		<u>1381 18 70 075</u>		<u>1381 18 70 075</u>
<b>In Debentures of Subsidiary Companies - Unquoted, Fully Paid Up</b>				
Reliance Retail Limited of ₹ 10 00 000 each	3,300	330 00 00 000	3,300	330 00 00 000
Reliance Brands Limited of ₹ 10 each	54,20,00,000	542 00 00 000	54,20,00,000	542 00 00 000
<b>Sub-total (c)</b>		<u>872 00 00 000</u>		<u>872 00 00 000</u>
<b>Total (a+b+c)</b>		<u>7638 87 46 267</u>		<u>7678 12 57 719</u>
<b>Aggregate Amount of Unquoted Investments</b>		<b>7638 87 46 267</b>		<b>7678 12 57 719</b>
<b>1.1 Category-wise Investments - Non-Current</b>				
Financial assets measured at Cost		7638 87 46 267		7678 12 57 719
<b>Total Investments - Non-Current</b>		<u>7638 87 46 267</u>		<u>7678 12 57 719</u>

**Reliance Retail Ventures Limited****Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

	As at	As at
	31st March, 2020	31st March, 2019
<b>2. Other Non-Current Assets</b>		
<i>(Unsecured and Considered Good)</i>		
Advance Income Tax (Net of Provision)	4 56 87 545	5 61 94 073
<b>Total</b>	<u>4 56 87 545</u>	<u>5 61 94 073</u>
<b>Advance Income Tax (Net of Provision)</b>	<b>As at</b>	<b>As at</b>
At start of year	31st March, 2020	31st March, 2019
	5 61 94 073	4 43 55 924
Charge for the year - Current Tax	(2 49 27 546)	( 22 18 484)
Tax paid during the year (net of refund)	<u>1 44 21 018</u>	<u>1 40 56 633</u>
At end of year	<u>4 56 87 545</u>	<u>5 61 94 073</u>

**Reliance Retail Ventures Limited**

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

	As at 31st March, 2020	₹ As at 31st March, 2019
<b>3. Loans - Current</b>		
<i>(Unsecured and Considered Good)</i>		
Loans and advances to related parties (Refer Note 21.2)	70 56 32 560	-
	<u>70 56 32 560</u>	<u>-</u>

	As at 31st March, 2020	Maximum outstanding during the year	As at 31st March, 2019	₹ As at 31st March, 2019
<b>3.1 Loans and Advances in the Nature of Loans given to Subsidiary</b>				
<b>Name of the company</b>	<b>As at 31st March, 2020</b>	<b>Maximum outstanding during the year</b>	<b>As at 31st March, 2019</b>	<b>Maximum outstanding during the year</b>
Reliance Retail Limited	70 56 32 560	165 00 00 000	-	-
<b>Total</b>	<u>70 56 32 560</u>	<u>165 00 00 000</u>	<u>-</u>	<u>-</u>

(i) The above loans and advances are given for business purposes.

**Reliance Retail Ventures Limited**

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

**4. Cash and Cash Equivalents**

	As at 31st March, 2020	₹ As at 31st March, 2019
Balances with Banks	3 34 28 980	2 35 83 113
<b>Cash and Cash Equivalents as per Balance Sheet / Standalone Statement of Cash Flows</b>	<u>3 34 28 980</u>	<u>2 35 83 113</u>

**Reliance Retail Ventures Limited**

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

	₹	
	As at	
<b>5. Other Financial Assets - Current</b>	<b>As at</b>	
	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Others <sup>(i)</sup>	8 56 39 510	16 116
<b>Total</b>	<u><u>8 56 39 510</u></u>	<u><u>16 116</u></u>

(i) Includes interest receivables.



**Reliance Retail Ventures Limited****Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

	As at 31st March, 2020	₹ As at 31st March, 2019
<b>6. Other Current Assets</b> <i>(Unsecured and Considered Good)</i>		
Balance with GST and State Authorities	2 21 79 768	2 33 86 292
Others <sup>(i)</sup>	46 804	-
<b>Total</b>	<u><u>2 22 26 572</u></u>	<u><u>2 33 86 292</u></u>

(i) Includes advances to employees and vendors.

**Reliance Retail Ventures Limited**

**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

7. Share Capital	As at 31st March, 2020	₹ As at 31st March, 2019
<b>Authorised Share Capital</b>		
750,00,00,000 Equity shares of ₹ 10 each ( 750,00,00,000 )	7500 00 00 000	7500 00 00 000
250,00,00,000 Preference shares of ₹ 10 each ( 250,00,00,000 )	2500 00 00 000	2500 00 00 000
<b>Total</b>	<u>10000 00 00 000</u>	<u>10000 00 00 000</u>
<b>Issued, Subscribed and Paid Up</b>		
600,00,00,000 Equity shares of ₹ 10 each (600,00,00,000)	6000 00 00 000	6000 00 00 000
<b>Total</b>	<u>6000 00 00 000</u>	<u>6000 00 00 000</u>

(i) Out of above, 566,70,00,000 (previous year 566,70,00,000) equity shares of ₹ 10 each fully paid-up are held by Reliance Industries Limited, the holding company.

(ii) The details of Shareholder holding more than 5% shares :

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% held	No. of Shares	% held
Reliance Industries Limited	566,70,00,000	94.45	566,70,00,000	94.45

(iii) The Reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2020 No. of shares	As at 31st March, 2019 No. of shares
Equity Shares at the beginning of the year	600 00 00 000	600 00 00 000
Add: Equity Shares issued during the year	-	-
Equity shares at the end of the year	600 00 00 000	600 00 00 000

(iv) The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

Reliance Retail Ventures Limited

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

	As at		₹	
8. Other Equity	31st March, 2020		As at 31st March, 2019	
<b>Instruments Classified as Equity</b>				
8.5% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10 each, ₹ 2.5 paid up				
As per last Balance sheet		200 00 00 000		200 00 00 000
Call Money towards OCPS				
As per last Balance Sheet	650 00 00 000		-	
Add : Received during the year	-		650 00 00 000	
	<u>650 00 00 000</u>		<u>650 00 00 000</u>	
		850 00 00 000		850 00 00 000
<b>Securities Premium Reserve</b>				
As per last Balance Sheet	800 00 00 000		800 00 00 000	
Add : On Issue of shares	-		-	
	<u>800 00 00 000</u>		<u>800 00 00 000</u>	
		800 00 00 000		800 00 00 000
<b>Retained Earnings</b>				
As per last Balance Sheet	(1 87 46 374)		(2 74 08 758)	
Add: Profit/ (Loss) for the year	8 10 13 700		86 62 384	
	<u>6 22 67 326</u>		<u>(1 87 46 374)</u>	
		6 22 67 326		(1 87 46 374)
<b>Total</b>		<u><u>1656 22 67 326</u></u>		<u><u>1648 12 53 626</u></u>

8.1 Details of Shareholder's holding more than 5% Preference Shares  
(8.5% Non Cumulative Optionally Convertible Preference Shares)

Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% held	No. of Shares	% held
Reliance Industries Limited (Holding Company)	80,00,00,000	100%	80,00,00,000	100%

**8.2 Terms of 8.5% Non Cumulative Optionally Convertible Preference Shares**

The OCPS shall be either redeemed at ₹ 50 per OCPS or converted into 5 (Five) Equity Shares of ₹ 10 each at any time at the option of the Company, but not later than 10 years from the date of allotment of the OCPS i.e February 17, 2018

**8.3 Rights, Preferences and Restrictions attached to Preference Shares**

The Company has one class of Preference Shares i.e. 8.5% Non Cumulative Optionally Convertible Preference Shares (OCPS) of ₹ 10/- per OCPS. Such Preference Shares shall carry a preferential right over the Equity shares of the Company as regards to payment of dividend and repayment of capital, in the event of winding – up of the Company. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. The OCPS shall carry voting rights prescribed under the provisions of the Companies Act, 2013

**8.4 The reconciliation of the number of 8.5% Non Cumulative Optionally Convertible Preference Shares outstanding is set out below :**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
	No. of Shares	No. of Shares
Preference Shares at the beginning of the year	80 00 00 000	80 00 00 000
Add: Preference Shares issued during the year	-	-
Less: Preference Share redeemed during the year	-	-
Preference Share at the end of the year	<u>80 00 00 000</u>	<u>80 00 00 000</u>

**Reliance Retail Ventures Limited**  
**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

<b>9. Other Financial Liabilities -Non Current</b>	<b>As at</b>	<b>As at</b>
	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Others <sup>(i)</sup>	55 00 00 000	-
<b>Total</b>	<u>55 00 00 000</u>	<u>-</u>

(i) Represents for consideration payable for acquisition of shares in subsidiary

**Reliance Retail Ventures Limited****Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

		₹
10. Trade Payables due to	As at 31st March, 2020	As at 31st March, 2019
Micro and Small Enterprises	-	-
Other than Micro and Small Enterprise	<u>1 10 37 858</u>	<u>8 97 296</u>
	1 10 37 858	8 97 296
<b>Total</b>	<u><u>1 10 37 858</u></u>	<u><u>8 97 296</u></u>

10.1 There are no amounts outstanding to Micro and Small Enterprises as at March 31, 2020.

**Reliance Retail Ventures Limited****Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

	As at 31st March, 2020	₹ As at 31st March, 2019
<b>11. Other Financial Liabilities-Current</b>		
Others <sup>(i)</sup>	15 00 00 000	40 00 00 000
	<u>15 00 00 000</u>	<u>40 00 00 000</u>

(i) Represents for consideration payable for acquisition of shares in subsidiary

	31st March, 2020	₹ 31st March, 2019
<b>12. Other Current Liabilities</b>		
Other Payables <sup>(i)</sup>	80 56 250	22 86 391
	<u>80 56 250</u>	<u>22 86 391</u>

(i) Includes statutory liabilities.

**Reliance Retail Ventures Limited**

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

		₹
<b>13. Other Income</b>	<b>2019-20</b>	<b>2018-19</b>
<b>Interest</b>		
Bank deposits	24 41 491	4 77 602
Related Parties	9 32 88 796	1 89 90 640
Others	33 14 316	85 910
<b>Total</b>	<u>9 90 44 603</u>	<u>1 95 54 152</u>

Above other income comprises of assets measured at amortised cost.



**Reliance Retail Ventures Limited**

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

		2019-20	2018-19
<b>14. Other Expenses</b>			₹
<b>Selling and distribution expenses</b>			2018-19
Warehousing and distribution expenses	<u>160 32 52 760</u>	160 32 52 760	<u>-</u>
Rates and taxes	6 000		10 200
Professional fees	2 00 09 312		1 05 85 231
Hire Charges-Contracted service	-		13 65 65 742
General expenses	<u>11 25 270</u>		<u>12 77 111</u>
		2 11 40 582	14 84 38 284
<b>Payments to Auditor</b>			
Statutory Audit Fees	1 50 000		1 50 000
Tax audit Fees	50 000		50 000
Certification and Consultation Fees	<u>35 000</u>		<u>35 000</u>
		2 35 000	2 35 000
<b>Total</b>		<u><u>162 46 28 342</u></u>	<u><u>14 86 73 284</u></u>

**Reliance Retail Ventures Limited****Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

	As at	₹ As at
15. Taxation	31st March, 2020	31st March, 2019
<b>Income Tax recognised in the Statement of Profit and Loss</b>		
Current Tax	2 49 27 546	22 18 484
<b>Total Income Tax expenses Recognised in the Current Year</b>	<u>2 49 27 546</u>	<u>22 18 484</u>
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	10 59 41 246	1 08 80 868
Applicable tax rate	25.170%	27.820%
Computed tax expenses	2 66 65 412	30 27 057
<b>Tax Effect of :</b>		
Carry forward losses utilised	( 17 37 866)	( 30 27 057)
Additional Allowances	-	-
MAT Credit Generated	-	22 18 484
<b>Tax Expenses recognised in Statement of Profit and Loss</b>	<u>2 49 27 546</u>	<u>22 18 484</u>
<b>Effective Tax Rate</b>	23.53%	20.39%

**Reliance Retail Ventures Limited****Notes to the Standalone Financial Statements for the year ended 31st March, 2020**

16 The Company is mainly engaged in 'Organised Retail' primarily catering to Indian consumers in various consumptions baskets. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment". The chief operational decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

<b>17 Earnings Per Share (EPS)</b>	<b>2019-20</b>	<b>2018-19</b>
		₹
<b>Face Value Per Equity Share (₹)</b>	<b>10.00</b>	<b>10.00</b>
<b>Basic Earnings Per Share(₹)</b>	<b>0.01</b>	<b>0.00</b>
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	<b>8 10 13 700</b>	86 62 384
Weighted average number of equity shares used as denominator for calculating Basic EPS	<b>600 00 00 000</b>	600 00 00 000
<b>Dilued Earnings Per Share(₹)</b>	<b>0.01</b>	<b>0.00</b>
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	<b>8 10 13 700</b>	86 62 384
Weighted average number of equity shares used as denominator for calculating Dilued EPS	<b>700 00 00 000</b>	<b>700 00 00 000</b>
<b>Reconciliation of Weighted average number of shares outstanding</b>		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	<b>600 00 00 000</b>	600 00 00 000
Total Weighted Average Potential Equity Shares	<b>100 00 00 000</b>	100 00 00 000
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	<b>700 00 00 000</b>	<b>700 00 00 000</b>

<b>18 Commitments</b>	<b>2019-20</b>	<b>2018-19</b>
		₹
Uncalled liability on shares and other investments partly paid	<b>2618 76 10 225</b>	<b>2618 76 10 225</b>

19 There are no employees during the year therefore Ind AS 19 "Employee Benefits", is not applicable to the company.

## Reliance Retail Ventures Limited

### Notes to the Standalone Financial Statements for the year ended 31st March, 2020

#### 20 Financial & Derivative Instrument

##### 20.1 Capital Management

The Company being the holding company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders through prudent investments in subsidiaries and associates. The company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compare to last year.

##### 20.2 Financial Instrument

###### Valuation Methodology

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

Fair value measurement hierarchy:

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Loans	70 56 32 560	-	-	-	-	-
Cash and Cash Equivalents	3 34 28 980	-	-	2 35 83 113	-	-
Other Financial Assets	8 56 39 510	-	-	16 116	-	-
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Other Financial Liabilities	70 00 00 000	-	-	-	-	-
Trade Payables	1 10 37 858	-	-	8 97 296	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

##### 20.3 Financial Risk Management

The Company's activities expose it to credit risk and liquidity risk.

This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

Risk	Exposure arising from	Measurement	Mitigation
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at cost.	Ageing analysis, Credit worthiness	Counterparty credit limits and Dealing with highly rates counterparties as a policy.
Liquidity Risk	Other liabilities.	Ageing analysis, Rolling cash-flow forecasts	Managing the outflow of payments towards liabilities in a timely and scheduled manner.

The company's risk management is carried out by the company as per policies approved by the management. The company identifies, evaluates and mitigates financial risk in close co-operation with its operation team. The company's overall risk management programme focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

###### A) Credit risk

Credit risk is the risk that a customer will fail to pay amounts due causing financial loss to the company. It arises from cash and cash equivalents and principally from credit exposures to customers relating to outstanding receivables.

###### B) Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Company manages liquidity risk by maintaining adequate reserves and matching maturity profiles of financial assets and financial liabilities.

**Reliance Retail Ventures Limited****Notes to the Standalone Financial Statements for the year ended 31st March, 2020****21 Related Parties Disclosures**

As per IND AS 24, the disclosures of transactions with the related parties are given below:

(i) List of Related Parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Holding Company
2	Reliance Retail Limited	
3	Reliance Clothing India Private Limited	
4	Reliance-GrandOptical Private Limited	
5	Reliance Petro Marketing Limited	
6	Reliance Brands Limited	
7	Reliance Lifestyle Holdings Limited*	
8	Reliance GAS Lifestyle India Private Limited	
9	Rhea Retail Private Limited*	Subsidiary
10	Genesis Colors Limited	
11	Genesis Luxury Fashion Private Limited	
12	Genesis La Mode Private Limited	
13	GML India Fashion Private Limited	
14	GLF Body Care Private Limited	
15	GLF Lifestyle Brands Private Limited	
16	Shri Kannan Departmental Store Private Limited*	
17	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary
18	Reliance Corporate IT Park Limited	
19	Shri V Subramaniam	
20	Shri Ashwin Khasgiwala*	
21	Shri Dinesh Thapar*	Key Managerial Personnel
22	Shri K Sridhar	

\* The above entities includes related parties where the relationship existed for the part of the year.

**Reliance Retail Ventures Limited**

Notes to the Standalone Financial Statements for the year ended 31st March, 2020

(ii) Disclosure in respect of major Related Party transactions during the year:						₹
Sr No	Nature of transactions	Holding company	Subsidiaries	Fellow subsidiaries	Key Managerial Personnel	Total
1	Call money received towards OCPS	- <i>650 00 00 000</i>	- -	- -	- -	- <i>650 00 00 000</i>
2	Purchase/ subscription of investments	- -	<b>13 26 67 440</b> <i>732 08 46 244</i>	- -	- -	<b>13 26 67 440</b> <i>732 08 46 244</i>
3	Sale of Investment	- -	- -	- <i>80 86 00 000</i>	- -	- <i>80 86 00 000</i>
4	Net unsecured loans Given/ (returned)	- -	<b>70 56 32 560</b> -	- -	- -	<b>70 56 32 560</b> -
5	Redemption of Debentures	- -	- <i>(45 00 00 000)</i>	- -	- -	- <i>(45 00 00 000)</i>
6	Hire Charges-Contracted Services	- -	- -	- <i>16 03 62 000</i>	- -	- <i>16 03 62 000</i>
7	Revenue from Operations	- -	<b>192 51 99 482</b> -	- -	- -	<b>192 51 99 482</b> -
8	Other Income	- -	<b>9 32 88 796</b> <i>1 89 90 640</i>	- -	- -	<b>9 32 88 796</b> <i>1 89 90 640</i>
9	Professional Fees	<b>6 45 356</b> <i>5 84 408</i>	- -	- -	- -	<b>6 45 356</b> <i>5 84 408</i>
10	Payment to Key Managerial Personnel	- -	- -	- -	<b>2 26 56 000</b> <i>1 18 00 000</i>	<b>2 26 56 000</b> <i>1 18 00 000</i>
<b>Balance as at 31st March, 2020</b>						
11	Equity Share capital	<b>5667 00 00 000</b> <i>5667 00 00 000</i>	- -	- -	- -	<b>5667 00 00 000</b> <i>5667 00 00 000</i>
12	Preference Share Capital <sup>#</sup>	<b>1000 00 00 000</b> <i>1000 00 00 000</i>	- -	- -	- -	<b>1000 00 00 000</b> <i>1000 00 00 000</i>
13	Call money received towards OCPS	<b>650 00 00 000</b> <i>650 00 00 000</i>	- -	- -	- -	<b>650 00 00 000</b> <i>650 00 00 000</i>
14	Investments - Non-Current	- -	<b>7638 87 46 267</b> <i>7678 12 57 719</i>	- -	- -	<b>7638 87 46 267</b> <i>7678 12 57 719</i>
15	Trade Payable	- <i>5 79 344</i>	<b>1 07 36 000</b> -	- -	- -	<b>1 07 36 000</b> <i>5 79 344</i>
16	Other Financial Liabilities	- -	- <i>40 00 00 000</i>	- -	- -	- <i>40 00 00 000</i>
17	Other Financial Assets	- -	<b>8 39 59 913</b> -	- -	- -	<b>8 39 59 913</b> -

 Figures in *italic* represents previous year's amount.

<sup>#</sup>Including Securities Premium

**Reliance Retail Ventures Limited**
**Notes to the Standalone Financial Statements for the year ended 31st March, 2020**
**(iii) Disclosure in respect of material Related Party transactions during the year:**

		₹	
Particulars	Relationship	2019-20	2018-19
<b>1 Call money received towards OCPS</b>			
Reliance Industries Limited	Holding Company	-	650 00 00 000
<b>2 Purchase/ subscription of Investments</b>			
Reliance Retail Limited	Subsidiary	-	381 20 00 000
Reliance Lifestyle Holdings Limited*	Subsidiary	-	5 00 000
Rhea Retail Private Limited*	Subsidiary	-	205 01 45 670
Genesis La Mode Private Limited	Subsidiary	-	10 56 60 000
GML India Fashion Private Limited	Subsidiary	-	4 47 75 000
GLF Lifestyle Brands Private Limited	Subsidiary	-	38 44 95 039
GLB Body Care Private Limited	Subsidiary	-	15 62 884
Genesis Luxury Fashion Private Limited	Subsidiary	-	3 36 81 033
Genesis Colors Limited	Subsidiary	-	88 80 26 518
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	-	80 86 00 000
Shri Kannan Departmental Store Private Limited*	Subsidiary	12 23 67 440	-
Reliance Brands Limited	Subsidiary	1 03 00 000	-
<b>3 Sale of investments</b>			
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	-	80 86 00 000
<b>4 Net Loans and Advances Given/ (Returned)</b>			
Reliance Retail Limited	Subsidiary	70 56 32 560	-
<b>5 Redemption of Debentures</b>			
Reliance Brands Limited	Subsidiary	-	45 00 00 000
<b>6 Hire Charges-Contracted Services</b>			
Reliance Corporate IT Park Limited	Fellow Subsidiary	-	16 03 62 000
<b>7 Revenue from Operations</b>			
Reliance Retail Limited	Subsidiary	192 51 99 482	-
<b>8 Other Income</b>			
Reliance Retail Limited	Subsidiary	9 32 88 796	1 89 90 640
<b>9 Professional Fees</b>			
Reliance Industries Limited	Holding Company	6 45 356	5 84 408
<b>10 Payment to Key Managerial Personnel</b>			
Shri Ashwin Khasgiwala*	Key Managerial Personnel	19 05 700	59 00 000
Shri Dinesh Thapar*	Key Managerial Personnel	1 73 10 600	-
Shri K Sridhar	Key Managerial Personnel	34 39 700	59 00 000

\* The above entities includes related parties where the relationship existed for the part of the year.

21.1 Compensation of Key Managerial Personnel	2019-20	2018-19
Short-term benefits	2 26 56 000	1 18 00 000

22 Details of loan given, investment made and guarantee given covered u/s 185(4) of the Companies Act, 2013

- i) Loans given by the company as at 31st March 2020 (Refer Note 3.1)
- ii) Investments made by the company as at 31st March 2020 (Refer Note 1)
- iii) No Guarantees given by the company.

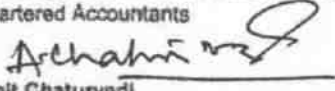
23 The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

24 The Financial Statements were approved for issue by the Board of Directors on 30th April,2020.

**Reliance Retail Ventures Limited**

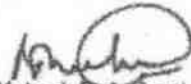
As per our Report of even date

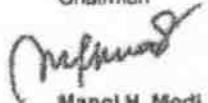
For Chaturvedi & Shah LLP  
Firm Registration No: 101720W/W100355  
Chartered Accountants


  
Amit Chaturvedi  
Partner  
Membership No: 103141





For and on behalf of the Board

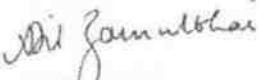
  
Mukesh D. Ambani  
Chairman


  
Manoj H. Modi  
Director

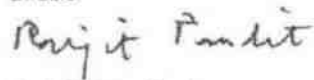
  
Akash M. Ambani  
Director

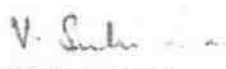
  
Isha M. Ambani  
Director

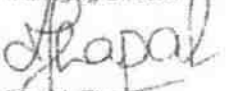
  
Pankaj Pawar  
Director


  
Adil Zainulbhai  
Director

  
Prof. Dipak C. Jain  
Director

  
Ranjit V. Pandit  
Director

  
V. Subramaniam  
Managing Director

  
Dinesh Thegar  
Chief Financial Officer

  
K. Sridhar  
Company Secretary

Mumbai  
Dated : 30th April, 2020



# RELIANCE RETAIL AND FASHION LIFESTYLE LIMITED

CIN: U52609MH2020PLC343627

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## TO WHOMSOEVER IT MAY CONCERN

We Reliance Retail and Fashion Lifestyle Limited (the "Company") hereby declare that the Company was incorporated on August 11, 2020, and the first financial year of the Company would end on March 31, 2021. Accordingly, the Company would be required to carry out the audit of its financial statement after March 31, 2021.

**For Reliance Retail and Fashion Lifestyle Limited**



**Dinesh Thapar**  
Director  
(DIN: 05288401)



September 26, 2020