

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 others 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 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 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

Website: 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 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 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.

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 and on the website of NSDL 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.
 - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on 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 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 bhattvirendra1945@yahoo.co.in 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 Member and e-voting user manual for Member 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.
- 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 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 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 and on the website of NSDL 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; Website: 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 Deshpande 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 Deshpande 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 Deshpande 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 Deshpande 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 Deshpande as an Independent Director of the Company.

Except Ms. Bala Deshpande 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 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:

| 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, particulars of the contract or arrangement | Monetary Value of transactions | Any other information relevant or important for the Members to take decision on the proposed resolution |
|--|--|--|-------------------------------|--|---------------------------------------|---|
| 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:

| Name of Director | Mr. Vijay Biyani | Mr. Haresh Chawla | Mr. V. K. Chopra | Ms. Bala Despande | Mr. Dinesh Maheshwari |
|--|--|--|---|---|---|
| Date of Birth | July 4, 1959 | December 29, 1967 | March 06, 1946 | April 15, 1966 | January 19, 1969 |
| Age | 60 years | 52 years | 73 years | 53 years | 50 years |
| DIN | 00005827 | 00029828 | 02103940 | 00020130 | 00088451 |
| Date of first appointment on the Board | September 26, 2009 | March 28, 2019 | July 24, 2008 | August 09, 2001 | May 04, 2016 |
| Qualification | 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. |
| Experience and expertise | 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. |

| Name of Director | Mr. Vijay Biyani | Mr. Haresh Chawla | Mr. V. K. Chopra | Ms. Bala Despande | Mr. Dinesh Maheshwari |
|---|--|--|--|--|--|
| Terms and Conditions of Re-appointment along with details of remuneration sought to be paid | 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. |
| Remuneration last Drawn | 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. |
| Number of Board Meeting attended during the year 2018-19 | 5 (five) out 6 (Six). | Not Applicable | 6 (Six) out 6 (Six). | 4 (Four) out 6 (Six). | 6 (Six) out 6 (Six). |
| Directorship held in other Listed Companies (As on March 31, 2019) | None | <ul style="list-style-type: none"> • Prataap Snacks Limited | <ul style="list-style-type: none"> • Greenlam Industries Limited • Havells India Limited • Sheela Foam Limited; • IIFL Facilities Services Limited; • India Infoline Finance Limited; | <ul style="list-style-type: none"> • Future Supply Chain Solutions Limited; • Info Edge (India) Limited | None |
| Directorship in other Companies (excluding foreign companies and Section 8 companies) (As on March 31, 2019) | <ul style="list-style-type: none"> • Future Generali India Insurance Company Limited; • Utsav Mall Management Company Private Limited; • Shendra Advisory Services Private Director Limited; • Kesari Realty Private Limited; • Kuber Mall Management Private Limited; • Dhanshree Fashions Private Limited; • Nimbi Jodha Trading & Finvest Private Limited; • Sprint Advisory Services Private Limited; • Future Corporate Resources Private Limited. | <ul style="list-style-type: none"> • Hicare Services Private Limited • Jaypore E - Commerce Private Limited • VKL Seasoning Private Limited • Degustibus Hospitality Private Limited • Abundantia Entertainment Private Limited | <ul style="list-style-type: none"> • Milestone Capital Advisors Private Limited; • Pegasus Assets Reconstruction Private Limited. | <ul style="list-style-type: none"> • Financial Software and Systems Private Limited; • MediSys Edutech Private Limited • Nova Medical Centers Private Limited • Panacea Medical Technologies Private Limited • Greytip Software Private Limited • MegaDelta Services Private Limited | <ul style="list-style-type: none"> • Futurebazaar India Limited; • Future E-commerce Infrastructure Limited; • Nufuture Digital (India) Limited; • Iskrupa Mall Management Company; • Future Capital Investments Private Limited. |

| Name of Director | Mr. Vijay Biyani | Mr. Haresh Chawla | Mr. V. K. Chopra | Ms. Bala Despande | Mr. Dinesh Maheshwari |
|--|--|---|---|---|--|
| Chairmanship/ Membership of Committees of the Board of Directors of other listed companies as on March 31, 2019 | None | <ul style="list-style-type: none"> • Prataap Snacks Limited ○ Stakeholder Relationship Committee – Chairman ○ Corporate Social Responsibility – Member ○ Risk Management Committee – Member | <ul style="list-style-type: none"> • Havells India Limited ○ Audit Committee – Member • India Infoline Finance Limited ○ Audit Committee – Chairman • Greenlam Industries Limited ○ Audit Committee – Chairman • Sheela Foam Limited ○ Audit Committee – Chairman • IIFL Facilities Limited Services ○ Audit Committee – Member | <ul style="list-style-type: none"> • Future Supply Chain Solutions Limited ○ Audit Committee – Chairperson ○ Nomination and Remuneration Committee – Chairperson • Info Edge (India) Limited ○ Stakeholder Relationship Committee – Member ○ Nomination and Remuneration Committee – Member | None |
| Chairmanship/ Membership of Committees of the Board of Directors of other companies as on March 31, 2019 | None | None | None | None | <ul style="list-style-type: none"> • Future E-commerce Infrastructure Limited ○ Audit Committee – Member • Nufuture Digital (India) Limited ○ Audit Committee – Member • Futurebazaar India Limited ○ Nomination and Remuneration Committee - Member |
| Shareholding of Director in the Company (As on March 31, 2019) | 2,121 Class B (Series 1) Shares of the Company | 2,65,000 Equity Shares of the Company | Nil | Nil | Nil |
| Relationship with other Director/Key Managerial Personnel ("KMP") | 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 |
|---------------------------|--|---|
| Background details | <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 & Co., IIT Capital Services Ltd. and Mukwano Industries Limited.</p> |

| Particulars | Mr. Vijay Biyani | Mr. Dinesh Maheshwari |
|---|---|---|
| Recognition and Awards | - | - |
| Job Profile and his suitability | 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. |
| Past Remuneration | 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. |
| Remuneration Proposed | 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. |
| Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel(s), if any | 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; **Email:** investorrelations@futuregroup.in

ATTENDANCE SLIP

Sr.No.:

| | | | |
|--|------------------------------|------------------------------|-------------------------|
| Regd. Folio/DPID & Client ID | | | |
| Name and Address of the Member | | | |
| Joint holder(s) | | | |
| Name of Proxy / Authorised Representative | | | |
| Number of Equity Share Held | Type of Equity shares | Number of shares held | Votes entitled # |
| | Equity | | |
| | Class B (Series 1) | | |
| | Total | | |

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 **31st 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

| Type of Equity shares | EVEN (E-Voting Event Number) | User ID | Password / PIN |
|-----------------------|---------------------------------|---------|----------------|
| Equity | 110926 | | |
| Class B (Series 1) | 110925 | | |

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 31st 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 |
| 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 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 Deshpande (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)

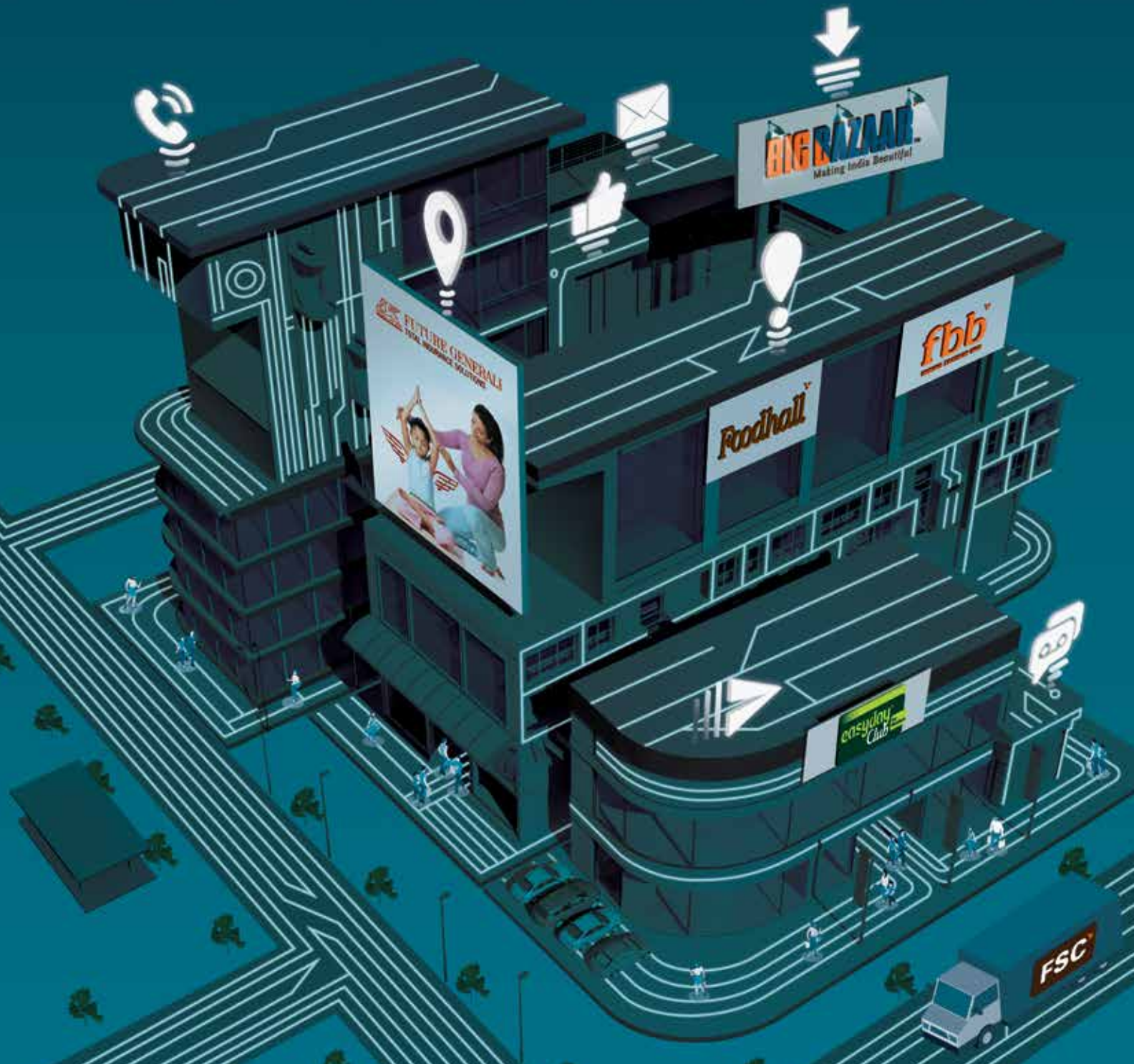
Notes:

* 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

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 Deshpande

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

INVESTOR EMAIL ID

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.

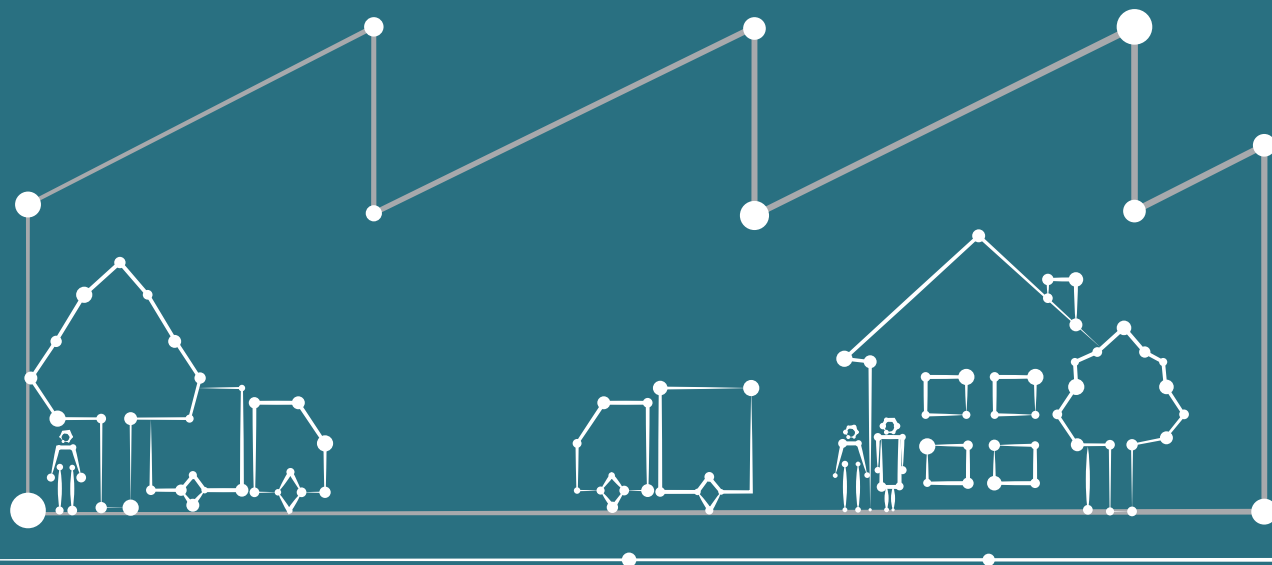
Digital technology is now at the heart of every business and your Company is making new investments in complimenting its play in physical infrastructure with digital networks that help grow the consumption ecosystem of Future Group. The scale and scope of the consumption play in India is vast and the 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.



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.

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: | | | | | | | | | | | | | |
| | <table> <tr> <th>Particulars</th><th>Number of such cases</th><th>Total Amount Involved</th></tr> <tr> <td>At the beginning of the year</td><td>-</td><td>-</td></tr> <tr> <td>Maximum during the year</td><td>-</td><td>-</td></tr> <tr> <td>At the end of the year</td><td>-</td><td>-</td></tr> </table> | Particulars | Number of such cases | Total Amount Involved | At the beginning of the year | - | - | Maximum during the year | - | - | At the end of the year | - | - | |
| Particulars | Number of such cases | Total Amount Involved | | | | | | | | | | | | |
| 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
- 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
- Policy for determining Materiality of Events of the Company is available on the website of the Company at the link https://felindia.in/pdf/Policy_for_Determining_Materiality_of_Events.pdf
- Archival Policy of the Company is available on the website of the Company at the link 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
- The Remuneration Policy is available on the website of the Company at the link https://felindia.in/pdf/Remuneration_Policy.pdf
- Policy on dealing with Related Party Transactions is available on the website of the Company at the link https://felindia.in/pdf/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. 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 Maatschappij 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 ("FGL-Nonlife") is Company's joint venture with Participatie Maatschappij Graafschap Holland NV, (Generali) in the general insurance sector. FGL-Nonlife has introduced insurance products for various general insurance needs of the different categories of customers. During the financial year ended March 31, 2019, FGL-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. 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 Despande 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 Despande 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 Despande 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 Despande 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 Despande, 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.

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 |
|---------|--|---|
| A | Disclosure in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time. | Refer Note No. 36 and 37 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. 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) |

| Sr. No. | NAME & ADDRESS OF THE COMPANY | CIN / GLN | HOLDING / SUBSIDIARY / ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|----------------|--|-----------------------|---|-------------------------|---------------------------|
| 4 | Bluerock eServices Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060 | U72900MH2012PTC298230 | Subsidiary | 100.00 | Section 2(87) (iii) |
| 5 | 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

| Cat- egory 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 | |
| (A) | Shareholding of Promoters and Promoter Group | | | | | | | | | |
| (1) | Indian | | | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family / Nominee of Promoter | - | - | - | - | - | - | - | - | 0.00 |
| (b) | Central Government/ State Government(s) | - | - | - | - | - | - | - | - | 0.00 |
| (c) | Bodies Corporate | 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 |
| | Sub-Total (A)(1) | 205,760,572 | - | 20,57,60,572 | 45.32 | 22,80,10,572 | - | 22,80,10,572 | 50.20 | 4.88 |
| (2) | Foreign | | | | | | | | | |
| (a) | Individuals (Non- Resident Individuals / Foreign Individuals) | - | - | - | - | - | - | - | - | 0.00 |
| (b) | Bodies Corporate | - | - | - | - | - | - | - | - | 0.00 |
| (c) | Financial Institutions / Banks | - | - | - | - | - | - | - | - | 0.00 |
| (d) | Any Other (specify) | - | - | - | - | - | - | - | - | 0.00 |
| | Sub-Total (A)(2) | - | - | - | - | - | - | - | - | 0.00 |

| Category code | Category of Shareholders | No. of Equity Shares held at the beginning of the year | | | | No. of Equity Shares held at the end of the year | | | | % Change during the year |
|---------------|---|--|-----------------|---------------------|-------------------|--|-----------------|---------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 20,57,60,572 | - | 20,57,60,572 | 45.32 | 22,80,10,572 | - | 22,80,10,572 | 50.20 | 4.88 |
| (B) | Public shareholding | | | | | | | | | |
| (1) | Institutions | | | | | | | | | |
| (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 |
| | Sub-Total (B)(1) | 2,23,41,317 | - | 23,41,317 | 4.92 | 1,94,04,100 | - | 1,94,04,100 | 4.27 | (0.65) |
| (2) | Non-Institutions | | | | | | | | | |
| (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 |
| | Sub-Total (B)(2) | 22,53,18,164 | 5,77,015 | 22,58,95,179 | 49.76 | 20,63,04,259 | 4,98,337 | 20,68,02,596 | 45.53 | (4.90) |
| | Total Public Shareholding (B)= (B)(1)+(B)(2) | 24,76,59,481 | 5,77,015 | 24,82,36,496 | 54.68 | 22,57,08,359 | 4,98,337 | 22,62,06,696 | 49.80 | (5.54) |
| | TOTAL (A)+(B) | 45,34,20,053 | 5,77,015 | 45,39,97,068 | 100.00 | 45,37,18,931 | 4,98,337 | 45,42,17,268 | 100.00 | (0.67) |
| (C) | Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | 0.00 |
| | GRAND TOTAL (A)+(B)+(C) | 45,34,20,053 | 5,77,015 | 45,39,97,068 | 100.00 | 45,37,18,931 | 4,98,337 | 45,42,17,268 | 100.00 | 0.00 |

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

| Cat- egory 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 | |
| (A) | Shareholding of Promoters and Promoter Group | | | | | | | | | |
| (1) | Indian | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family / Nominee of Promoter | 88,115 | - | 88,115 | 0.22 | 88,115 | - | 88,115 | 0.22 | 0.00 |
| (b) | Central Government / State Government(s) | - | - | - | - | - | - | - | - | 0.00 |
| (c) | Bodies Corporate | 2,83,48,465 | | 2,83,48,465 | 72.00 | 2,83,48,465 | | 2,83,48,465 | 72.00 | 0.00 |
| (d) | Financial Institutions / Banks | - | - | - | - | - | - | - | - | 0.00 |
| (e) | Any Other (specify) | - | - | - | - | - | - | - | - | 0.00 |
| | Sub-Total (A)(1) | 2,84,36,580 | - | 2,84,36,580 | 72.22 | 28,436,580 | - | 2,84,36,580 | 72.22 | - |
| (2) | Foreign | | | | | | | | | 0.00 |
| (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 |
| | Sub-Total (A)(2) | - | - | - | - | - | - | - | - | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 2,84,36,580 | - | 2,84,36,580 | 72.22 | 2,84,36,580 | - | 2,84,36,580 | 72.22 | - |
| (B) | Public shareholding | | | | | | | | | 0.00 |
| (1) | Institutions | | | | | | | | | 0.00 |
| (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 |
| | Sub-Total (B)(1) | 2,30,678 | - | 2,30,678 | 0.59 | 1,72,441 | - | 172,441 | 0.44 | (0.15) |

| 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) | Non-Institutions | | | | | | | | | 0.00 |
| (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 |
| | Sub-Total (B)(2) | 1,06,40,425 | 66,996 | 1,07,07,421 | 27.19 | 1,07,06,649 | 59,009 | 1,07,65,658 | 27.34 | 0.15 |
| | Total Public Shareholding (B)= (B)(1)+(B)(2) | 1,08,71,103 | 66,996 | 1,09,38,099 | 27.78 | 1,08,79,090 | 59,009 | 1,09,38,099 | 27.78 | 0.00 |
| | TOTAL (A)+(B) | 3,93,07,683 | 66,996 | 3,93,74,679 | 100.00 | 3,93,15,670 | 59,009 | 3,93,74,679 | 100.00 | 0.00 |
| (C) | Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | 0.00 |
| | GRAND TOTAL (A)+(B)+(C) | 3,93,07,683 | 66,996 | 3,93,74,679 | 100.00 | 3,93,15,670 | 59,009 | 3,93,74,679 | 100.00 | 0.00 |

(ii) Shareholding of Promoters

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

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

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 5 | Central Departmental Stores Private Limited | 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) |
| Total | | 20,57,60,572 | 45.32 | 25.63 | 22,80,10,572 | 50.20 | 38.31 | 4.88 |

(*) 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 |
| Total | | 2,84,36,580 | 72.22 | 0.00 | 2,84,36,580 | 72.22 | 0.00 | 0.00 |

(*) In pursuance of Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 read with Rules made thereunder, M/s. Future Corporate Resources Limited, M/s. PIL Industries Limited, M/s. Manz Retail Private Limited, M/s. Weavette Business Ventures Limited, M/s. ESES Commercials Private Limited, M/s. Gargi Business Ventures Private Limited were amalgamated with M/s. Suhani Trading and Investment Consultants Private Limited ("the Transferee Company" / "Suhani") which was approved by the Hon'ble National Company Law Tribunal at Mumbai Bench and was made effective on 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 |
| 1 | Central Departmental Stores Pvt Ltd | | | | |
| | 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 |
| | At the end of the year | | | 20,01,11,430 | 44.06 |
| 2 | Future Corporate Resources Private Limited (f/k/a Suhani Trading and Investment Consultants Private Limited) | | | | |
| | 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 |
| | At the end of the year | | | 2,78,20,408 | 6.12 |

(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 |
| 1 | Future Corporate Resources Private Limited (f/k/a Suhani Trading and Investment Consultants Private Limited) | | | | |
| | At the beginning of the year | 28,79,503 | 7.31 | 28,79,503 | 7.31 |
| | | | 0.00 | 28,79,503 | 7.31 |
| | At the end of the year | | | 28,79,503 | 7.31 |

(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 |
| 1 | Bennett Coleman and Company Limited | | | | |
| | At the beginning of the year | 2,03,91,700 | 4.49 | 2,03,91,700 | 4.49 |
| | Market Purchase - May 25, 2018 | 3,85,18,216 | 8.48 | 5,89,09,916 | 12.97 |
| | At the end of the year | | | 58,909,916 | 12.97 |
| 2 | Brand Equity Treaties Limited | | | | |
| | At the beginning of the year | 2,49,99,999 | 5.51 | 2,49,99,999 | 5.51 |
| | At the end of the year | | | 2,49,99,999 | 5.50 |
| 3 | Ratnabali Investment Private Limited | | | | |
| | At the beginning of the year | 33,24,801 | 0.73 | 33,24,801 | 0.73 |
| | 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 |
| | At the end of the year | | | 1,27,23,534 | 2.80 |
| 4 | Ratnabali Securities Private Limited | | | | |
| | At the beginning of the year | 3,643 | 0.00 | 3,643 | 0.00 |
| | 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 |
| | At the end of the year | | | 54,95,500 | 1.21 |
| 5 | Life Insurance Corporation of India Limited | | | | |
| | At the beginning of the year | 49,70,150 | 1.09 | 49,70,150 | 1.09 |
| | At the end of the year | | | 49,70,150 | 1.09 |
| 6 | Mauryan First | | | | |
| | At the beginning of the year | 47,00,943 | 1.04 | 47,00,943 | 1.04 |
| | Market Purchase - November 16, 2018 | 10,000 | 0.00 | 47,10,943 | 1.04 |
| | At the end of the year | | | 47,10,943 | 1.04 |
| 7 | Madan Doulatram Bahal | | | | |
| | At the beginning of the year | 42,40,466 | 0.93 | 42,40,466 | 0.93 |
| | 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 |
| | At the end of the year | | | 44,95,200 | 0.99 |

| 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 |
| 8 | Vardhaman Publishers Limited | | | | |
| | At the beginning of the year | 37,37,500 | 0.82 | 37,37,500 | 0.82 |
| | At the end of the year | | | 3,737,500 | 0.82 |
| 9 | Gautam Madan Bahal | | | | |
| | 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 |
| | At the end of the year | | | 36,66,551 | 0.81 |
| 10 | Vivek Saraogi | | | | |
| | At the beginning of the year | 30,94,941 | 0.68 | 30,94,941 | 0.68 |
| | At the end of the year | | | 30,94,941 | 0.68 |

(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 |
| 1 | Praween Agrawal | | | | |
| | At the beginning of the year | - | - | - | - |
| | Market Purchase - March 08, 2019 | 14,00,000 | 3.56 | 14,00,000 | 3.56 |
| | At the end of the year | | | 14,00,000 | 3.56 |
| 2 | Vivek Saraogi | | | | |
| | At the beginning of the year | 9,22,568 | 2.34 | 9,22,568 | 2.34 |
| | At the end of the year | | | 9,22,568 | 2.34 |
| 3 | Sumedha Saraogi | | | | |
| | At the beginning of the year | 4,72,000 | 1.20 | 4,72,000 | 1.20 |
| | At the end of the year | | | 4,72,000 | 1.20 |
| 4 | Purvi Pankaj Patel | | | | |
| | At the beginning of the year | 3,90,339 | 0.99 | 3,90,339 | 0.99 |
| | At the end of the year | | | 3,90,339 | 0.99 |
| 5 | Vishal Ashwin Patel | | | | |
| | At the beginning of the year | 3,26,253 | 0.83 | 3,26,253 | 0.83 |
| | At the end of the year | | | 3,26,253 | 0.83 |
| 6 | B Sumanth Kumar Reddy | | | | |
| | At the beginning of the year | 2,87,326 | 0.73 | 2,87,326 | 0.73 |
| | At the end of the year | | | 2,87,326 | 0.73 |
| 7 | Prashant Jayantilal Patel | | | | |
| | 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 |
| | At the end of the year | | | 2,84,406 | 0.72 |
| 8 | Damyanti Ashwin Patel | | | | |
| | 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 |
| | At the end of the year | | | 2,51,479 | 0.64 |

| 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 |
| 9 | JHP Securities Private Limited | | | | |
| | 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 |
| | At the end of the year | | | 2,40,598 | 0.61 |
| 10 | Pankaj Jayantilal Patel | | | | |
| | At the beginning of the year | 2,23,036 | 0.57 | 2,23,036 | 0.57 |
| | At the end of the year | | | 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 |
| 1 | Mr. Anil Harish | | | | |
| | At the beginning of the year | 10,000 | 0.00 | 10,000 | - |
| | At the end of the year | | | 10,000 | - |
| 2 | Mr. Haresh Chawla² | | | | |
| | 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 |
| 1 | Mr. Kishore Biyani | | | | |
| | At the beginning of the year | 2,121 | 0.00 | 2,121 | - |
| | At the end of the year | | | 2,121 | - |
| 2 | Mr. Vijay Biyani | | | | |
| | At the beginning of the year | 2,121 | 0.00 | 2,121 | - |
| | At the end of the year | | | 2,121 | - |
| 3 | Mr. Anil Harish | | | | |
| | 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 |
|---|--|--------------------|--------------|-----------------------|
| Indebtness at the beginning of the financial year April 01, 2018 | | | | |
| 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 |
| Total (1+2+3) | 5,622.45 | 250.00 | - | 5,872.45 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 2,368.00 | - | 44.30 | 2,412.30 |
| Reduction | (1,333.75) | (250.00) | - | (1,583.75) |
| Net Change | 1,034.25 | (250.00) | 44.30 | 828.55 |
| Indebtedness at the end of the financial year March 31, 2019 | | | | |
| 1) Principal Amount | 6,434.84 | - | 44.30 | 6,479.14 |
| 2) Interest due but not paid | - | - | - | - |
| 3) Interest accrued but not due | 221.86 | - | - | 221.86 |
| Total (1+2+3) | 6,656.71 | - | 44.30 | 6,701.01 |

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 ^{\$} | 0.29 | 0.20 | 0.49 |
| | Total (A) | 3.18 | 2.42 | 5.60 |
| | 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.

\$ Forms part of exempted perquisites.

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 |
| Total (I) | 0.10 | 0.07 | 0.11 | 0.05 | 0.33 |

* 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 |
| Total (II) | 0.04 | 0.04 |
| Total (B)=(I)+(II) | | 0.37 |
| Total (A)+(B) | | 5.97 |
| 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 |
| | Total (C) | 0.59 | 0.59 |

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:

| | | | |
|-----|---|--|--------------|
| (A) | Conservation of Energy: | | |
| | (i) the steps taken or impact on conservation of energy | The operations of your company are not energy intensive, however adequate measures have been taken to reduce energy consumption. | |
| | (ii) the steps taken by the company for utilising alternate sources of energy | All efforts are made to use more natural lights in offices / store premises to optimise the consumption of energy. | |
| | (iii) the capital investment on energy conservation equipments; | NIL | |
| (B) | Technology Absorption: | | |
| | (i) the efforts made towards technology absorption | N.A. | |
| | (ii) the benefits derived like product improvement, cost reduction, product development or import substitution | N.A. | |
| | (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) 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. | N.A. | |
| | (iv) the expenditure incurred on Research and Development. | N.A. | |
| (C) | Foreign Exchange Earnings and Outgo: | | (₹ in Crore) |
| | Particulars | 2018-19 | 2017-18 |
| | Total Foreign Exchange Used | 286.62 | 162.19 |
| | Total Foreign Exchange Earned | 23.33 | 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.

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) |
|--|--|---|---|
| 1. Managing Director | | | |
| Mr. Vijay Biyani | 3.18 | 19.00 | 199.70 |
| 2. Executive Director & Chief Financial Officer | | | |
| Mr. Dinesh Maheshwari | 2.42 | 8.00 | 152.47 |
| 3. Company Secretary | | | |
| 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.

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.

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.

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 th | 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 th | Tuesday, August 29, 2017 at 02:30 PM | |
| 2015-16 | 28 th | 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 th | August 29, 2018 | <ul style="list-style-type: none"> • Nil |
| 29 th | August 29, 2017 | <ul style="list-style-type: none"> • Approval of revision in remuneration to Mr. Vijay Biyani as Managing Director of the Company; • Re-appointment and payment of Mr. Vijay Biyani as Managing Director of the Company. |
| 28 th | August 29, 2016 | <ul style="list-style-type: none"> • Re-designation of and payment of remuneration to Mr. Vijay Biyani as Managing Director of the Company; • Appointment of and payment of remuneration to Mr. Dinesh Maheshwari as Executive Director and Chief Financial Officer of the Company; • Re-classification of Authorised Capital; • Approval for entering into Related Party Transaction; • Issue of Securities on Private Placement Basis. |

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 outstand- ing 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 | | | | | | | |
| 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] | $\frac{[2]}{[1]} \times 100$ | [4] | [5] | $\frac{[6]}{[2]} \times 100$ | $\frac{[7]}{[2]} \times 100$ |
| 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] | $\frac{[2]}{[1]} \times 100$ | [4] | [5] | $\frac{[6]}{[2]} \times 100$ | $\frac{[7]}{[2]} \times 100$ |
| 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

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

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 |

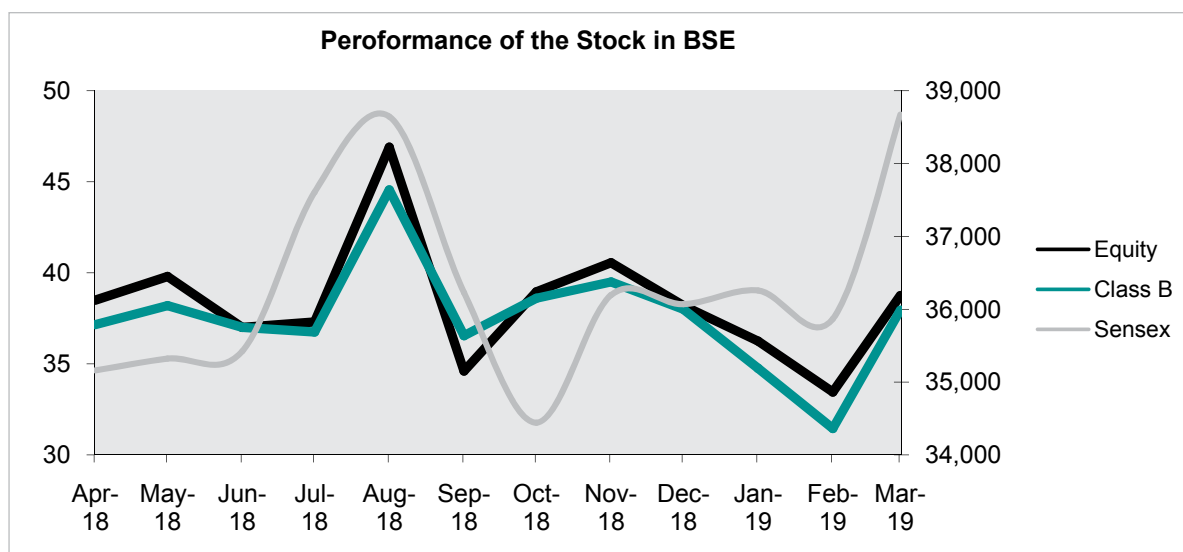
The performance of the Class B (Series 1) Shares of the company at the Stock Exchanges during the year under review is as follows:

| 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 |

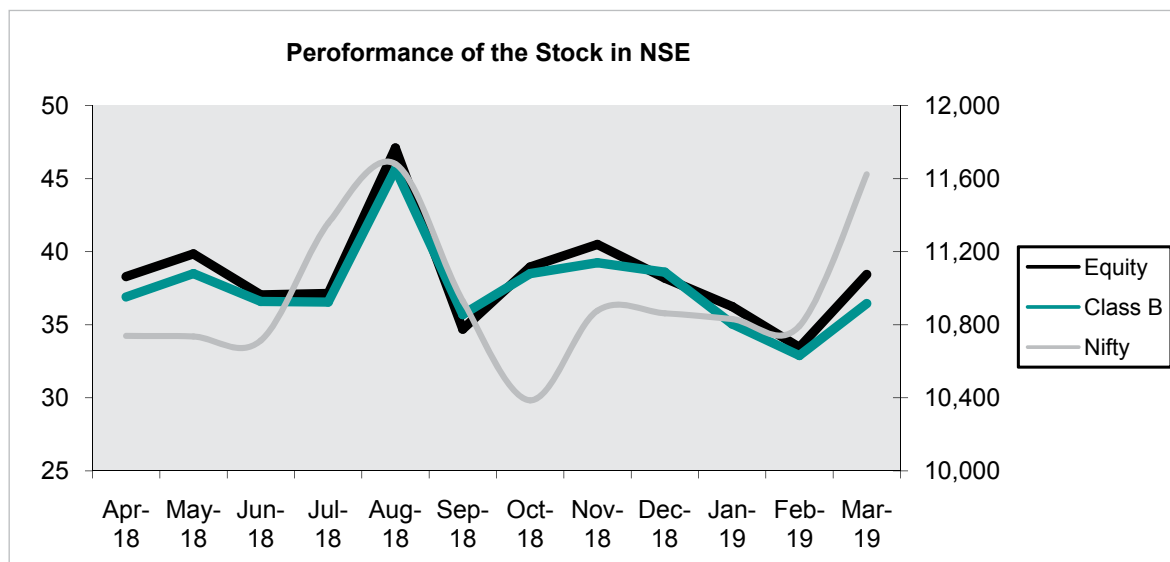
| Month | BSE Limited (BSE) | | | National Stock Exchange of India Limited (NSE) | | |
|------------------|-------------------|-------|--------|--|-------|-----------|
| | High | Low | Volume | High | Low | Volume |
| July - 2018 | 39.80 | 35.30 | 21,403 | 39.80 | 35.00 | 2,24,006 |
| August - 2018 | 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% |
| Total Dematerialised | 45,37,18,931 | 99.89% | 3,93,15,670 | 99.85% |
| Physical | 4,98,337 | 0.11% | 59,009 | 0.15% |
| Total | 45,42,17,268 | 100.00% | 3,93,74,679 | 100.00% |

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 |
| Total | 53,932 | 100.0000 | 45,42,17,268 | 100.0000 |

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 |
| Total | 14,281 | 100.0000 | 3,93,74,679 | 100.0000 |

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 |
| Total | 45,42,17,268 | 100.00 | 3,93,74,679 | 100.00 |

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

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

Plant Locations

G-6, MIDC, Tarapur, Dist. 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
Website: www.linkintime.co.in

For securities held in Demat Form:

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

For any query on the Annual Report:

Mr. Deepak Tanna, Company Secretary

Future Enterprises Limited

Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road,

Jogeshwari (East), Mumbai – 400 060

Tel No: +91 22 6644 2200

Fax No: +91 22 6644 2201

Email : investorrelations@futuregroup.in

Website: www.felindia.in

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

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 |
| Total | 0.32 |

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

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

Disclosure of Accounting Treatment

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

Management

A Management Discussion and Analysis ("MDA") forms part of 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

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

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

Durgesh Kumar Kabra
Partner
Membership No. 044075

Place : Mumbai
Date : May 27, 2019

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

Vijay Biyani
Managing Director

Place : Mumbai
Date : May 27, 2019

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 |
|--|--|
| Valuation of Inventory Refer note no. 7 to the accompanying standalone 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. | Our Procedures included, but were not limited to the following: ♦ 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 |
| Accounting for Lease Rental Income 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. | 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. |

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

| | | | (₹ in crore) |
|--|----------|-------------------------|-------------------------|
| | Note No. | As at March 31, 2019 | As at March 31, 2018 |
| ASSETS | | | |
| 1. Non-Current Assets | | | |
| 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 |
| Total Non-Current Assets | | 9,310.28 | 8,534.85 |
| 2. Current Assets | | | |
| 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 |
| Total Current Assets | | 2,759.31 | 2,367.87 |
| Total Assets | | 12,069.59 | 10,902.72 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 14 | 98.71 | 98.67 |
| Other Equity | 15 | 3,859.51 | 3,811.96 |
| Total Equity | | 3,958.22 | 3,910.63 |
| Liabilities | | | |
| 1. Non-Current Liabilities | | | |
| 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 |
| Total Non-Current Liabilities | | 6,599.62 | 5,940.24 |
| 2. Current Liabilities | | | |
| 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 |
| Total Current Liabilities | | 1,511.75 | 1,051.85 |
| Total Equity and Liabilities | | 12,069.59 | 10,902.72 |
| 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)

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 |
|---|----------|------------------------------|------------------------------|
| INCOME | | | |
| Revenue From Operations | 24 | 4,565.64 | 4,184.80 |
| Other Income | 25 | 27.11 | 183.88 |
| Total Income | | 4,592.75 | 4,368.68 |
| EXPENSES | | | |
| 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 |
| Total Expenses | | 4,590.51 | 4,387.32 |
| Profit / (Loss) Before Tax | | 2.24 | (18.64) |
| Tax Expense | 32 | (21.78) | (6.45) |
| (1) Current Tax | | - | - |
| (2) Deferred Tax | | (21.78) | (6.45) |
| Profit / (Loss) For The Year | | 24.02 | (12.19) |
| Other Comprehensive Income For The Year | | | |
| Re-measurement Gains/ (Losses) on Defined Benefit Plans | 31 | 1.60 | (0.80) |
| Fair Value Changes On Investments | | 10.97 | 21.40 |
| Total Comprehensive Income For The Year | | 36.59 | 8.41 |
| Earnings Per Equity Share of Face Value of ₹ 2/- each | 36 | | |
| Basic - Equity Share | | 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

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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 |
|--|-------------------------|-------------------------|
| (A) EQUITY SHARE CAPITAL | | |
| Opening Balance | 98.67 | 94.57 |
| Change During The Year | | |
| Issue of Equity Shares Under Employee Stock Option Scheme | 0.04 | 0.42 |
| Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited | - | 3.69 |
| Closing Balance | 98.71 | 98.67 |
| (B) OTHER EQUITY | | |
| Retained Earnings | | |
| Opening Balance | 580.40 | 583.56 |
| Profit For The Year | 24.02 | (12.19) |
| Dividend on Equity Shares | - | (9.61) |
| Tax on Dividend | - | (1.96) |
| Transfer to Debenture Redemption Reserve | (24.02) | - |
| Other Comprehensive Income/(Loss) For The Year | | |
| Fair Value Changes On Investments | 10.97 | 21.40 |
| Re-measurement Gains/ (Losses) on Defined Benefit Plans | 1.60 | (0.80) |
| Closing Balance | 592.97 | 580.40 |
| Securities Premium | | |
| Opening Balance | 2,830.39 | 2,735.00 |
| Change 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 |
| Closing Balance | 2,830.73 | 2,830.39 |
| Debenture Redemption Reserve | | |
| Opening Balance | 268.13 | 268.13 |
| Change During The Year | 24.02 | - |
| Closing Balance | 292.15 | 268.13 |
| General Reserve | | |
| Opening Balance | 110.82 | 110.82 |
| Change During The Year | - | - |
| Closing Balance | 110.82 | 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 |
|--|-------------------------|-------------------------|
| Share Options Outstanding Account | | |
| Opening Balance | 2.01 | 2.79 |
| Change During The Year | | |
| Expense on Employee Stock Option Scheme | 3.62 | 2.49 |
| Exercise of Stock Options | (0.34) | (3.28) |
| Closing Balance | 5.29 | 2.01 |
| Promotor Equity Contribution | | |
| Opening Balance | 20.21 | 13.68 |
| Change During The Year | | |
| Personal Guarantees By Promoters | 7.34 | 6.53 |
| Closing Balance | 27.55 | 20.21 |
| Equity Component of Optionally Convertible Debentures | | |
| Opening Balance | - | 1.27 |
| Change During The Year | | |
| Conversion of Optionally Convertible Debentures (Equity Component) | - | (1.27) |
| Closing Balance | - | - |
| TOTAL OTHER EQUITY | 3,859.51 | 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 |
|----------|---|------------------------------|------------------------------|
| A | CASH FLOWS FROM OPERATING ACTIVITIES | | |
| | Profit/(Loss) Before Tax | 2.24 | (18.64) |
| | Adjusted for: | | |
| | 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) |
| | Operating Profit Before Working Capital Changes | 1,333.14 | 1,103.66 |
| | Adjusted for: | | |
| | 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) |
| | Cash Generated From Operations | 1,037.71 | 849.25 |
| | Taxes Paid | 50.81 | 13.09 |
| | Net Cash Flows From Operating Activities | 1,088.52 | 862.34 |
| B | CASH FLOWS FROM INVESTING ACTIVITIES | | |
| | 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 |
| | Net Cash Used In Investing Activities | (1,271.20) | (1,033.78) |
| C | CASH FLOWS FROM FINANCING ACTIVITIES | | |
| | 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) |
| | Net Cash Flows From Financing Activities | 177.74 | 156.75 |
| | Net (Decrease)/Increase In Cash and Cash Equivalents | (4.94) | (14.69) |
| | Net (Decrease)/Increase In Cash and Cash Equivalents | (4.94) | (14.69) |
| | Cash and Cash Equivalents (Opening Balance) | 19.56 | 34.25 |
| | Cash and Cash Equivalents (Closing Balance) | 14.62 | 19.56 |

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)

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 |
|-----------------------------|---------------|----------------|----------|-------------------------|--------------------|-------------------|------------------------|----------|----------|--------------------------|
| Cost | | | | | | | | | | |
| As At April 01, 2017 | 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 | - |
| As At March 31, 2018 | 4.83 | 0.93 | 7.53 | 1,864.75 | 1,260.34 | 300.33 | 4,841.14 | 4.86 | 8,284.71 | 582.65 |
| | | | | | | | | | | |
| As At April 01, 2018 | 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 | - |
| As At March 31, 2019 | 4.83 | 0.93 | 7.53 | 2,109.03 | 1,384.65 | 333.53 | 5,552.96 | 5.04 | 9,398.50 | 521.84 |
| Depreciation | | | | | | | | | | |
| As At April 01, 2017 | - | 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 | - |
| As At March 31, 2018 | - | 0.06 | 0.48 | 246.41 | 209.77 | 150.72 | 1,235.18 | 2.80 | 1,845.42 | - |
| | | | | | | | | | | |
| As At April 01, 2018 | - | 0.06 | 0.48 | 246.41 | 209.77 | 150.72 | 1,235.18 | 2.80 | 1,845.42 | - |
| Depreciation For The Year | - | 0.02 | 0.20 | 117.89 | 86.45 | 43.67 | 518.14 | 0.73 | 767.10 | - |
| Disposals | - | - | - | 0.78 | - | - | 0.01 | - | 0.79 | - |
| As At March 31, 2019 | - | 0.08 | 0.68 | 363.52 | 296.22 | 194.39 | 1,753.31 | 3.53 | 2,611.73 | - |
| | | | | | | | | | | |
| Net book value | | | | | | | | | | |
| As At March 31, 2019 | 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

| Intangible Assets | Intellectual Property Rights | Total |
|-----------------------------|---|---------------|
| Cost | | |
| As At April 01, 2017 | - | - |
| Additions | - | - |
| Disposals | - | - |
| As At March 31, 2018 | - | - |
| | | |
| As At April 01, 2018 | - | - |
| Additions | 216.44 | 216.44 |
| Disposals | - | - |
| As At March 31, 2019 | 216.44 | 216.44 |
| Amortization | | |
| As At April 01, 2017 | - | - |
| Amortization For The Year | - | - |
| Disposals | - | - |
| As At March 31, 2018 | - | - |
| | | |
| As At April 01, 2018 | - | - |
| Amortization For The Year | 2.09 | 2.09 |
| Disposals | - | - |
| As At March 31, 2019 | 2.09 | 2.09 |
| | | |
| Net book value | | |
| As At March 31, 2019 | 214.35 | 214.35 |
| As At March 31, 2018 | - | - |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

| | | As at March 31, 2019 | As at March 31, 2018 |
|----------|---|-------------------------|-------------------------|
| 3 | Non-Current Financial Assets - Investments | | |
| | Trade Investments Fully paid up of ₹ 10/- each unless otherwise stated | | |
| | Investments in | | |
| | Equity Instruments | | |
| | Quoted | | |
| | Subsidiary Company | | |
| | 100 (2,05,15,917) Equity Shares of Future Supply Chain Solutions Limited | 0.00 | 48.18 |
| | Others | | |
| | 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 |
| | Unquoted | | |
| | Subsidiary Companies | | |
| | 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 | - |
| | Joint Ventures | | |
| | 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 |
| | Others | | |
| | 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 |
|--|-------------------------|-------------------------|
| In Preference Shares | | |
| Unquoted | | |
| Subsidiary Companies | | |
| 45,13,966 0.01% Non-Cumulative Compulsory Convertible Preference Shares (Series -2) of Future E-Commerce Infrastructure Limited | 48.65 | 48.65 |
| 71,72,820 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 |
| Others | | |
| 6,30,000 9% Redeemable Preference Shares of Praxis Home Retail Limited of ₹ 100/- each | - | - |
| In Debentures | | |
| 38,00,000 (NIL) Compulsory Convertible Debentures of ₹ 30/- each of Galaxy Cloud Kitchens Limited (Formerly Known as Galaxy Entertainment Corporation Limited) | 11.40 | - |
| Non-Trade Investments paid up of ₹ 10/- each unless otherwise stated | | |
| Unquoted | | |
| Others | | |
| 48,281 Equity Shares of Foot-Mart Retail India Limited | 0.08 | 0.08 |
| Less : Provision | 0.08 | 0.08 |
| 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 |
| In Government and Other Securities | | |
| Quoted | | |
| 3,00,000 9% Corporate Bonds of Mahindra & Mahindra Financial Services Limited of ₹ 1000/- each | 31.13 | 31.13 |
| 200 8.45% Corporate Bonds of Bajaj Finance Limited of ₹ 10,00,0000/- each | 20.13 | 20.13 |
| 60 8.75% Corporate Bonds of Bajaj Finance Limited of ₹ 10,00,0000/- each | 6.07 | 6.07 |
| Unquoted | | |
| 50 Equity Shares of Saraswat Co-Operating Bank Limited | 0.00 | 0.00 |
| National Saving Certificates (Deposited with Sales Tax Authorities) | 0.05 | 0.05 |
| LIC Mutual Fund Liquid Plan | 0.47 | 0.43 |
| | 1152.36 | 1,120.56 |
| Note: | | |
| Quoted Investment Carried At Fair Value Through Other Comprehensive Income | | |
| 1 Aggregate Amount of Quoted Investments | 76.68 | 113.91 |
| 2 Market Value of Quoted Investments | 76.68 | 1425.94 |
| 3 Aggregate Amount of Unquoted Investments | 1075.78 | 1006.73 |
| 4 Aggregate Amount of Diminution in Value of Investments | 0.08 | 0.08 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | | (₹ in crore) | |
|-----------|---|-------------------------|-----------------------|
| | | As at March 31, 2019 | As at Mar 31, 2018 |
| 4 | Non-Current Financial Assets - Loans | | |
| | Others Unsecured, Considered Good | 178.05 | 173.47 |
| | | 178.05 | 173.47 |
| 5 | Non-Current Financial Assets - Others | | |
| | Bank Balances Other Than Cash and Cash Equivalents | | |
| | Deposit With Banks | 0.57 | 0.17 |
| | | 0.57 | 0.17 |
| 6 | Other Non-Current Assets | | |
| | Capital Advances | | |
| | Others Unsecured, Considered Good | 227.89 | 25.59 |
| | Others | | |
| | Others Unsecured, Considered Good* | 228.45 | 193.12 |
| | | 456.34 | 218.71 |
| | (* Includes Balances with Statutory Authorities.) | | |
| 7 | Inventories | | |
| | 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 |
| 8 | Trade Receivables | | |
| | Unsecured, Considered Good | 533.50 | 488.40 |
| | | 533.50 | 488.40 |
| 9 | Cash and Cash Equivalents | | |
| | Balances with Banks | 14.60 | 19.51 |
| | Cash on Hand | 0.02 | 0.05 |
| | | 14.62 | 19.56 |
| 10 | Bank Balances Other Than The Above | | |
| | 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 | | |
| 11 | Current Financial Assets - Loans | | |
| | Unsecured, Considered Good | 21.59 | 6.95 |
| | | 21.59 | 6.95 |
| 12 | Current Financial Assets-Others | | |
| | Others | 49.36 | 10.65 |
| | | 49.36 | 10.65 |
| 13 | Other Current Assets | | |
| | Other Advances# | | |
| | 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) |
| Authorised | | | | |
| Equity Shares of ₹ 2/- each | 60,00,00,000 | 120.00 | 60,00,00,000 | 120.00 |
| Equity Shares of Class B (Series 1) of ₹ 2/- each | 5,00,00,000 | 10.00 | 5,00,00,000 | 10.00 |
| | 65,00,00,000 | 130.00 | 65,00,00,000 | 130.00 |
| Issued * | | | | |
| Equity Shares of ₹ 2/- each | 45,43,13,146 | 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 |
| | 49,36,96,318 | 98.74 | 49,34,76,118 | 98.70 |
| Subscribed and Paid up * | | | | |
| 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 |
| | 49,35,91,947 | 98.71 | 49,33,71,747 | 98.67 |

*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 |
| Opening Balance | 45,39,97,068 | 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 |
| Closing Balance | 45,42,17,268 | 45,39,97,068 |

* 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 |
| Opening Balance | 3,93,74,679 | 3,93,74,679 |
| Shares Issued | - | - |
| Closing Balance | 3,93,74,679 | 3,93,74,679 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Terms/Rights Attached to Equity Shares

The Company has Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Equity Shares have been further classified into Equity Shares carrying normal voting and dividend rights (Ordinary Shares) and Equity Shares carrying differential voting and dividend rights Class B (Series 1) Shares.

Each holder of Ordinary Shares, is entitled to one vote per member in case of voting by show of hands and one vote per Ordinary Shares held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the Company.

Each holder of Class B (Series 1) Shares, is entitled to one vote per member in case of voting by show of hands and three vote per four Class B (Series 1) shares held in case of voting by poll/ballot. Each holder of Class B (Series 1) Share is also entitled to 2% additional dividend in addition to normal dividend (including interim dividend, if any) as may declared by the Company. Further, the Company may declare dividend only for Class B (Series 1) Share up to 2% without declaring any dividend for Equity Shares.

All other rights would be same for both classes of Equity Shares.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by shareholder.

(iii) The Company does not have any holding Company.

(iv) Shares in the Company held by each shareholder holding more than 5 percent shares and number of Shares held are as under:

| Name of Shareholders | As at March 31, 2019 | | As at March 31, 2018 | |
|---|----------------------|--------------|----------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Equity Shares | | | | |
| 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 |
| Equity Shares of Class B (Series 1) | | | | |
| Central Departmental Stores Private Limited | 2,54,41,753 | 64.61 | 2,54,41,753 | 64.61 |
| Future Corporate Resources Private Limited (Formerly Known as Suhani Trading and Investment Consultants Private Limited) | 28,79,503 | 7.31 | 28,79,503 | 7.31 |

(v) Pursuant to the provisions of the Companies Act, 1956 and Companies Act 2013, the issue of equity shares are kept in abeyance.

- 11,400 Equity Shares of Rights Issue of 2006.
- 84,478 Equity Shares of Rights Issue of 2015.
- 8,493 Equity Shares of Class B (Series 1) of Rights Issue of 2015.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | (₹ in Crore) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| 15. OTHER EQUITY | | |
| Retained Earnings | | |
| Opening Balance | 580.40 | 583.56 |
| Profit For The Year | 24.02 | (12.19) |
| Dividend on Equity Shares | - | (9.61) |
| Tax on Dividend | - | (1.96) |
| Transfer to Debenture Redemption Reserve | (24.02) | - |
| Other Comprehensive Income/(Loss) For The Year | | |
| Fair Value Changes On Investments | 10.97 | 21.40 |
| Re-measurement Gains/ (Losses) on Defined Benefit Plans | 1.60 | (0.80) |
| Closing Balance | 592.97 | 580.40 |
| Securities Premium | | |
| Opening Balance | 2,830.39 | 2,735.00 |
| Change 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 |
| Closing Balance | 2,830.73 | 2,830.39 |
| Debenture Redemption Reserve | | |
| Opening Balance | 268.13 | 268.13 |
| Change During The Year | 24.02 | - |
| Closing Balance | 292.15 | 268.13 |
| General Reserve | | |
| Opening Balance | 110.82 | 110.82 |
| Change During The Year | - | - |
| Closing Balance | 110.82 | 110.82 |
| Share Options Outstanding Account | | |
| Opening Balance | 2.01 | 2.79 |
| Change During The Year | | |
| Expense on Employee Stock Option Scheme | 3.62 | 2.49 |
| Exercise of Stock Options | (0.34) | (3.28) |
| Closing Balance | 5.29 | 2.01 |
| Promotor Equity Contribution | | |
| Opening Balance | 20.21 | 13.68 |
| Change During The Year | | |
| Personal Guarantees By Promoters | 7.34 | 6.53 |
| Closing Balance | 27.55 | 20.21 |
| Equity Component of Optionally Convertible Debentures | | |
| Opening Balance | - | 1.27 |
| Change During The Year | | |
| Conversion of Optionally Convertible Debentures (Equity Component) | - | (1.27) |
| Closing Balance | - | - |
| TOTAL OTHER EQUITY | 3,859.51 | 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 |
|-----------|---|-------------------------|-------------------------|
| 16 | Non-Current Financial Liabilities - Borrowings | | |
| | Secured (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 |
| | Unsecured | | |
| | Public Deposits | 37.87 | - |
| | | 37.87 | - |
| | | | |
| | | 5,931.79 | 5,315.76 |
| 17 | Non-Current Financial Liabilities - Others | | |
| | Deposit Received from Others | 623.36 | 558.24 |
| | | 623.36 | 558.24 |
| 18 | Non-Current Liabilities - Provisions | | |
| | Long Term Provision for Employee Benefits | 7.61 | 7.60 |
| | | 7.61 | 7.60 |
| 19 | Current Financial Liabilities - Borrowings | | |
| | Secured | | |
| | Term Loans from Bank | 100.00 | - |
| | Working Capital Loans and Others (Refer Note No. 45) | 274.67 | 346.36 |
| | | 374.67 | 346.36 |
| 20 | Trade Payables | | |
| | 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 |
| 21 | Current-Other Financial Liabilities | | |
| | 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. | | |
| 22 | Current Provisions | | |
| | Short Term Provision for Employee Benefits | 0.42 | 1.35 |
| | | 0.42 | 1.35 |
| 23 | Other Current Liabilities | | |
| | 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 |
|-----------|---|------------------------------|------------------------------|
| 24 | Revenue From Operations | | |
| | 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 |
| | | 4,565.64 | 4,184.80 |
| 25 | Other Income | | |
| | 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 |
| | | 27.11 | 183.88 |
| 26 | Changes in Inventories of Stock-in-Trade | | |
| | Opening Inventories | | |
| | Stock-in-Trade | 1,079.80 | 866.93 |
| | Work-in-Progress | 5.96 | 4.24 |
| | Closing Inventories | | |
| | Stock-in-Trade | 1,237.46 | 1,079.80 |
| | Work-in-Progress | 6.11 | 5.96 |
| | | (157.81) | (214.59) |
| 27 | Employee Benefits Expense | | |
| | 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 |
| | | 107.53 | 86.78 |
| 28 | Finance Costs | | |
| | Interest Expense | 575.33 | 565.46 |
| | Other Borrowing Costs | 2.59 | 2.95 |
| | | 577.92 | 568.41 |
| 29 | Other Expenses | | |
| | 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 |
| | | 98.04 | 94.77 |

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 |
| Financial Assets | | | | | | |
| At Amortised Cost | | | | | | |
| 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 | - | - |
| At FVTOCI | | | | | | |
| Investments | 102.11 | 93.07 | 9.04 | 74.72 | 65.73 | 8.99 |
| Financial Liabilities | | | | | | |
| At Amortised Cost | | | | | | |
| 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 |
| Net Debt | 8,051.87 | 6,904.94 |
| Equity | 98.71 | 98.67 |
| Other Equity | 3,859.51 | 3,811.96 |
| Total Capital | 3,958.22 | 3,910.63 |
| Capital and Net Debt | 12,010.09 | 10,815.57 |
| Gearing Ratio | 67.04% | 63.84% |

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

(₹ in crore)

| | 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 |

(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

(₹ in crore)

| | 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 |

32. Income Tax Expense

(i) Reconciliation of Tax Expenses

(₹ in crore)

| | 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 | - | - |
| Tax Expense charged to the Statement of Profit & Loss | (21.78) | (6.45) |

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 |
| 1 . | Segment Revenue | | |
| | Manufacturing and Trading | 3,822.67 | 3425.41 |
| | Leasing and Other | 742.97 | 759.39 |
| | Revenue from Operations | 4,565.64 | 4184.80 |
| 2 . | Segment Results | | |
| | 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) |
| 3 . | Segment Assets | | |
| | 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 |
| 4 . | Segment Liabilities | | |
| | 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) | 4,213.34 (3,076.99) | - - |
| Purchases of Goods and Services | 23.65 (17.52) | 381.24 (235.11) | 33.23 (3.05) | 0.03 - |
| Purchases of Fixed Assets | - - | - - | - (1.38) | - - |
| Managerial Remuneration | - - | - - | - - | 6.20 (5.44) |
| Dividend Received | 2.05 - | 2.46 (2.46) | - - | - - |
| Investment | 0.01 (1.20) | 52.54 (115.11) | - - | - - |
| Outstanding Balances as on March 31, 2019 | | | | |
| Receivable | 0.10 (17.45) | - - | 110.19 (373.93) | - |
| Payable | 3.17 (0.18) | 208.35 - | 132.84 - | - - |

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 |
| Total | 0.32 | 0.30 |

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 |
| A | Corporate Guarantee Given | | | | | |
| I | Galaxy Cloud Kitchens Limited (Formerly Known as Galaxy Entertainment Corporation Limited)- For Axis Bank Limited | To secure credit facilities | 2.00 | Not Applicable | 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 |
| Total | 55.18 | 38.34 |

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

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 |
|---|--|
| 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>Our Procedures included, but were not limited to the following:</p> <ul style="list-style-type: none">• 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 |

| The Key Audit Matter | How the matter was addressed in our Audit |
|--|---|
| Accounting for Lease Rental Income 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. | 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. |

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

Place : Mumbai
Date : May 27, 2019

Membership No. 044075

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

Place : Mumbai

Date : May 27, 2019

Membership No. 044075

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

| | Note No. | As At March 31, 2019 | (₹ in crore) As At March 31, 2018 |
|--|----------|-------------------------|---|
| ASSETS | | | |
| 1. Non-Current Assets | | | |
| 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 |
| Total Non-Current Assets | | 9,740.29 | 8,637.65 |
| 2. Current Assets | | | |
| 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 |
| Total Current Assets | | 3,342.35 | 2,818.95 |
| Total Assets | | 13,082.64 | 11,456.60 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| 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 |
| Total Equity | | 4,287.43 | 4,050.64 |
| Liabilities | | | |
| 1. Non-Current Liabilities | | | |
| 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 |
| Total Non-Current Liabilities | | 6,826.70 | 5,987.54 |
| 2. Current Liabilities | | | |
| 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 |
| Total Current Liabilities | | 1,968.51 | 1,418.42 |
| Total Equity and Liabilities | | 13,082.64 | 11,456.60 |

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 |
|--|----------|------------------------------|------------------------------|
| INCOME | | | |
| Revenue From Operations | 26 | 5,983.14 | 5,103.09 |
| Other Income | 27 | 81.82 | 183.23 |
| Total Income | | 6,064.96 | 5,286.32 |
| EXPENSES | | | |
| 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 |
| Total Expenses | | 5,931.93 | 5,231.05 |
| Profit Before Share of Profit From Associate and Joint Ventures | | 133.03 | 55.27 |
| Share of Profit From Associate and Joint Ventures | | 20.63 | 9.36 |
| Profit Before Tax | | 153.66 | 64.63 |
| Tax Expense | | | |
| (1) Current Tax | | - | 25.91 |
| (2) Deferred Tax | | (21.78) | (1.02) |
| Profit For The Year | | 175.44 | 39.74 |
| Attributable To : | | | |
| Equity Holders of The Parent | | 144.96 | 6.90 |
| Non-Controlling Interest | | 30.48 | 32.84 |
| Other Comprehensive Income For The Year | | | |
| Other Comprehensive Income | 34 | 13.26 | 21.20 |
| Share of OCI from Associate and Joint Ventures | | 0.64 | (6.78) |
| Total Other Comprehensive Income For The Year | | 13.90 | 14.42 |
| Attributable To : | | | |
| Equity Holders of The Parent | | 13.90 | 14.40 |
| Non-Controlling Interest | | - | 0.02 |
| Total Comprehensive Income For The Year | | 189.34 | 54.16 |
| Earnings Per Equity Share of Face Value of ₹ 2/- each | 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 Deshpande

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 |
|--|-------------------------|-------------------------|
| (A) EQUITY SHARE CAPITAL | | |
| Opening Balance | 98.67 | 94.57 |
| Change During The Year | | |
| Issue of Equity Shares Under Employee Stock Option Scheme | 0.04 | 0.42 |
| Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited | - | 3.69 |
| Closing Balance | 98.71 | 98.67 |
| (B) INSTRUMENTS ENTIRELY EQUITY IN NATURE | | |
| Preference Share Capital | | |
| Opening Balance | 15.40 | 23.53 |
| Change During The Year | | |
| Purchase (Redemption) of Preference Shares | - | (8.13) |
| Closing Balance | 15.40 | 15.40 |
| OTHER EQUITY | | |
| Retained Earnings | | |
| Opening Balance | 336.00 | 286.13 |
| Profit For The Year | 144.96 | 6.90 |
| Adjustment on Account of Subsidiary | (59.70) | 38.92 |
| Adjustment on Account of Associate/Joint Venture | - | 1.22 |
| Dividend on Equity Shares | (2.78) | (9.61) |
| Transferred to Debenture Redemption Reserve | (49.02) | - |
| Tax on Dividend | - | (1.96) |
| Other Comprehensive Income/(Loss) For The Year | 13.90 | 14.40 |
| Closing Balance | 383.36 | 336.00 |
| Capital Reserve | | |
| Opening Balance | 0.00 | 0.00 |
| Adjustment / Restatement on Account of Subsidiary | 17.14 | 0.00 |
| Closing Balance | 17.14 | 0.00 |
| Securities Premium | | |
| Opening Balance | 2,987.02 | 2,891.63 |
| Change 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 |
| Closing Balance | 2,987.36 | 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 |
|--|-------------------------|-------------------------|
| Share Options Outstanding Account | | |
| Opening Balance | 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) | - |
| Closing Balance | 10.03 | 3.79 |
| Equity Component of Optionally Convertible Debentures | | |
| Opening Balance | - | 1.27 |
| Change During The Year | | |
| Conversion of Optionally Convertible Debentures (Equity Component) | - | (1.27) |
| Closing Balance | - | - |
| Capital Reserve on Consolidation | 41.40 | 8.06 |
| Non - Controlling Interest | | |
| Opening Balance | 202.53 | 124.36 |
| Change During The Year | 75.99 | 78.17 |
| Closing Balance | 278.52 | 202.53 |
| Debenture Redemption Reserve | | |
| Opening Balance | 268.13 | 268.13 |
| Add : Transfer From Profit & Loss Account | 49.02 | - |
| Closing Balance | 317.15 | 268.13 |
| Promoter Equity Contribution | | |
| Opening Balance | 20.21 | 13.68 |
| Change During The Year | | |
| Personal Guarantees By Promoters | 7.34 | 6.53 |
| Closing Balance | 27.55 | 20.21 |
| General Reserve | | |
| Opening Balance | 110.82 | 110.82 |
| Transfer During The Year | - | - |
| Closing Balance | 110.82 | 110.82 |
| TOTAL OTHER EQUITY | 4,173.32 | 3,936.57 |

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in Crore)

| | | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|----------|---|------------------------------|------------------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Profit Before Tax | 133.03 | 55.27 |
| | Adjusted for : | | |
| | 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 |
| | | 1,354.58 | 1,164.30 |
| | | 1,487.61 | 1,219.57 |
| | Operating Profit Before Working Capital Changes | | |
| | Adjusted for : | | |
| | 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) |
| | | (275.86) | (181.30) |
| | Cash Generated From Operations | 1,211.75 | 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) |
| | Net Cash Flow From Operating Activities | 1,124.85 | 1,113.58 |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | 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 |
| | Net Cash Used In Investing Activities | (1,430.92) | (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 |
|----------|--|------------------------------|------------------------------|
| C | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Proceeds From Borrowings | 938.97 | 589.74 |
| | Proceeds From Issue of Share Capital | 6.62 | 101.49 |
| | Redemption of Preference Shares | - | (8.12) |
| | Dividend Paid (Including Dividend Distribution Tax) | (2.78) | (11.57) |
| | Interest Paid | (597.62) | (577.79) |
| | | | |
| | Net Cash From Financing Activities | 345.19 | 93.75 |
| | Net Increase /(Decrease) In Cash And Cash Equivalents (A+B+C) | 39.12 | 18.65 |
| | | | |
| | Net Increase /(Decrease) In Cash And Cash Equivalents | 39.12 | 18.65 |
| | Cash and Cash Equivalents At Beginning of The Year | 102.29 | 83.64 |
| | Cash and Cash Equivalents At End of The Year | 141.41 | 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

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

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 |
|-----------------------------------|---------------|----------------|-----------------------|----------|---------------------|----------|------------------|------------------------|---------|----------|--------------------------|
| Cost : | | | | | | | | | | | |
| As At April 1st, 2018 | 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 | | | | | | | | | | - | - |
| As At March 31, 2019 | 4.83 | 29.06 | 2,109.03 | 7.53 | 1,700.48 | 69.51 | 350.90 | 5,676.48 | 8.93 | 9,956.75 | 585.20 |
| Accumulated Depreciation : | | | | | | | | | | | |
| As At April 1st, 2018 | - | 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 | - |
| As At March 31, 2019 | - | 20.39 | 363.52 | 0.68 | 347.12 | 22.04 | 201.73 | 1,789.60 | 5.42 | 2,750.50 | - |
| Net Book Value | | | | | | | | | | | |
| As At March 31, 2019 | 4.83 | 8.66 | 1,745.51 | 6.85 | 1,353.36 | 47.47 | 149.17 | 3,886.88 | 3.51 | 7,206.25 | 597.48 |
| 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 |
|-----------------------------------|-------------------|---------------------|--------|-------------------------------------|
| Cost | | | | |
| As At April 1st, 2018 | 9.54 | 0.29 | 9.83 | |
| Additions | 0.89 | 216.44 | 217.33 | - |
| Disposals / Transfers | - | - | - | - |
| As At March 31, 2019 | 10.43 | 216.73 | 227.16 | - |
| Accumulated Amortisation | | | | |
| As At April 1st, 2019 | 6.87 | 0.24 | 7.11 | - |
| Amortisation Charged For The Year | 1.02 | 2.14 | 3.16 | - |
| Disposals / Transfers | | | - | - |
| As At March 31, 2019 | 7.89 | 2.38 | 10.27 | - |
| Net Book Value | | | | |
| As At March 31, 2019 | 2.54 | 214.35 | 216.89 | - |
| 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 |
|--|-------------------------|-------------------------|
| Quoted Investments | | |
| Investment in Equity Instruments | | |
| Others | | |
| 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 |
| Associate | | |
| Investment in Equity Instruments | | |
| Unquoted Investments | | |
| Investment in Equity Instruments | | |
| 1,78,500 Equity Share of ₹ 10 Each of Leanbox Logistics Solutions Pvt Ltd. | 4.93 | 8.71 |
| Joint Ventures | | |
| 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 |
| Others | | |
| 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 | - |
| Non - Trade Investments Paid Up of ₹10/- each Unless Otherwise Stated | | |
| Equity Instruments | | |
| Unquoted | | |
| Others | | |
| 48,281 Equity Shares of Foot-Mart Retail India Limited | 0.08 | 0.08 |
| Less: Provision | (0.08) | (0.08) |
| 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 | - |
| Investment in Government or Other Securities | | |
| Quoted | | |
| 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 |
| Unquoted | | |
| 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 |
| | 956.69 | 855.90 |
| Note: | | |
| Investment Carried At Fair Value Through Other Comprehensive Income | | |
| Aggregate Amount of Quoted Investments | 76.68 | 65.74 |
| Market Value of Quoted Investments | 76.68 | 8.40 |
| Aggregate Amount of Unquoted Investments | 1,075.78 | 790.16 |
| Aggregate Amount of Diminution in Value of Investments | 0.08 | 0.08 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

| | | As At March 31, 2019 | As At March 31, 2018 |
|----------|--|-------------------------|-------------------------|
| 4 | Non-Current Financial Asset - Loans | | |
| | Others Unsecured, Considered Good | 178.05 | 205.97 |
| | | 178.05 | 205.97 |
| 5 | Non-Current Financial Assets - Others | | |
| | Deposit with Banks | 56.08 | 0.39 |
| | | 56.08 | 0.39 |
| 6 | Other - Non Current Assets | | |
| | Capital Advances | | |
| | Others Unsecured, Considered Good | 227.95 | 26.13 |
| | Others | | |
| | Others Unsecured, Considered Good* | 300.91 | 205.19 |
| | Doubtful | 0.23 | 0.23 |
| | Less: Provisions | (0.23) | (0.23) |
| | (* Includes Balances with Government Authorities.) | | |
| | | 528.86 | 231.32 |
| 7 | Inventories | | |
| | Raw Material | 1.76 | 1.48 |
| | Work-in-Progress | 6.11 | 5.96 |
| | Stock-in-Trade | 1,253.90 | 1,089.86 |
| | | 1,261.77 | 1,097.30 |
| 8 | Current Financial Asset - Investments | | |
| | Quoted Investments | | |
| | Investment in Mutual Fund | - | 9.55 |
| | National Saving Certificate | 0.01 | - |
| | | 0.01 | 9.55 |
| 9 | Trade Receivables (Refer Note No. 35) | | |
| | 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) |
| | | 896.15 | 777.21 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

| | | As At March 31, 2019 | As At March 31, 2018 |
|-----------|---|-------------------------|-------------------------|
| 10 | Cash And Cash Equivalents | | |
| | Balances with Banks | 141.14 | 101.11 |
| | Cheque on Hand | 0.25 | - |
| | Cash on Hand | 0.02 | 1.18 |
| | | 141.41 | 102.29 |
| 11 | Bank Balance Other Than The Above | | |
| | Dividend Account | 0.88 | 0.34 |
| | Deposits with Banks* | 25.17 | 29.82 |
| | | 26.05 | 30.16 |
| | *Held as margin money or security against the Borrowings, Guarantees and other Commitments. | | |
| 12 | Current Financial Assets - Loans | | |
| | Unsecured , Considered Good | 39.02 | - |
| | Inter-Corporate Deposits | 13.00 | 12.50 |
| | | 52.02 | 12.50 |
| | Security Deposits : | | |
| | Unsecured, Considered Good | - | 6.95 |
| | Unsecured, Considered Doubtful | - | 0.05 |
| | Less: Allowance For Bad and Doubtful Advances | - | (0.05) |
| | | - | 6.95 |
| | | 52.02 | 19.45 |
| 13 | Current Financial Assets - Others | | |
| | Balances with Government Authorities | 0.06 | 1.36 |
| | Other Advances | 3.54 | 0.03 |
| | Deposits | 53.83 | 11.22 |
| | Others | | |
| | Secured, Considered Good | 0.01 | - |
| | Unsecured, Considered Good | - | 0.01 |
| | Doubtful | 1.07 | 11.68 |
| | Less: Provisions | (1.07) | (1.03) |
| | | 57.44 | 23.27 |
| 14 | Other Current Assets | | |
| | Insurance Claim Receivables | 0.81 | 0.73 |
| | Income Accrued / Interest Accrued But Not Received | 3.59 | 2.63 |
| | Other Advances # | 903.10 | 756.36 |
| | | 907.50 | 759.72 |

#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) |
| Authorised | | | | |
| Equity Shares of ₹ 2/- each | 60,00,00,000 | 120.00 | 60,00,00,000 | 120.00 |
| Equity Shares of Class B (Series 1) of ₹ 2/- each | 5,00,00,000 | 10.00 | 5,00,00,000 | 10.00 |
| Preference Shares of ₹100/- each | - | - | - | - |
| | 65,00,00,000 | 130.00 | 65,00,00,000 | 130.00 |
| Issued * | | | | |
| 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 |
| | 49,36,96,318 | 98.74 | 49,34,76,118 | 98.70 |
| Subscribed and Paid up * | | | | |
| 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 |
| | 49,35,91,947 | 98.71 | 49,33,71,747 | 98.67 |

*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 |
| Opening Balance | 45,39,97,068 | 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 |
| Closing Balance | 45,42,17,268 | 45,39,97,068 |

* 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 |
| Opening Balance | 3,93,74,679 | 3,93,74,679 |
| Shares Issued | - | - |
| Closing Balance | 3,93,74,679 | 3,93,74,679 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Terms/Rights Attached to Equity Shares

The Company has Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Equity Shares have been further classified in to Equity Shares carrying normal voting and dividend rights (Ordinary Shares) and Equity Shares carrying differential voting and dividend rights Class B (Series 1) Shares.

Each holder of Ordinary Shares, is entitled to one vote per member in case of voting by show of hands and one vote per Ordinary Shares held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the company.

Each holder of Class B (Series 1) Shares, is entitled to one vote per member in case of voting by show of hands and three vote per four Class B (Series 1) shares held in case of voting by poll/ballot. Each holder of Class B (Series 1) Share is also entitled to 2% additional dividend in addition to normal dividend (including interim dividend, if any) as may declared by the company. Further, the Company may declare dividend only for Class B (Series 1) Share up to 2% without declaring any dividend for Equity Shares. All other rights would be same for both classes of Equity Shares.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distributions will be in proportion to the number of equity shares held by shareholder.

(iii) The Company does not have any holding Company.

(iv) Shares in the Company held by each shareholder holding more than 5 percent shares and number of Shares held are as under:

| Name of Shareholders | As at March 31, 2019 | | As at March 31, 2018 | |
|---|----------------------|--------------|----------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Equity Shares | | | | |
| 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 |
| Equity Shares of Class B (Series 1) | | | | |
| Central Departmental Stores Private Limited | 2,54,41,753 | 64.61 | 2,54,41,753 | 64.61 |
| Future Corporate Resources Private Limited (Formerly Known as Suhani Trading and Investment Consultants Private Limited) | 28,79,503 | 7.31 | 28,79,503 | 7.31 |

(v) Pursuant to the provisions of the Companies Act, 1956 and Companies Act 2013, the issue of equity shares are kept in abeyance.

- 11,400 Equity Shares of Rights Issue of 2006.
- 84,478 Equity Shares of Rights Issue of 2015.
- 8,493 Equity Shares of Class B (Series 1) of Rights Issue of 2015.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

| | | As At March 31, 2019 | As At March 31, 2018 |
|-----------|--|-------------------------|-------------------------|
| 16 | Instruments Entirely Equity In Nature | | |
| | Preference Share Capital | | |
| | Opening Balance | 15.40 | 23.53 |
| | Change During The Year | | |
| | Purchase (Redemption) of Preference Shares | - | (8.13) |
| | Closing Balance | 15.40 | 15.40 |
| 17 | Other Equity | | |
| | Retained Earnings | | |
| | Opening Balance | 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 |
| | Closing Balance | 383.36 | 336.00 |
| | Capital Reserve | | |
| | Opening Balance | 0.00 | 0.00 |
| | Adjustment/Restatement on Account of Subsidiary | 17.14 | 0.00 |
| | Closing Balance | 17.14 | 0.00 |
| | Securities Premium | | |
| | Opening Balance | 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 |
| | Closing Balance | 2,987.36 | 2,987.02 |
| | Share Options Outstanding Account | | |
| | Opening Balance | 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) | - |
| | Closing Balance | 10.03 | 3.79 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

| | As At March 31, 2019 | As At March 31, 2018 |
|---|-------------------------|-------------------------|
| Equity Component of Optionally Convertible Debentures | | |
| Opening Balance | - | 1.27 |
| Change During The Year | | |
| Issue of Optionally Convertible Debentures (Equity Component) | - | (1.27) |
| Closing Balance | - | - |
| Capital Reserve on Consolidation | 41.40 | 8.06 |
| Non - Controlling Interest | | |
| Opening Balance | 202.53 | 124.36 |
| Change During the Year | 75.99 | 78.17 |
| Closing Balance | 278.52 | 202.53 |
| Debenture Redemption Reserve | | |
| Opening Balance | 268.13 | 268.13 |
| Add : Transfer from Profit & Loss Account | 49.02 | - |
| Closing Balance | 317.15 | 268.13 |
| Promoter Equity Contribution | | |
| Opening Balance | 20.21 | 13.68 |
| Change During The Year | | |
| Personal Guarantees By Promoters | 7.34 | 6.53 |
| Closing Balance | 27.55 | 20.21 |
| General Reserve | | |
| Opening Balance | 110.82 | 110.82 |
| Transfer During The Year | - | - |
| Closing Balance | 110.82 | 110.82 |
| TOTAL OTHER EQUITY | 4,173.32 | 3,936.56 |

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 |
|-----------|---|-------------------------|-------------------------|
| 18 | Non-Current Financial Liabilities - Borrowings | | |
| | Secured Loans | | |
| | Non Convertible Debentures | 5,129.94 | 4,324.89 |
| | Long Term Loan From Banks / Others | 1,022.67 | 1,015.98 |
| | Unsecured Loans | | |
| | Non Convertible Debentures | 2.03 | - |
| | Compulsory Convertible Debenture | 1.00 | - |
| | | 6,152.64 | 5,340.87 |
| 19 | Non-Current - Financial Liabilities - Others | | |
| | Deposits Received From Others | 624.26 | 559.94 |
| | | 624.26 | 559.94 |
| 20 | Non-Current Liabilities - Provisions | | |
| | Long Term Provision For Employee Benefits | 12.94 | 12.56 |
| | | 12.94 | 12.56 |
| 21 | Current Financial Liabilities - Borrowings | | |
| | Secured | | |
| | Term Loans From Banks | 100.00 | - |
| | Working Capital Loans and Others | 292.10 | 354.56 |
| | | 392.10 | 354.56 |
| 22 | Current Financial Liabilities - Trade Payables | | |
| | Trade Payables | | |
| | Due to Micro, Small and Medium Enterprises | 27.38 | 14.28 |
| | Due to Others | 958.35 | 741.36 |
| | | 985.73 | 755.64 |
| 23 | Current - Other Financial Liabilities | | |
| | 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 |
| | | 460.51 | 276.48 |
| | * There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund . | | |
| | # Includes Statutory Dues, Security Deposits, Creditors for Capital Expenditure, Advance from Customers, etc. | | |
| 24 | Current Provisions | | |
| | Short Term Provision For Employee Benefits | 0.58 | 1.65 |
| | Other Provisions | 7.47 | - |
| | | 8.05 | 1.65 |
| 25 | Other Current Liabilities | | |
| | 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. | 122.11 | 27.41 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

| | | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|-----------|---|------------------------------|------------------------------|
| 26 | Revenue From Operations | | |
| | 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 |
| | | 5,983.14 | 5,103.09 |
| 27 | Other Income | | |
| | 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 |
| | | 81.82 | 183.23 |
| 28 | Cost of Materials Consumed | | |
| | Cost of Materials and Services Consumed | 961.30 | 556.95 |
| | | 961.30 | 556.95 |
| 29 | Purchases of Stock-In-Trade | | |
| | Purchases of Stock-In-Trade | 3,289.14 | 3,226.95 |
| | | 3,289.14 | 3,226.95 |
| 30 | Changes In Inventories of Work-In-Progress And Stock- In-Trade | | |
| | Changes in Inventories of and Work-In-Progress : | | |
| | Closing Inventory : | | |
| | Work-in-Progress | 6.11 | 5.96 |
| | Stock-In-Trade | 1,248.37 | 1,089.65 |
| | | 1,254.48 | 1,095.61 |
| | Opening Inventory : | | |
| | Work-in-Progress | 5.96 | 4.24 |
| | Stock-In-Trade | 1,089.83 | 875.64 |
| | | 1,095.79 | 879.88 |
| | | (158.69) | (215.73) |
| 31 | Employee Benefits Expense | | |
| | 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 |
| | | 234.13 | 179.58 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

| | | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|-----------|---|------------------------------|------------------------------|
| 32 | Finance Costs | | |
| | Interest Expense | 593.51 | 574.85 |
| | Other Borrowing Costs | 4.11 | 2.94 |
| | | 597.62 | 577.79 |
| 33 | Other Expenses | | |
| | 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 |
| | | 192.85 | 180.30 |
| 34 | Other Comprehensive Income | | |
| | Re-measurement Gains/ (Losses) on Defined Benefit Plans | 2.27 | (0.20) |
| | Fair Value Changes on Investment | 10.99 | 21.40 |
| | | 13.26 | 21.20 |

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 |
| Financial Assets | | | | | | |
| At Amortised Cost | | | | | | |
| 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 | - | - |
| At FVTOCI | | | | | | |
| Investments | 102.12 | 93.08 | 9.04 | 84.31 | 75.28 | 9.03 |
| Financial Liabilities | | | | | | |
| At Amortised Cost | | | | | | |
| 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 |
| Net Debt | 8,569.91 | 7,182.44 |
| Equity | 98.71 | 98.67 |
| Other Equity | 4,173.29 | 3,936.57 |
| Total Capital | 4,272.01 | 4,035.24 |
| Capital and Net Debt | 12,841.92 | 11,217.68 |
| Gearing Ratio | 67% | 64% |

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) | (36.86) | (74.17) |

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 |
|---------------------------|----------|----------|
| 1 Segment Revenue | | |
| 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 | 5,983.14 | 5,103.09 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crore)

| Particulars | | 2018-19 | 2017-18 |
|-------------|------------------------------|-----------|-----------|
| 2 | Segment Results | | |
| | 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 |
| 3 | Segment Assets | | |
| | 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 |
| 4 | Segment Liabilities | | |
| | 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) | 3,838.14 (3,076.99) | - - |
| Purchases of Goods and Services | 384.92 (235.11) | 0.18 (3.05) | 0.03 - |
| Purchases of Fixed Assets | - - | - (1.38) | - - |
| Managerial Remuneration | - - | - - | 6.20 (5.44) |
| Dividend Received | 2.46 (2.46) | - - | - - |
| Investment | 52.54 (115.11) | - - | - - |
| Outstanding Balances as on March 31, 2019 | - | | - |
| Receivable | - - | 405.73 (373.93) | - - |
| Payable | 208.35 - | - - | - - |

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# | Equity | India | 25.61% | 25.61% |

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) |
| 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) |
| Subtotal | | 4,212.16 | | 128.53 | | 13.26 | | 141.78 |
| Intercompany Elimination and Consolidation Adjustments | -4.21% | (170.27) | -3.64% | (4.52) | | | -3.29% | (4.52) |
| Total | | 4,041.89 | | 124.01 | | 13.26 | | 137.27 |
| 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) |
| Joint Ventures (Investment as per Equity Method) | | | | | | | | |
| 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 |
| Grand Total | | 4,287.44 | | 144.96 | | 13.90 | | 158.86 |

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 Liable, 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 |
| Total | 0.66 | 0.95 |

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 Deshpande

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

(₹ in Crore)

| Sl. No. | Name of Subsidiary Companies | Date of becoming Subsidiary | Reporting Period of the Subsidiary Concerned, if different from the Holding Company reporting Period | Report- ing Cur- rency | Share Capi- tal | Re- serve & Sur- plus | Total Assets | Total Liabili- ties | Invest- ment (ex- clud- ing invest- ment in sub- sidi- aries) | Rev- enue From Opera- tions | Profit Be- fore Taxa- tion | Pro- vi- sion for Taxa- tion | Profit after Taxa- tion | Pro- posed Divi- dend | % of Share- holding |
|---------|--|-----------------------------|--|------------------------|-----------------|-----------------------|--------------|---------------------|---|-----------------------------|----------------------------|------------------------------|-------------------------|-----------------------|---------------------|
| 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 ^s | 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 [#] | 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 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

Vijay Biyani

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