FUTURE RETAIL



IN EVERY NEIGHBOURHOOD

Annual Report 2018-19


INFO
Customer Name: Mrs Sharma
Customer ID: 10827927
Email: Sharma@infomail.co.in
Phone: 8095939897
Profession: Housewife
Customer Since: 20.4.2018
Shipping Address: House 3019, 4th Main, 4th A Cross.
Payment Method: Credit Card
RECOMMENDATIONS
COUPON
ETA: 2 hours
DELIVERY
CHAT
INVOICE
Water Bottle 20/-
Atta: 90/-
Salt: 45/-
Milk: 45/-

PROXIMITY RETAIL

Closer to **Every Customer**

An average customer shops 15-20 times every month across multiple shops - kiranas, modern hypermarkets, fashion shops and online. While Big Bazaar caters to her regular monthly shopping, our small neighborhood chains, easyday and Heritage Fresh caters to her frequent, weekly and daily top-ups. Digital platforms further increase her convenience to shop more frequently. Convenience store chains, 7-Eleven and WH Smith will offer food services and shopping while on transit. Through an optimised store network and a data-driven approach we hope to capture to every shopping frequency of urban households. And in every neighborhood.

Aim to be within 2 km of every urban household.

Corporate Information

BOARD OF DIRECTORS

Kishore Biyani
Chairman & Managing Director
DIN: 00005740

Rakesh Biyani
Jt. Managing Director
DIN: 00005806

Gagan Singh
Non-Executive and
Independent Director
DIN: 01097014

Ravindra Dhariwal
Non-Executive and
Independent Director
DIN: 00003922

Shailendra Bhandari
Non-Executive and
Independent Director
DIN: 00317334

Sridevi Badiga
Non-Executive and
Independent Director
DIN: 02362997

Rahul Garg
Non-Executive Director
DIN: 06939695

STATUTORY AUDITORS
NGS & CO. LLP.

CHIEF FINANCIAL OFFICER
C. P. Toshniwal

COMPANY SECRETARY
Virendra Samani

SHARE TRANSFER AGENT
Link Intime India Pvt. Ltd.
C-101, Embassy 247, LBS Marg,
Vikhroli (West),
Mumbai - 400 083.
T + 91 22 4918 6270
F + 91 22 4918 6060
W: www.linkintime.co.in

BANKERS
Allahabad Bank
Andhra Bank
Axis Bank
Bank of Baroda
Bank of India
Central Bank of India
Cooperative Rabobank U.A
Corporation Bank
Dena Bank
IDBI Bank
Indian Bank
IndusInd Bank
Punjab National Bank
State Bank of India
UCO Bank
Union Bank of India
Vijaya Bank
Yes Bank

REGISTERED OFFICE
Knowledge House, Shyam Nagar,
Off. Jogeshwari-Vikhroli Link Road,
Jogeshwari (East),
Mumbai - 400 060.
T + 91 22 6644 2200
F + 91 22 6644 2201

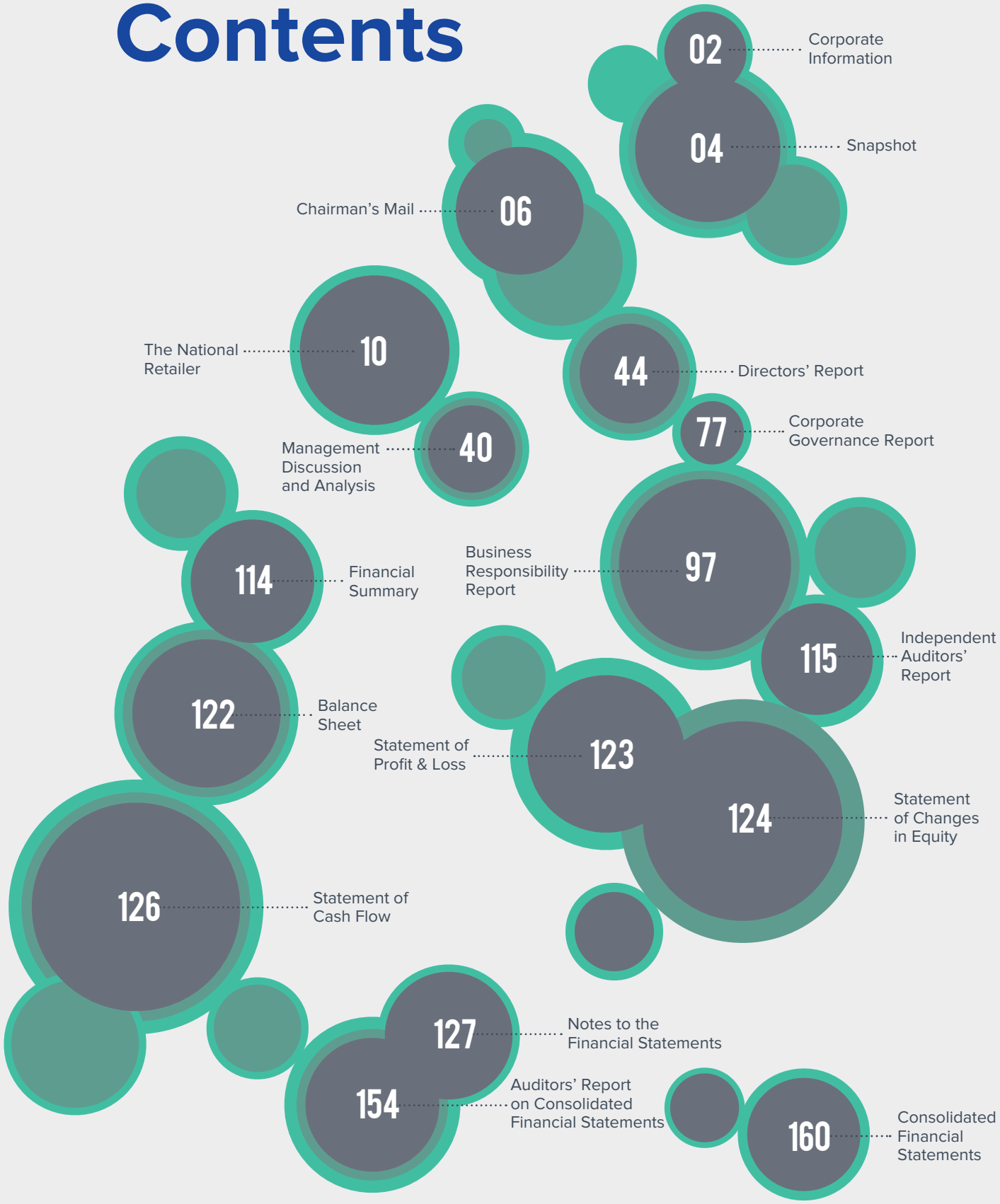
CORPORATE OFFICE
Embassy 247, 'C' Tower,
LBS Marg,
Vikhroli (West),
Mumbai - 400 083.
T + 91 22 6119 0000
F + 91 22 6199 5019

WEBSITE
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INVESTOR E-MAIL ID
investorrelations@futureretail.in

CORPORATE IDENTITY NUMBER
L51909MH2007PLC268269

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Consolidated Financial Statements

How did we perform?

Large Format Stores

BIG BAZAAR
Making India Beautiful

The country's most trusted retailer - as judged by Nielsen. It was ranked among the most valuable brands by Interbrand, India.

292 Stores
144 Cities
12.49 million sq ft Area

fbb
fashion at Big Bazaar

An iconic fashion brand, fbb standalone stores reached out to new customers across the nation.

94 Stores
46 Cities
~1 million sq ft Area

Foodhall

New stores in Delhi and Mumbai set new standards for experience-led food retailing in India.

12 Stores
5 Cities
1,43,482 sq ft Area

Small Format Stores

easyday Club
Pados Ki Dukaan

Heritage fresh

EasyDay in North India and Heritage Fresh in South India is leading a digital-led proximity retail revolution across key consumption centers.

1007 Stores
335 Cities
2.39 million sq ft Area

*The company also operates 7 eZone stores in 4 cities

Convenience Stores

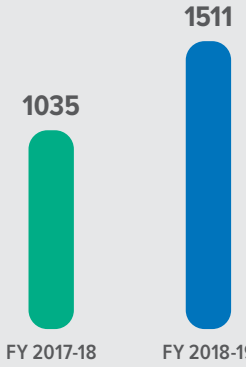
7 ELEVEN
WHSmith

Iconic global brands lead the convenience store foray. The company integrated WH Smith franchisee operations and brought in 7-Eleven franchise for expansion in 2019.

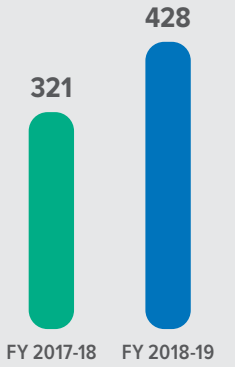
99 Store Count
12 Cities
57,372 sq ft Area

FY 2018-19

Store Count



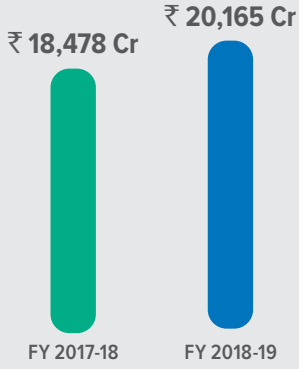
Cities



Area (Mn.Sq.Ft)

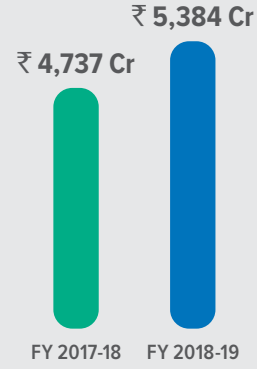


Income from Operations (Standalone)



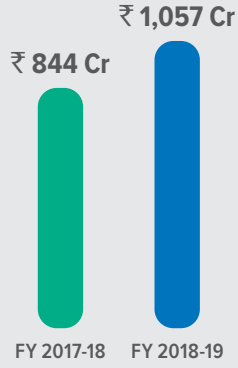
Gross Margin



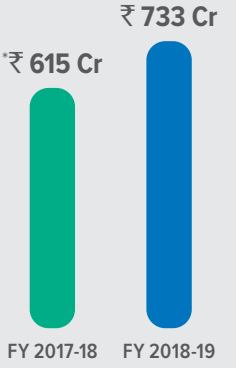


EBITDA

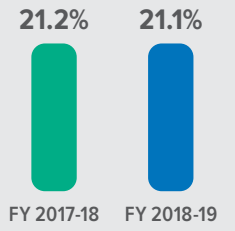




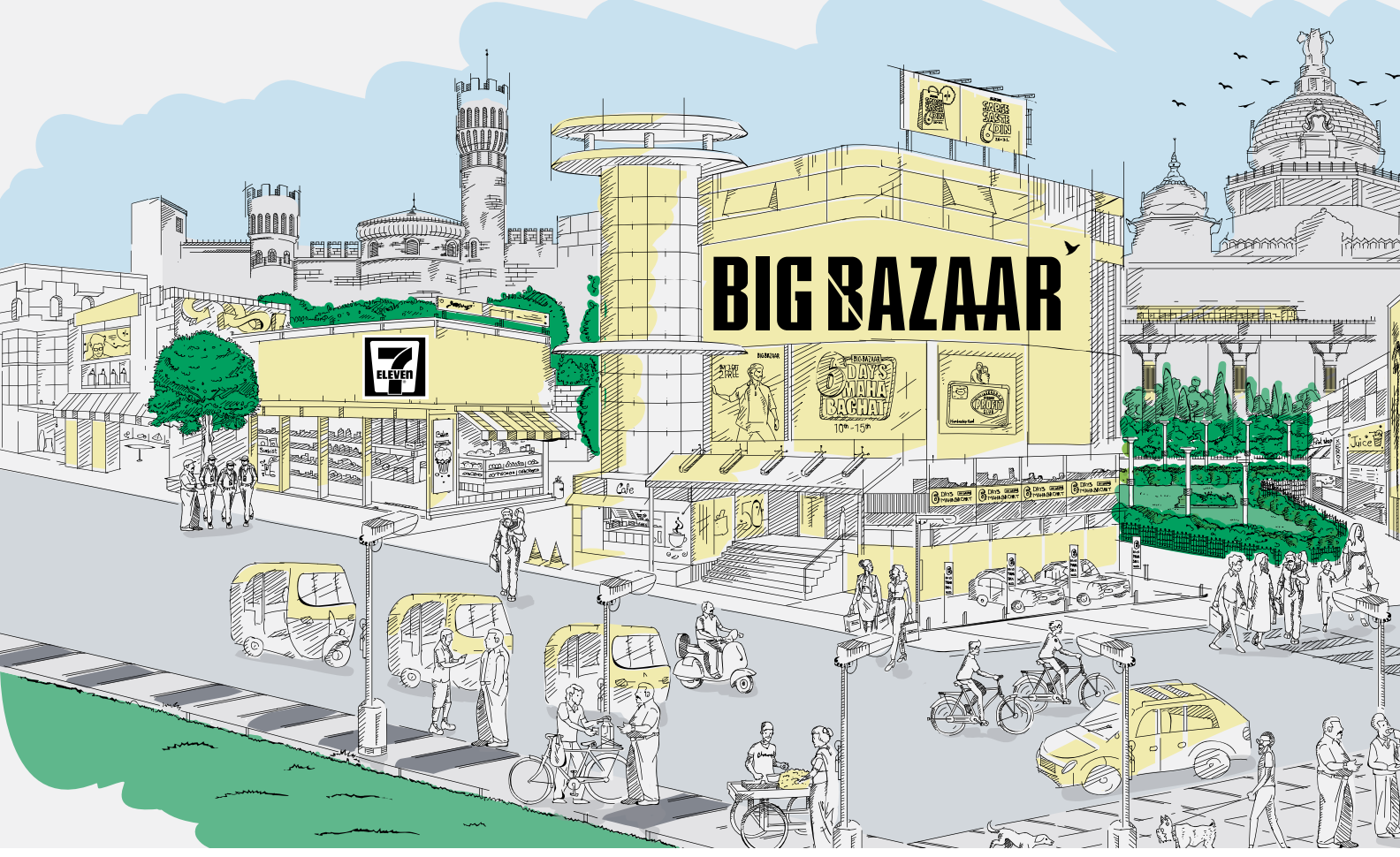
Net Profit



Return on Equity (ROE) %



*Before one-time exceptional item of ₹ 603.87 crore, owing to Hypercity sale.





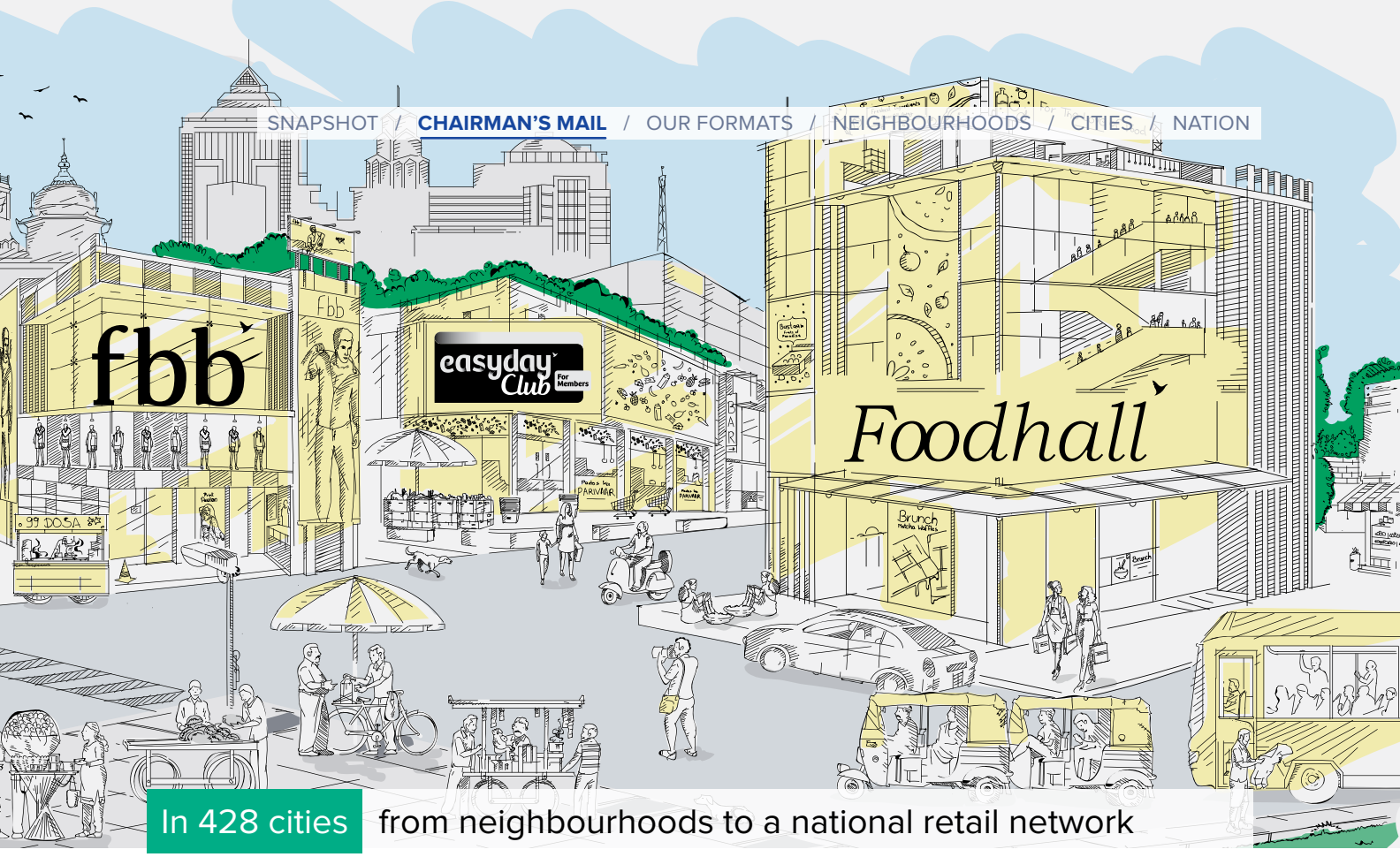
Chairman's Mail

Dear Stakeholders,

We are pleased to share with you the annual report for the financial year 2018-19. For this financial year ended March 2019, your Company has posted income from operations of ₹ 20,165 crores and net profit of ₹ 733 crores, resulting in an earnings per share (EPS) of ₹ 14.58. By the end of the financial year, the Company operated 1,511 stores and attracted 351 million customer visits.

A large part of this annual report will provide you with much more detail on the financial performance of our business and the governance structures we have in place. In addition, in this annual report we show how we are combining proximity retailing with big box retailing to make your Company the first and only choice for every citizen's shopping needs.

Through better technology and data platforms, we are now focusing on every customers' individual needs and aspirations. By collating individual customers' choices, habits and preferences, we are creating better small stores in their own neighbourhoods. easyday in North India



In 428 cities from neighbourhoods to a national retail network

and Heritage Fresh in Southern India is expanding at a rapid pace in large cities and small towns. These small stores combine with the large-store formats like Big Bazaar, fbb and Foodhall to capture the consumption needs of a city across almost every income group.

We are working on optimising this network for every city and town through better understanding of consumption patterns, social trends and community preferences. With our presence in 428 cities and towns, we are now set to replicate this approach at national level.

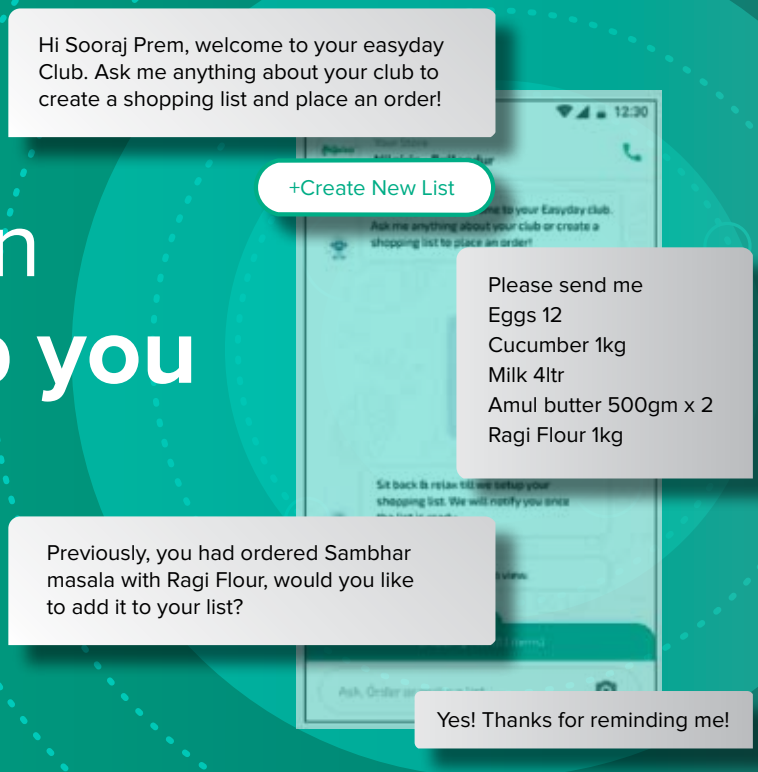
With 292 large format stores in almost every state of the country, Big Bazaar is the country's prominent national retailer. The brand is counted among the most trusted brands in the services sector. This year, Interbrand India ranked Big Bazaar among the top 40 most valuable brands in the country. The business has matured very well and is well poised to create consistent value for our customers and every stakeholder.

While we will continue to make Big Bazaar bigger and better as a preferred destination for monthly shopping needs of customers, we are focusing a lot on building the small store network that caters to small but more frequent purchases.

The small store network is built on a robust technology platform that makes it more convenient for customers and more scalable for the organisation. During this year, we introduced the easyday Club mobile app for ordering products, scheduling home deliveries and store pick-ups, along with many other features for our member customers. This has been introduced in over 140 stores in Delhi NCR and has resulted in significant increase in spends and frequency of our member customers. During the forthcoming year, we will be extending it in a phased manner across different cities.

Among our member customers at easyday, there is a large segment of customers who are now shopping more than 50 times in a year. This is

How can **we help you today?**



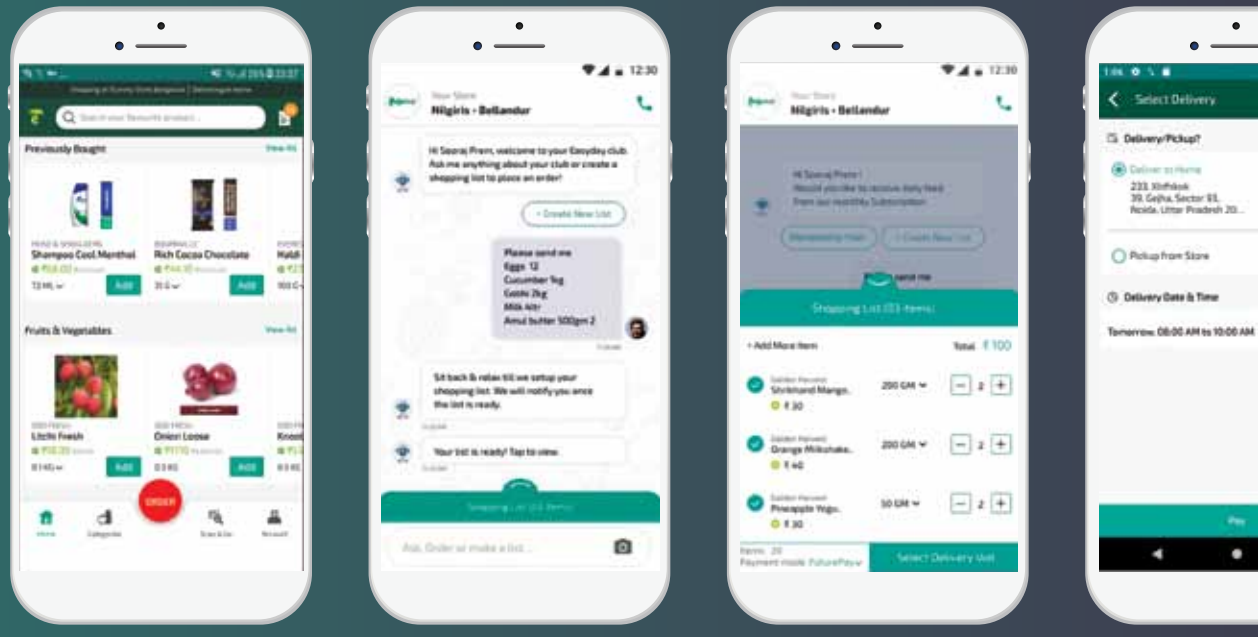
> "While Big Bazaar captures monthly shopping cycles, **small stores become extremely important in capturing the frequent, daily and weekly top ups.**"

a spend and frequency the Company couldn't have captured through the large store networks. While Big Bazaar captures monthly shopping cycles, small stores become extremely important in capturing the frequent, daily and weekly top ups. The mobile app and ecommerce portal, increase this frequency further.

We realise social messaging is the most comfortable user interface on smart phones for most of our member customers. A key technology goal we are aiming for introducing a conversation commerce platform within the easyday Club app, wherein customers can place orders, track deliveries, make payments - all through a message-based interface. We eventually hope to offer this feature in eight Indian languages.

In last year's report we had shared extensive details on our mobile wallet, FuturePay. We are happy to share that now more than 10 million of our customers have downloaded the app and using it regularly to shop and engage with our brands. During the forthcoming year, we will be rolling out a series of new features on the app, aimed at making shopping with FuturePay a more engaging and frictionless experience. FuturePay has also been fully integrated with the Company's ecommerce platform, fbbonline.in and easyday Club mobile app.

Retailing business is spread across the three stages - customer acquisition, discovery and fulfillment. With a membership driven model in small stores and Big Bazaar's presence in prime locations in urban centers, our customer acquisition cost is minimal and in many cases revenue accretive. Our digital and physical platforms provide the most



engaging experience for discovery of brands, products and categories that spur consumption. And being closest to customer, our fulfilment cost or cost of delivering to customers' homes from within a two-kilometer radius of the store is the lowest amongst any modern retail or ecommerce model.

By integrating big box retailing with proximity retail, we believe we have a model that is well placed to capture consumption and also operate at the lowest possible cost. Our decades of experience and expertise gives us the strength to execute this with both speed and diligence. Technology and data sciences will continue to play the most critical role in making this happen in the most time and resource efficient manner. At the same time, the human touch and imagination to create new and exciting experiences for customers will continue to play a major role in winning the hearts and minds of our customers.

Inclusion is among the fundamental features around which our retail brands and experiences are built. In this report, we also share with you how the Big Bazaar team put in a huge effort in learning about and empathising with customers with physical challenges. We are proud to state that now more than 140 Big Bazaar stores are a lot more accessible for customers who may be physically challenged or visual or hearing impaired. Many such people, including those with autism or Down's Syndrome are also now our colleagues working shoulder-to-shoulder at our stores and offices.

At our heart, we are a learning organisation, always eager to introspect, adapt and win in the marketplace. We are always keen to find opportunities to pursue new ideas and write new success stories. We thank all our stakeholders for being part of this journey of co-creating the new.

Rewrite Rules, Retain Values.



Kishore Biyani

The National Retailer



Big Bazaar |

Big Bazaar near me

Big Bazaar smart search

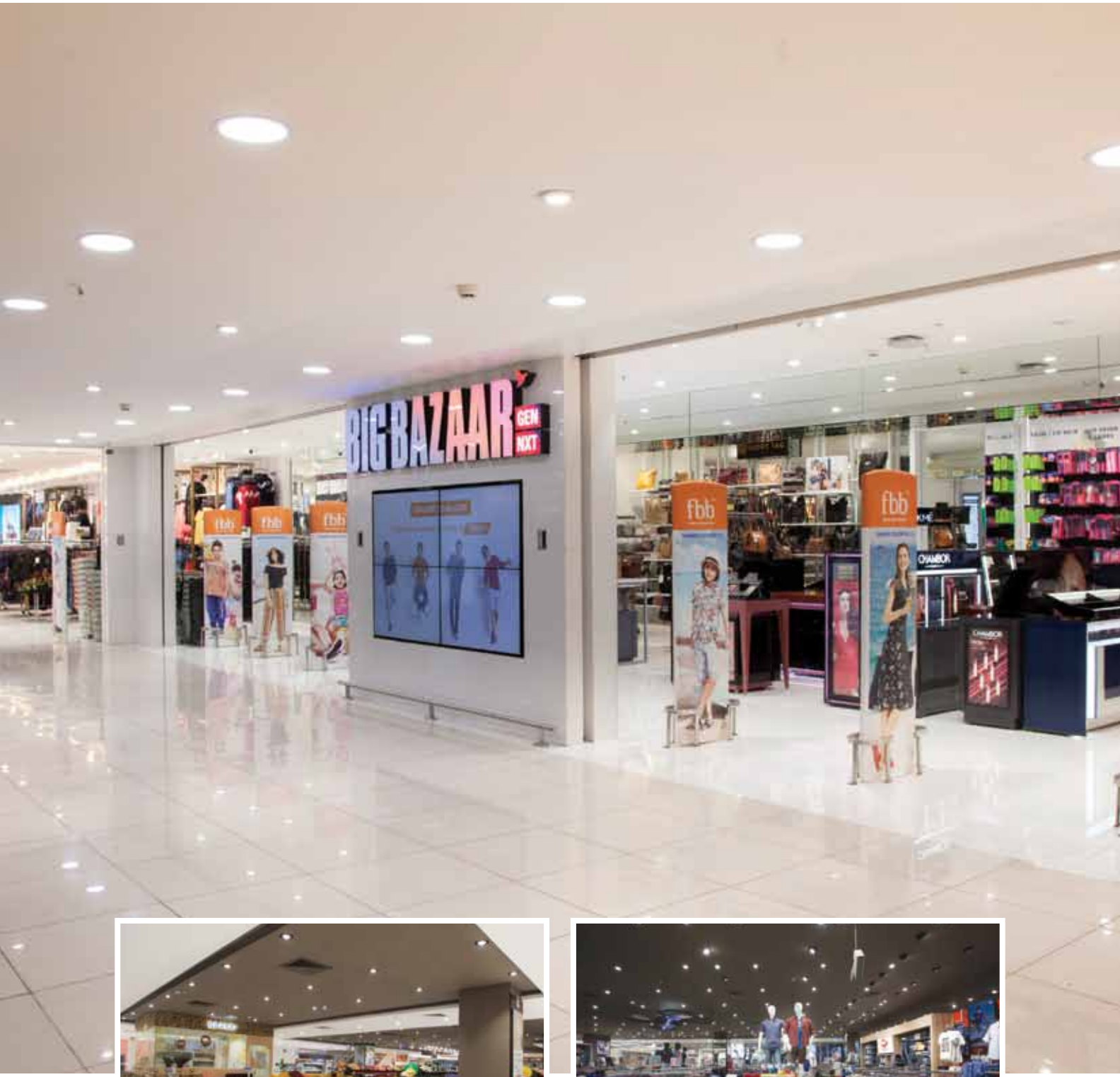
Big Bazaar offers

India's national retailer went a step ahead with operating 292 stores in 144 cities and towns in 28 states across the country. By the end of the financial year, Big Bazaar stores across the country had attracted 244 million footfalls and once again winning the plaudit of the most trusted retail brand in the country. New stores came up in far-flung cities - from Jalpaiguri in West Bengal and Dibrugarh in the Assam to one's within the heart of the country - Ramgarh in Jharkhand or Korba in Chattisgarh. New stores were also added in cities like Pune (seventh store), Bhubaneswar (sixth store) and Nagpur (sixth store).

Innovative customer service initiatives, next generation layouts and store design, and a wider assortment of fresh food and services mark every Big Bazaar GenNxt stores in key urban centers. GenNxt store was launched in Hyderabad. New digital initiatives included a large collection of video recipes on YouTube channel, CookAlong and SmartSearch on Google that provides exclusive offers and prices for products.

PriceMatch feature on FuturePay mobile wallet **ensures customers always get the best price for every product.** If a product was available cheaper anywhere close by, customers get a automatic refund.

BIG BAZAAR™
Making India *Beautiful*


BIG BAZAAR
GEN NXT
fbb
fbb
fbb







A Multi-Sensory Experience

By far the largest and most iconic Foodhall store opened in December at Linking Road, Mumbai. The store's design and customer experience can be compared to the best in the world and has earned immense plaudits and patronage of very discerning customers across the city. Spread across 25,000 square feet, the store encapsulates the global trend of transforming food and grocery shopping into a fully sensorial experience that integrates new product discovery, shopping and food services into a seamless experience.

Some of the features at the store include, Cafe by Foodhall, a 60-seater chic space with an eclectic curation of dishes made and artisanal coffees.

The Cheese Cellar features over 100 varieties of cheese from 20 countries while Oliveology, is an exclusive selection of artisanal oils from reputed producers across Italy. The store also features the city's first hydroponic wall at The Fresh Garden at the Farmer's Market. The store also features a tea salon, a coffee lab, 'Sorrentina by Foodhall', the superstore's first ever restaurant and a cookery studio that attracts culinary experts to offer interactive cooking classes and certification courses.

While new stores were added in Mumbai and Delhi, all the 12 Foodhall stores now also have a range of specialty home-grown brands for niche



81% footfalls to conversion ratio

Foodhall



products - from an ARQA spice station to The House of Tea (THT) and Essentials by Foodhall offering a premium range of pantry staples including pulses, rice, cereals and specialty flours such as Almond Flour, Hazelnut Flour, and Quinoa Flour. For people who love sharing their love for food, Foodhall also offers customized services - Blue Ribbon Gifting by Foodhall and Party Chef Menu.

India's Fashion Hub

Over the years, fbb has emerged as a popular fashion destination for young consumers and families. Every Big Bazaar store features a large fbb section that offers garments across every category. Almost every garment sold at fbb is a Future Group owned brand like Knighthood, DJ&C, Bare, Buffalo in menswear, shyla and Srishti in womenswear, Pink & Blue in kidswear, or exclusive licensee brands like Lee Cooper Original or Converse.

Popular music icon, Diljit Dosanjh joined Bollywood Katrina Kaif and Varun Dhawan as celebrity endorsees for fbb. The brand's association with fbb Miss India pageant now helps the brand connect with customers in every state and small cities and towns across India. A number of new initiatives were taken to keep the brand fresh and relevant to customers.

From introducing Shikari Shambhu T-shirts and assorted merchandise featuring comics from Tinkle and Amar Chitra Katha to organising the first fashion show at Mumbai's iconic T2 airport terminal. In Kolkata, the brand launched a Glam Tram - an iconic tram transformed into a fashion store on wheels. The tram that went touring the city for 45 days around the Durga Pujo season, featured fbb's festive collection.

fbb enjoys a strong online presence through its own ecommerce portal, fbbonline.in and various social and digital channels. fbbonline.in created new properties like Midnight Sale and Watch Now, Buy Now - a shopping enabled live online fashion show that garnered a very encouraging response from customers.



fbb
INDIA'S FASHION HUB





94 independent fbb stores

46 cities

1 **crore** customer footfalls





The Neighbourhood Store

easyday

easyday Club

easyday Club card

easyday near me

easyday Club For Members

Pados Ki Dukaan

Heritage fresh







The Company's neighbourhood store network increased from 666 stores at the end of March 2018 to 1,007 stores by the end of March 2019. Now spread across 335 cities and towns in 23 states across the country, the small stores network attracted over 94 million customer footfalls. In northern India, easyday is the primary brand while in South India, Heritage Fresh is the primary brand for the country's neighborhood store network. During the year, the Company acquired and integrated the Foodworld chain into this small store network.

The small store network is being developed as a membership platform. Every store is mandated to have around 3,500 member-customers who can avail a range of benefits including home delivery and a flat 10% discount across most products. In February 2019, the Company introduced an improved and updated version of its app-based ordering platform for customers in around 140 easyday stores in the Delhi National Capital Region. The response from customers have been overwhelming and has led to a significant increase in total relationship value and frequency of orders from member customers.

During the forthcoming year, the Company will be extending this platform to select cities and towns across the country. The app-based platform is already integrated with the FuturePay mobile wallet, allowing a frictionless payment experience for customers. Customers can schedule a time and date of home delivery or pick it up from the store at a scheduled time. During the year, the Company hopes to also launch a chat-based ordering platform on its mobile app.

The small store network will be the prime driver for growth and consumer engagement in the years ahead. Built on a strong digital platform and being close to customers, the stores operate with the lowest fulfillment cost and lowest customer acquisition cost, compared to any digital-led food and grocery business.

1.1 million
paid members







PROXIMITY RETAIL

Small Stores & **The Neighbourhood**

Store Manager

A digital platform and mobile apps allow her to track every store metric, understand members' needs and connect with them. He or she is recruited from the neighbourhood.

Members

Around 3500 customers from a neighbourhood can become members for an annual fee of Rs.999. Exclusive benefits include home delivery, assured discount and order on app.



Home Delivery

Home delivery is offered free of cost to members, thus making it a high convenience store. Members being in 2 km radius makes it a low cost operation.



Data

Data from the neighbourhood and members help customize the store, develop targeted communication and promotions and continuously improve the store.

App

The mobile app takes orders, FuturePay enables payments, schedule and track deliveries and will soon allow AI-based interactions on a WhatsApp like-interface.

Big Bazaar and **The City**

Vasant Kunj, NCR



Amarjeet Kumar
Store Karta

Over the 7 years as the Store Karta, I have moulded myself to take care of my team in both, professional and personal aspects. One unique practice which I initiated was the 'Refresh at 6pm' ritual. This emphasised on the need to stay ready, re-energised and well prepared in the evening just the way we are ready for customers during the opening hours of the store. This has given our customers a good impression of our culture, it has also translated into better sales.

Malad, Mumbai



Dinesh Bodwani
Store Karta

The initial weeks following the store launch, the business in the mornings was not encouraging. One of our regular customers suggested that we highlight the fresh fruits and vegetables section. With the help of our store and marketing team we went to nearby societies and shared leaflets amongst residents. This little step helped double our business in the morning hours (10am to 12noon). My biggest learning has been to listen carefully to the feedback that our customers give us.

LIC Mall, Kolkata



Arindom Roy
Store Karta

In practice, I encourage the habit of constantly introspecting and improving our processes. We have always ensured that our shop floor is kept ready with proper planning. A good example of our floor preparedness and discipline was shown in how we managed sales of Rs 75 lakhs on a single day, selling almost 25k pieces of apparels, and yet we were absolutely ready for the customers the next morning, with all the replenishment and execution in perfect place.

Uppal, Hyderabad



Chandrashekhar Nanduri
Store Karta

We constantly look for ways to make our customers feel special. We have initiated a special practice, 'Char Baje Chai' where we invite our elderly customers daily at 4pm for tea and the team interacts with them, gets their feedback on the store and improves on the service levels further. This simple ritual aims at achieving excellence in customer service. My biggest learning is to put every situation into perspective and look at it from the customer's lens before making decisions.

Store Kartas across Big Bazaar stores are empowered to make key decisions and new initiatives that help them connect better with customers and then share their learnings across the network. These help build more customer-connected stores as well as set next practices for the chain. Here are some stories from some of our stores.

Gokulam, Mysore

Mamatha L
Store Karta

I have been trusted with leading the Big Bazaar Gokulam store in Mysore. We found out that our customer base practices Yoga extensively in the 300 odd Yoga centres around the store. With this insight we organised International Yoga Day at the store to engage with the community. The event got a huge response with over 500 customers celebrating the day with us! After all, modern retail is all about creating a good memory and experience.

Vasai, Virar

George Abraham
Store Karta

The demographics of Vasai are pretty diverse and so my team and I have made special efforts to ensure that all the festivals are celebrated with equal fervour at the store so we connect with all the communities. In a company that values the 'Indianness' that in present in all of us, festivals make a perfect time for us to take the initiative and become a special part of people's celebrations and preparations. As a Karta, I ensure that we become a part of the community we are in.

PS Aviator, Kolkata

Indranil Das
Store Karta

It was a busy Sunday evening at my store and a customer came up to me at the cash counter and said 'PLEASE DON'T TURN THIS STORE INTO ANY OTHER RETAIL STORE'. For a second I was taken aback. I asked him if he had faced any issues while shopping. He replied calmly, "There was no problem, I enjoyed my shopping here. I meant to say set this store as a benchmark for other stores and retailers. Take it to the next level." Those words stuck with me and inspire me excel.

Bengaluru

Chandrashekhar Nanduri
Store Karta

Every year on 14 February, I wish my Housekeeping, Security and Multi-tasking staff with flowers, Cadbury chocolates and an appreciation letter for their contribution to the store. I truly feel that valuing our customers goes a long way in gaining the customer's trust. However, making our staff feel valued is just as important. Future Group has taught me to explore and achieve impossible milestones with an optimistic approach and with a positive attitude.

CITY OVERVIEW

Big Box + Proximity Retail
The City Strategy



NATIONAL FOR 428 CITIES

405	1007	16.1	351	~12
Large format stores	Small format stores	Million sq ft. Area	Million Customer Footfalls	Million member base

Jaipur

5	12	0.18	3.3	1.6
Large format stores	Small format stores	Million sq ft. Area	Million Customer Footfalls	Lakhs member base

Ludhiana

1	15	~70	2.1	38.7
Large format stores	Small format stores	Thousand sq ft. Area	Million Customer Footfalls	Thousand member base

Lucknow

12	12	0.26	6.9	1.9
Large format stores	Small format stores	Million sq ft. Area	Million Customer Footfalls	Lakhs member base

Kolkata

24	26	0.81	16.6	3.9
Large format stores	Small format stores	Million sq ft. Area	Million Customer Footfalls	Lakhs member base

A
- Abohar
- Adilabad
- Agartala
- Agra
- Ahmedabad
- Ahmedgarh
- Ahmednagar
- Ajmer
- Akividu
- Aligarh
- Alwar
- Amalapuram
- Amargarh
- Ambala
- Amloh
- Amod
- Amritsar
- Amroha
- Anand
- Asansol
- Aurangabad

B
- Badaun
- Baddi
- Bahadurgarh
- Balachaur
- Balasinor
- Banda
- Banga
- Barabanki
- Barasat
- Baraut
- Bardhaman
- Bareilly
- Barnala
- Bassi
- Batala
- Bathinda
- Bavla
- Bayad
- Bayana
- Bazpur
- Beawar
- Belgaum
- Bengaluru
- Bhadaur
- Bhagalpur
- Bharatpur
- Bharuch
- Bhatinda
- Bhavnagar
- Bhawanigarh
- Bhikhi
- Bhilai
- Bhilwara
- Bhimavaram
- Bhiwadi
- Bhiwani
- Bhogpur
- Bhopal
- Bhubaneswar
- Bhuj
- Bidar
- Bihar Sharif
- Bijnor
- Bilaspur
- Bokaro
- Borsad
- Budhlada
- Bulandshahr

C
- Chaksu
- Chamkaur Sahib
- Chanasma
- Chandausi
- Chandigarh
- Chandrapur
- Charkhi Dadri
- Chennai
- Chintalapudi
- Chirawa
- Chittorgarh
- Churu
- Coimbatore
- Cuttack

D
- Dadri
- Daman
- Darjeeling
- Dasuya
- Dausa
- Davangere
- Dehradun
- Delhi
- Deoghar
- Derra Bassi
- Devgadh Baria
- Dhanaula
- Dhanbad
- Dhansura
- Dharamkot
- Dhari
- Dhariwal
- Dharwad
- Dholka
- Dhrangadhra
- Dhuri
- Dibrugarh
- Didwana
- Dimapur
- Draksharama
- Durgapur

E
- Ernakulam
- Erode

F
- Faridabad
- Faridkot
- Farrukhabad
- Fatehabad
- Fazilka
- Firozpur

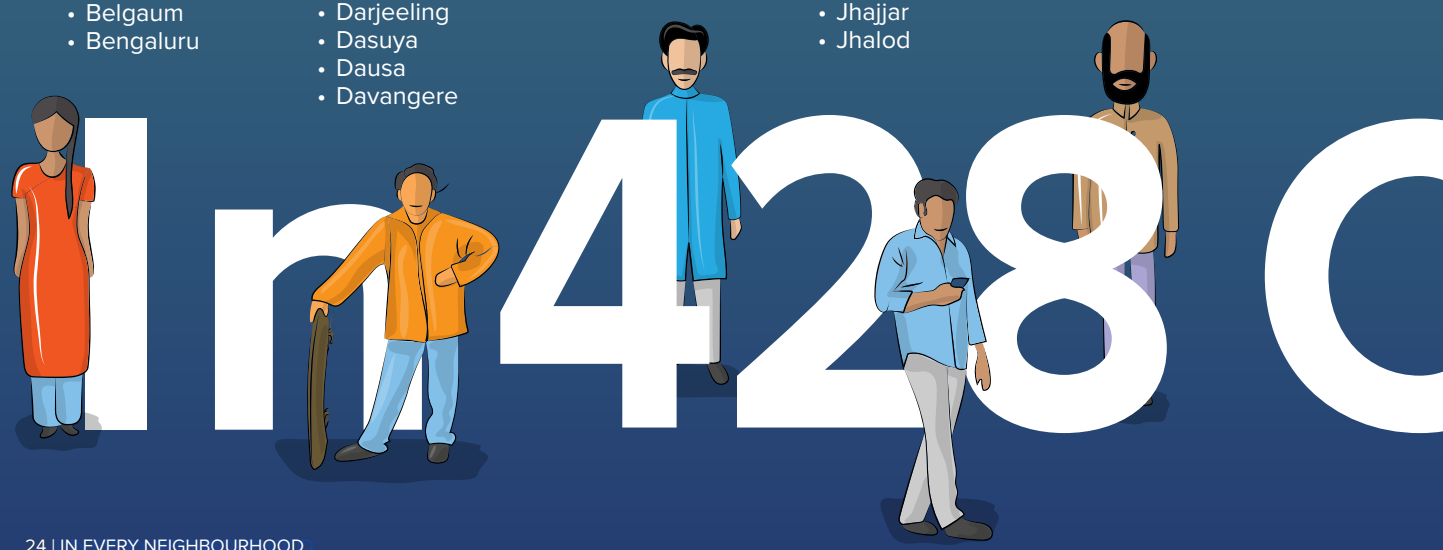
G
- Ganaur
- Gandhidham
- Gangtok
- Garhshankar
- Gaya
- Ghaziabad
- Gidderbaha
- Goa
- Godhra
- Gohana
- Goindwal Sahib
- Gorakhpur
- Goraya
- Gozaria
- Gulbarga
- Guntur
- Gurdaspur
- Guru Har Sahai
- Gurugram
- Guwahati
- Gwalior

H
- Hajipur
- Haldia
- Haldwani
- Halol
- Hansi
- Hanumangarh
- Hapur
- Haridwar
- Hassan
- Hathras
- Himatnagar
- Hisar
- Hooghly
- Hoshiarpur
- Hosur
- Howrah
- Hubli
- Hyderabad

I
- Indore

J
- Jabalpur
- Jagadhari
- Jaggayyapet
- Jagraon
- Jaipur
- Jalalabad
- Jalandhar
- Jalpaiguri
- Jambusar
- Jammu
- Jamshedpur
- Jangareddygudem
- Jhajjar
- Jhalod
- Jharsuguda
- Jind
- Jobner
- Jodhpur
- Jorhat
- Junagadh

K
- Kadapa
- Kadi
- Kagaznagar
- Kaithal
- Kalol
- Kamareddy
- Kandukur
- Kangra
- Kanpur
- Kapadvanj
- Kapurthala
- Karimnagar
- Karjan
- Karjat
- Karnal
- Kasaragod
- Kashipur
- Kathlal
- Kathua
- Katni
- Kavali
- Keesara
- Kendujhar
- Khairthal
- Khamanon
- Khammam
- Khanna
- Kharagpur
- Kharar
- Kheralu
- Kichha
- Kishangarh
- Kochi
- Kolhapur
- Kolkata
- Korba



- Kot Ise Khan
- Kot Kapura
- Kota
- Kotdwar
- Kotputli
- Kottayam
- Kovvur
- Kozhikode
- Krishnanagar
- Kuchaman
- Kukarwada
- Kundli
- Kurali
- Kurnool
- Kurukshetra
- Kutiyana

L
- Lakhimpur
- Lalgadi Malakpet
- Lalsot
- Latur
- Lehragaga
- Limbdi
- Longowal
- Lucknow
- Ludhiana
- Lunawada

M
- Madurai
- Mahilpur
- Makhu
- Makrana
- Malerkotla
- Malout
- Malpura
- Manchar
- Mancherial
- Mandawa
- Mandi
- Mandi Dabwali
- Mandi Gobindgarh
- Mandya
- Mangaluru
- Manipal
- Manor
- Mansa
- Margao
- Markapur
- Mathura
- Mau
- Maur Mandi
- Meerut
- Modinagar
- Moga
- Mohali
- Moradabad
- Morinda
- Mughal Sarai
- Mukerian
- Mumbai
- Muzaffar Nagar
- Muzaffarpur
- Mysuru

N
- Nabha
- Nadiad
- Nagaur
- Nagpur
- Naihati
- Nakodar
- Nalgonda
- Namakkal
- Nandyal
- Naraingarh
- Narasaraopet
- Narsapur
- Narwana
- Nashik
- Navi Mumbai
- Nawalgarh
- Nawanshahr
- Nazibabad
- Neemrana
- Nellore
- Newai
- Nihal Sing Wala
- Nimbahera
- Nirmal
- Nizamabad
- Noida
- Nurmahal

O
- Ongole
- Orai

P
- Palakkad
- Pali
- Palwal
- Panchkula
- Panipat
- Panvel
- Paonta Sahib
- Pathankot
- Patiala
- Patna
- Patran
- Payal
- Peddapalli
- Peddapuram
- Peerzadiguda
- Pehowa
- Phagwara
- Phillaur
- Phulera
- Pinjore
- Porbandar
- Porvorim
- Prantij
- Pratapgarh
- Prayagraj
- Puducherry
- Pune
- Puri
- Purulia

Q
- Quadian

R
- Raebareli
- Raigarh
- Raikot
- Raipur
- Rajahmundry
- Rajgarh
- Rajkot
- Rajpura
- Rajsamand
- Rajula
- Ramgarh
- Rampur
- Rampura Phul
- Ranchi
- Ranga Reddy
- Ratangarh
- Ravulapalem
- Renwal
- Rewari
- Rishikesh
- Rohtak
- Roorkee
- Ropar
- Rourkela
- Rudrapur

S
- Saharanpur
- Sahnewal
- Salem
- Sambalpur
- Samrala
- Sanaur
- Sangrur
- Savarkundla
- Shadnagar
- Shahbaad Markanda
- Shahera
- Shahkot
- Shimoga
- Sikar
- Silchar
- Siliguri
- Sirhind-Fatehgarh
- Sirsa
- Sitapur
- Solan
- Solapur
- Sonipat
- Sri Ganganagar
- Sri Muktsar Sahib
- Sultanpur
- Sunam
- Surat
- Surendranagar

T
- Talod
- Talwandi Bhai
- Talwandi Sabo
- Talwara
- Tanda
- Tapa
- Tarapur
- Tarn Taran Sahib
- Thane
- Thrissur
- Tirunelveli
- Tirupati
- Tiruppur
- Tohana
- Tonk
- Trivandrum
- Tumkur
- Tundla

U
- Udaipur
- Udaipurwati
- Udhampur
- Udupi
- Ujjain
- Umreth
- Una
- Unjha
- Unnao
- Upleta
- Uttarpara

V
- Vadnagar
- Vadodara
- Vapi
- Varanasi
- Vasai-Virar
- Vellore
- Vijayanagaram
- Vijayawada
- Virpur
- Visakhapatnam

Y
- Yamuna Nagar

Z
- Zira
- Zirakpur



Cities

From neighbourhoods to a national retail network

We believe that the joy of shopping should be accessible to everyone - **senior citizens, expectant mothers, temporarily disabled and people with physical challenges.** To navigate, explore, talk, discover and shop like any other shopper. At Big Bazaar, we wish to **foster inclusiveness and enable everyone shop irrespective of race, religion, income, age or physical abilities.**

195
Big Bazaar has full-time employees with physical challenges

10
Professionals with autism plan to join an internship program in 2019-20

December 2017 :
Listening session for **hearing and speech impaired shoppers.**

February 2018 :
Listening session for shoppers with **reduced locomotive ability.**

More than **10,000 employees** went through sensitisation training in three modules and more than **682 trainers** were trained for this.

2017



2018









2018

We joined hands with experts in the area like **National Association of the Blind, Sol's Arc, Forums for Autism, v-shesh and Youth4Jobs.**

We identified the pillars for inclusion. Change in infrastructure like **accessible trial rooms** and washrooms, ramps, wider aisles, wheelchairs on request, **lower height customer service desks** and more. Change in services like priority counters, home delivery, shopping assistance and shopping guides. And most importantly change in our mindsets involving **Avesha training and sensitisation of store colleagues through three distinct stages.**

#SabKeLiye

140
Big Bazaar stores are now accessible for people with physical challenges

12
Big Bazaar, Varanasi has high number of hearing-impaired employees

01
A woman employee of Big Bazaar, Vasant Kunj, with Down's Syndrome is an ambassador of Indian government for 2019 elections

August 2018 :
Listening session for **shoppers with blindness.**



December 2018 :
Big Bazaar Matunga, Mumbai became the first store to organise a **Quiet Hour** between 9:30 AM - 11:30 AM. Dimmed lights, lesser trolley movements, minimal announcements and dedicated assistance from **trained staff welcomed people with autism at the store.**



2018

2018

Autism
QUIET
HOUR

March 2019 :
140 Big Bazaar stores now offer **wheelchairs, wheelchair-friendly ramps and trial rooms, shopping assistance,** free home delivery and priority check out counters for shoppers who need them.





2018

December 2018 :
Fourteen stores across the country celebrated Looking Ahead. More than **400 visually impaired customers participated in special workshops on fashion tips, beauty and grooming and hands-on training on cooking using safe equipment.** Some stores organised a fashion show and a tasting session after these sessions.

April 2019 :
16 stores learn from Big Bazaar Matunga to organise **Quiet Hour for customers with autism in 16 cities.** And this, is just the beginning.

Journey Towards Integrated Reporting



INTEGRATED REPORTING

Starting this year, we are taking our first step towards integrated reporting. We start with the stakeholder engagement, materiality, strategy, business model, risk assessment and mitigation plan followed by governance.

Relevant Stakeholders

Modes of engagement

01 EMPLOYEES

Any person directly employed by Future Retail, to work at stores, offices or logistics centres.

- ■ **Engagement:** SPARK, a meet for store Managers to discuss and cross pollinate ideas and themes to execute the strategy of the Company for the current year.
- ✸ **e-magazine:** Futurebytes, provides updates to employees about activities across the Future Group on operational, social and business information, and deliver monthly drops of inspiring content.
- ✸ **Monday Musings:** The CEO communicate our strategy, outlook and progress regularly through weekly updates, as well as videos and podcasts.
- ● **Pratibimb:** We use our Company-wide online Enterprise App, to share news, key information, significant events, Company announcements and support for day-to-day working.

02 CUSTOMERS

Any person who purchases any product from any format of Future Retail.

- ▲ **Consumer Insights:** We undertake extensive qualitative and quantitative research to ensure we continue to inspire and excite them.
- ➡ **Customer Service:** We provide customer assistance across many mediums, including customer service desk at the stores, phone, email, social media and online chat.
- ➡ **Customer Analytics:** The Company has engaged Palantir to use consumption data from our own customer and help build a comprehensive understanding of our customer needs and demands, ensuring that our decisions are data-informed and customer-centric.
- ▲ **SMS, Email and Advertisement:** To give offers, promotion, event information.

FREQUENCY OF ENGAGEMENT: ● REGULARLY ■ ANNUAL ✸ WEEKLY ▲ PERIODIC ➡ ONGOING PROCESS
✂ ANNUALLY TO ALL SHAREHOLDERS AND QUARTERLY THROUGH STOCK EXCHANGES

PARTNERS & SUPPLIERS

03



Companies that are part of Future Retail's supply ecosystem as well as their respective employees.

- **Sustainability Collaborations:** The Company has tied up with not for profit organisations for imparting necessary skills to improve quality of life for individuals and their families, through vocational training and employment opportunities.
- **Manufacturers/Wholesalers:** We maintain close working relationships through monthly and weekly updates to understand product performance, merchandising development, evaluate stock levels, review order books and address any questions or concerns.
- **Vendors and Service Providers:** We hold periodic meetings and reviews with our partners, to discuss business and operational developments in the Company and to address any questions and concerns.

COMMUNITY

04



All people or entities that are part of the ecosystem in which Future Retail carries out its activity.

- **Financial Support:** We contribute 2% of average net profits of the Company to charitable causes to comply with CSR Regulations.
- **Sone Ki Chidiya (SKC) Foundation:** We support the SKC Foundation in creating long-term solution to create community ecosystem and addressing key social issues.
- **Social Value Creation:** Reducing inequalities, promoting education, better health care facilities.

SHARE-HOLDERS

05



Any person or entity that owns FRL shares.

- **Shareholders Ongoing Engagement:** Senior management and Investor Relations team hold meetings with investors.
- **Board Engagement:** The Board receives quarterly updates on the functioning and the health of the Company.
- **Annual General Meeting (AGM):** Our last AGM was well attended with all resolutions passed.
- **Reporting to Shareholders:** We endeavour to provide a holistic review of the performance of the business and our strategy through all of our communications.
- **Sector Conferences**: Another forum for communication with investors are the sector conferences organised by financial institutions, taking place in key events throughout Asia, US & Europe with attendance from large institutional investors.

Materiality determination process

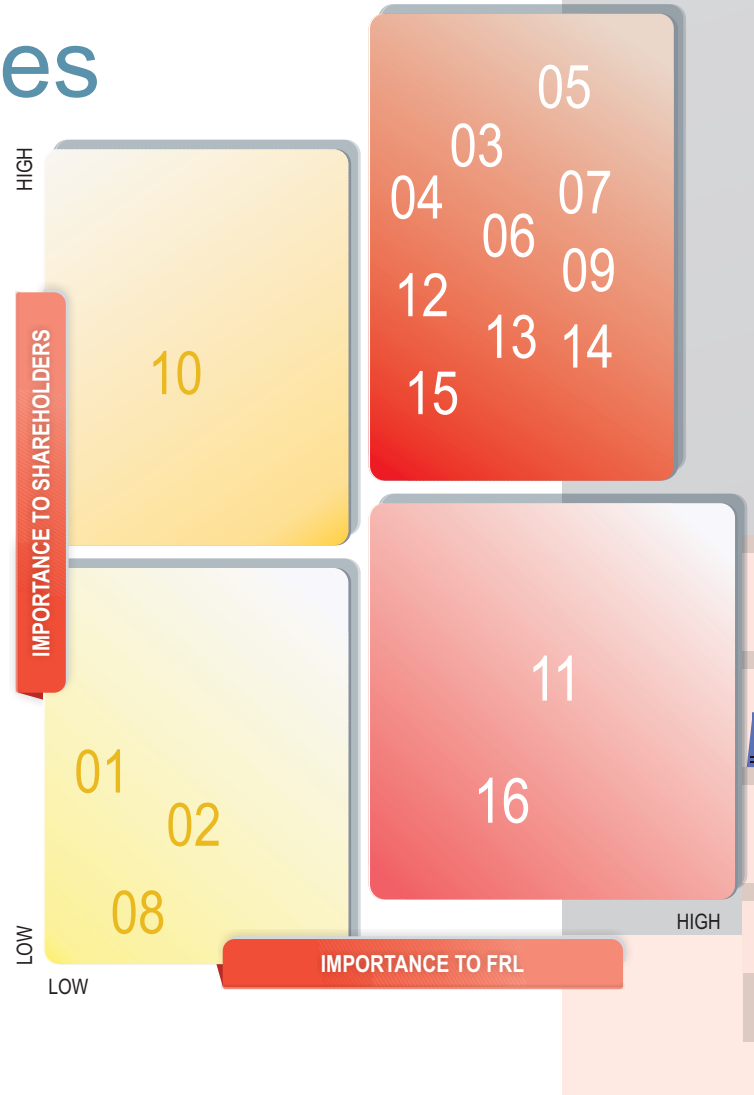


The material issues are reviewed annually by the Board and management where all relevant internal, industry and macroeconomic factors are evaluated. The needs, expectations and concerns of the stakeholder groups that are most likely to influence the Group's ability to create sustainable value, notably customers, employees, partners & suppliers, community and shareholders are central to determining the material issues. The steps followed in determining the material issues are as follows:

- Understanding and clarifying the impact on stakeholder opinion and decision-making
- Understanding and clarifying the impact on society
- Prioritisation, validation and identification of material issues
- Approval by the Board, management and Committees

Material issues

01. Diversity and Inclusion
02. Labour practices
03. Attracting and retaining talent
04. Human capital development
05. Responsible purchasing practices
06. Commitment to customers
07. Cyber security and data protection
08. Sustainable products
09. Product quality, health and safety
10. Energy and climate change
11. Investment in the community
12. Relationship with stakeholders
13. Corporate Governance
14. Risk management and control systems
15. Regulatory compliance and responsible practices
16. Socioeconomic impact on society



Strategic focus areas (SFAs) and plan of implementation under each SFA

- **Revenue Growth** – Achieve double digit growth year on year
- **Customer Reach** – Increase number of stores
  Increase customer footfalls
  Increase overall service space
- **Profitability** – Achieve higher Operating profit

₹ 20,164.90 CR.	Retail Sales	₹ 1,057.38 CR.	EBIDTA
9.13%	Growth %	5.24%	EBIDTA%
6.8%	SSG%	₹ 732.81 CR.	PBT
351 mn.	Footfalls	3.63%	PBT%
50	Large Stores Addition	25.28%	EBIDTA Growth %
440	Small Stores Addition	19.12%	PBT Growth %
1.6 mn. sq.ft	Area Addition	₹ 14.58	EPS



Medium to Long term strategy

The strategy is to build organizational capabilities in order to garner a high consumption wallet share of our members and customers over a sustainably long period of time. Capabilities would need to be built through rigorous execution, strategic new business initiatives such as proximity retail, data-led predictive sciences, and artificial intelligence to manage various functions Successful implementation of the strategy could result in higher growth and stronger earnings profile as well as better customer experience.

Medium to Long term strategy

- Large Customer database
- Strong own brand product portfolio
- Pan India Network of stores
- Differentiated Fashion product portfolio
- Pan India supply chain network
- Group ecosystem to address maximum needs of the customer



BUSINESS MODEL

HUMAN CAPITAL

Total number of employees: 45,949
Gender diversity: Male - 77%
Female - 23%
Average age: **18-30** : 73.91%, **31-40** : 21.79%
41-50 : 3.88%, **51-58** : 0.42%
Differently abled employees: 189
Total man hours of training conducted: > 30 lakh hrs
Number of participants: 25,000+
Total employee benefits: ₹ 1,074.41 crore

SOCIAL AND RELATIONSHIP CAPITAL

Total CSR expenditure:
An amount of ₹ 5.74 crore has already been spent in the course of the financial year 2018-19. The SKC Foundation has further identified projects for the unspent amount of ₹ 1.02 crore of the year under review, to be implemented in the course of current FY 2019-20. Amount to be spend for the current year, would be determined after adoption of accounts by shareholders.

INTELLECTUAL CAPITAL

Total trademarks applied for and granted: 870 (734 registered and 136 pending).

Professional experience of Board & Senior Management (average): 25 Years.

FINANCIAL CAPITAL

Capital Obtained through Financing

Debt	: ₹ 1,329.23 crore
Equity	: ₹ 0.62 crore
Capex	: ₹ 687.99 crore
Total Income	: ₹ 20,185.37 crore
EBITDA	: 5.24%
PAT	: 3.63%
Operating profit margin	: 4.74%
Net profit margin	: 4.13%
EPS	: ₹ 14.58
Net worth	: ₹ 3,976.15 crore

RETAIL CAPITAL

Total number of stores	: 1,511 (including of WHSmith).
Total retail area	: 16.14 mn. Sq.ft. (including WHSmith)
Number of customer visits	: 351 mn.
Same Store Growth	: 6.8%
Average ticket size	: ₹ 606

BRAND CAPITAL

The Company's leading format brand "Big Bazaar" appears in most valuable service brand list. Also other format brands have been recognised at various forums as contributing to retail industry. Further the support of various product brands sold through our various format stores enhances overall brand capital of the Company.



Risk management and mitigation is integral to our sustainability priorities.

We proactively strive to identify existing and potential risks and take pre-emptive steps to mitigate them. Our robust risk management framework represents the basis of this approach. Our risk- management process is closely linked to our organisational culture.



Our key risks, considerations and mitigation measures

EXTERNAL RISKS

	CRUCIAL FACTORS	MITIGATION MEASURES
Environment	Raw materials, Processing, Packaging, Distribution and its Impact on environment.	Introducing alternate categories, piloting programmes for various alternates, sustainability reviews, restructuring distribution, creating awareness, reviewing packaging, compliances, Health & Safety, etc. Chief Sustainability Officer has been appointed. Strategy with respect to sustainability drafted Policies with respect to Environment, Ethics, Human Rights, Influencing Public and Regulatory, Product Stewardship (Sustainability, Product labelling, Re-cycling, New Product Development) , Health and Safety, Stakeholder Engagement, Wellbeing of Employees & Corporate Social Responsibility are now in place. These are displayed on Websites for reference. Implementation is underway.
	Depleting/extinct categories, alternate categories, alternate energy, alternate processes, alternate materials, distribution channels, alternate packaging, compliance with NGT or other NGOs etc.	

Regulatory

Ease of operating business, Cost of compliances and its management.

CRUCIAL FACTORS

Goods and Services Tax (GST), demonetisation initiatives, & amendments to Consumer Protection Act, implemented by the Government of India have had a positive impact on the organised retail sector. Repealing/scrapping of redundant acts, & ongoing update of various regulations (specially Policies with respect to E-Commerce) is promising towards ease of doing business. Emerging Compliances in the area of Data Privacy/Protection, Cyber world, Digital Transformations, Consumer Protection, will further enable Consumer Protection and help us in winning their confidence.

MITIGATION MEASURES

Improving overall culture for compliances by implementation and upgrade of Mutliple applications like Anushasan (License Tracking), Abhiyog (Litigation Management), Lekha Prabandhak (IPR management) and introducing further applications for areas such as Insider Trading Management.

Continuous update of Governance Processes/Documents

Re-skilling of workforce, adoption of technology (AR,VR, Cloud, Artificial Intelligence, Mobility, Analytics, Blockchain) & improved MIS/Reporting.

Economy

Revenue from operations

CRUCIAL FACTORS

At present, various macroeconomic, Geo- political factors such as stable government, GDP growth rate, inflation are impacting the Company favourably.

MITIGATION MEASURES

Continue to upgrade and open Big Bazaar Gen-next & Foodhall. Deploying dedicated teams to capture trends / moods / aspirations of customers at international/national levels.

Designing suitable promotions (Free Shopping etc. Public Holiday Sale), Driving relevant Customer Loyalty programmes (Future Pay / BB Profit Club / Easyday Savings Club). Media space utilisation needs to improve.

Markdown being tracked through Promotion Workflow Management (PWM).

Intiatives are being taken to improve efficience / effectiveness of Markdowns i.e. to make it more smarter with the help of technology. Markdowns related to slow moving inventory and other inventory dilutions (shrinkage, damages, defectives, dump etc.) to be reduced by optimising overall inventory levels and improving inventory audits.

Level of criticality High Medium Low

Key considerations

INTERNAL RISKS

Strategy

CRUCIAL FACTORS

Business Model, Online e-commerce, Online- Offline, Offline-Online, Format size, Value/Lifestyle etc.

Deep discounting across channels online and offline continues to disrupt the market

MITIGATION MEASURES

Sustaining a multi-format, multi-channel, approach to help the Company remain in business.

E Commerce channel has been established, Big Bazaar and fbb are live. Emerging risks such as Online Reputation Management, Digital Campaigning Effectiveness, etc. are already being managed in structured way which need to be further strengthened.

Governance

CRUCIAL FACTORS

Shareholder Value Creation, Vendor Management, People Office Management.

Shareholder Satisfaction, Vendor Performance/Satisfaction/Relationship management, Product quality, Employee Satisfaction.

MITIGATION MEASURES

Received only 10 grievances from shareholders of which 9 have been resolved and balance one complaint since resolved during the current year.

Chatbot model (Genie) an Artificial Intelligence system is in the pipeline for implementation.

A Vendor organisation is being created responsible for on-boarding, scaling-up and mentoring Vendors within the Eco system, and relentlessly driving execution of these strategies. This will lay strong foundation of partnerships with vendors. This will improve areas of store-memberships, financial services to vendors, supply chain and warehousing among numerous other services.

Future 360, a SAS based model, Cloud Based People Office System bringing about digital transformation in the area of HR. Geo-tagging, Geo-fencing, on-the-fly travel requisitions, and other additional facilities are part of this package for the employees.

Technology

Customer Service/Experiences, Supply chain, Cyber, Innovation.

CRUCIAL FACTORS

Availability & Demand Forecasting are key performance indicators. Tathastu (Anything, Anytime, Anywhere). Enhancing customer experience/service for ever changing customer is a challenge, Cyber attacks/protection, Data Governance/Protection. Technology Innovation and implementation is important.

MITIGATION MEASURES

Brand management (with partner brands), is being continuously improved, obtaining and acting upon customer feedback.

Continuous improvements are being made in the area of Supply Chain and related Technology (latest being state of the ART sorting facility established at Nagpur Distribution Centre).

Chief Information Security Officer has been appointed.

Policy with respect to Information and IT Security including Data Governance/Privacy and Disaster Recovery are in place. Programmes with respect to these are being implemented. This is critical as the organisation is being built upon the vast consumer data generated. A data-led digital platform is being built that world can emulate. Future is being created with data sciences, artificial intelligence, and next generation technology (Internet of Things, Augmented Reality, Virtual Reality, etc.).

Strategy in relation to insurance is being regularly revisited in terms of further areas for which insurance is required specially in the Cyber/Data segment.

Net Promoter Score is tracked continuously to improve overall experience. Engage 247 have been implemented to enable better Customer Experience.

The Digital labs continues to work in the area of R&D where required. MS-Customer Relationship Management software has been implemented.

Liquidity

Working Capital

CRUCIAL FACTORS

Reasonable interest rates.

MITIGATION MEASURES

1.33x current ratio

Level of criticality High Medium Low

Key considerations

Governance



Mr. Kishore Biyani

4 5

Chairman & Managing Director

He is Founder and Group CEO of Future Group and has over 35 years of experience and is known as the pioneer of modern retail industry in India. Led the Future Group's emergence as India's leading player catering to the entire basket of Indian consumers.



Mr. Rakesh Biyani

1 5

Jt. Managing Director

He is associated with Future Group for over 20 years. Led the management and expansion of the Group's flagship formats like "fbb", 'Big Bazaar' and 'Central' along with supply chain management.



Mr. Ravindra Dhariwal

1 2

Independent Director

He is an MBA from IIM-Calcutta and also holds B.E. from IIT Kanpur. Mr. Ravindra Dhariwal Senior Advisor of TPG Growth. Prior to joining TPG, Mr. Dhariwal served as an Executive Director for Bennett Coleman & Co. Limited and was also associated with Pepsico and Unilever. He has over 40 years of experience building consumer businesses all over the world.



Ms. Gagan Singh

1 3 4

Independent Director

She is Chartered Accountant and Cost Accountant. Ms. Gagan Singh considered as general management expert was associated with Jones Lang and LaSalle for India and Sri Lanka operation. She was associated with Benetton India and Soaltee Group. She has over 30 years of experience across the apparel, exports and hospitality sectors.



Ms. Sridevi Badiga

1

Independent Director

She received MBA degree from the Kellogg School of Management in Chicago and BBA in Accounting from Hofstra University in New York. She is an avid sports enthusiast and has a certificate in patisserie making from Le Cordon Bleu, Paris. Ms. Badiga runs a cross-border advisory practice working closely with a network of family offices and institutional investors in the Middle East. She has worked on various strategic cross-border deals.

COMMITTEE

1. Audit
2. Nomination and Remuneration
3. Stakeholders' Relationship
4. Corporate Social Responsibility
5. Risk Management

■ Chairperson □ Membership



Mr. Shailendra Bhandari

2 3

Independent Director

He holds MBA in Management from IIM, Ahmedabad and Bachelor of Arts (Honours) in Economics from St. Stephen's College in Delhi University. Seasoned finance professional with more than 35 years of experience and an impressive track record of accomplishments. Mr. Bhandari was Managing Director & CEO of ING Vysya Bank and was also associated with various banks in past. His areas of expertise include Banking, Private Equity and Mutual Funds.



Mr. Rahul Garg

2 3 4

Non-Executive Director

He holds a bachelor's degree in mechanical engineering from University of Delhi and a post graduate diploma in management from Management Development Institute, Gurugram. Mr. Rahul Garg is the Partner and Co-Head, India Private Equity strategy of Premji Invest and leads investments in banking, financial services, insurance and the consumer and retail sectors. He has more than 18 years of experience in the financial services sector.

Board relevance (how does each member contribute to the Company)

Board of the Company comprise of experts from various fields and ensures that there is a balance representation of each field and each of the Board member contribute in all discussions and decisions taken at Board level.

Board diversity (gender-wise)

2 Executive Board members,
1 Non-executive Board member and
4 Independent and Non-executive Board members.

Board comprise of 7 Board members including 2 Independent Women Directors.

Key decisions and corporate actions taken

- Issuance of warrants to the Promoter Shareholder for a total value of ₹ 2,000 crore, already approved by the Shareholders.
- Acquisition of the Airport retail business “WHSmith” operated through Travel News Services India Pvt. Ltd. along-with its two subsidiary companies.
- Acquisition of the retail food chain "Foodworld" comprising of 37 stores in South India.
- Entered into Master Franchise Agreement through its subsidiary, SHME Food Brands, with world leader in convenience stores 7-Eleven.
- Entered into shareholders agreement for opening of a joint venture company at Oman for promoting “fbb” brand and running “fbb” stores in Oman and other states of GCC.



This year was a year of focused execution and stable expansion of our large format stores and strategic expansion of the small format stores.

Large Format Stores

We added 21 new large stores during the year and were able to achieve 10.9% same store sales growth in this format. Our focus on efficient store expansion has led to the furtherance of a distribution network that is unparalleled in the country.

In continuation of the previous fiscal year, Big Bazaar remained firmly on the path of operating leverage with improving margins quarter after quarter. We have successfully completed the integration of Hypercity with delivery of committed turnaround in time. Strong value enhancements from synergistic mutual strengths, rationalisation of back-end costs and economies of scale will continue to further improve the performance of integrated Hypercity stores.

Small Format Stores

On Small format stores this year, we maintained dual strategic focus -(a) making older stores efficient with higher contribution from members' with extensive data & tech development across delivery functions & processes, and (b) expanding aggressively in defined markets. We have opened more than 400 small stores this year, ending the year with more than 1,100 stores (including WHSmith). We added 6 lakh members this year, hence doubling the member base from last year. An easyday club member visits the store 3-4x a month fulfilling about 50-60% of his/her annual grocery consumption from this format.

We believe that the combination of large format and small format stores will enable us to serve better our loyal customers & members and in turn, continue to establish stronger foothold for FRL across all major markets of India. We already have a strong market foothold in several such centers.

Through membership penetration, the Company continues to increase its share in the consumers' wallet, which to our belief, is sustainable advantage, profitable and value accretive in the longer run. Other key initiatives include, increasing the velocity of sales and productivity of stores while continuously deepening the market presence. Through data and technology-led improvements, our objective has been to enhance assortment relevance, improve quality standards, shopping experience and reinvent ourselves for higher customer conversion ratio, better ticket sizes and better same store sales growth.

For our customers, we continue to drive their experiences to better & higher levels. Services like faster checkouts, sit-down lounges, digital shelf talkers and experience zones with multi sensorial food products giving a world class shopping experience are just some of them. Our stores are designed to be smarter and experiential through use of technology, innovation in services, layouts and filled with digital interfaces. These stores redefine the retailing experience and set new benchmarks for retailing in India.

Customer loyalty remains one of our key pillars of growth and we continue to focus on understanding our customers based on the data collected and analyzed of our frequent shoppers. We continue to develop digital payment wallet 'Future Pay' with the price match feature building firm customer trust, EMI facility for spends above certain limit across stores of the Company (through EMI network card co-branded with Bajaj Finance), #DecideYourPrice initiative through social networking websites, etc. Our membership programs have seen strongest ever growth and high renewal rates from the customers.

Industry Outlook

As per industry reports, India's retail market size is pegged at ~USD822bn, of which the organized segment (excluding e-commerce) accounts for about 11% of the overall retail market as of FY19. This share is expected to increase to ~16% over the next 5-6 years, with the organized retail market growing at a CAGR of ~20%. Interestingly, over the last five years, the organized retail market grew at ~19%, increasing its penetration from 7% to around 11%.

The target market of the Company, which mainly comprises of low to high level income individuals, continues to expand more significantly. Based on external research, we believe FRL with its wide assortment of products across Food, Fashion and Home through large format stores and its targeted grocery assortment in the small format stores is on the path to capture a higher proportion of the growing modern retail share.

Overview: Operational, Customer and Marketing

Through the two store formats, large format and small format stores, Company retains its focus on the core categories of Food, Fashion and Home. A common thread across these categories is the advantage of scale to support our quest & delivery of improved quality,better value, higher availability and differentiated products in our stores. Pan-India reach continues to yield strategic edge to the business at large and all incremental space additions make the back-end operations more cost effective.

On marketing, in continuation to previous year's partnerships, the Company was one of the key sponsors to two of India's most coveted events – IPL and the fbb Miss India pageant. Promotional activities like Wednesday Bazaar, Public Holiday Sale, Independence Sale, Sabse Saste 5 Din continued to add value to

customers and business alike. Innovations such as Kitchen Stock Exchange, Live shopping alongside facebook, exchange offers, specific category sales & many more delivered high participation from the customers. Further, the Future Pay wallet, price match challenge, electronics at cost price, #DecideYourPrice campaign kept the customers hooked onto our formats.

fbb continues to connect with the young customers, by promoting various events. Miss India contest, IPL season 12, music and performance events continue to portray fbb as the fashion destination for youth. fbb has a strong presence on social media, such as Facebook and Twitter. The Company considers fbb as an important strategic piece to register its presence in fashion, enhance sales productivity and improve margin profile and profitability.

fbb has become known for 'fashion at affordable price'. Further, celebrity endorsements and its media presence in big events like Miss India and IPL, continued to keep fbb fresh and renewed in minds of fashion conscious youth and other customers.

Awards and Recognitions

The Company and its formats received awards in categories like:

Big Bazaar

- Big Bazaar was ranked among the most valuable brand by Interbrand;
- Big Bazaar won IMAGES Most Admired Brand Retail Partnership of the Year 2018;
- Big Bazaar won IMAGES Most Admired Retailer of the Year under Digital Marketing Campaign category;
- Big Bazaar's Smart Search Campaign won MMG Awards, Troxy, London for Best Campaign in Fashion, Beauty & Retail Category for 2018 and the best Mobile Search Campaign globally by SMARTIES, New York;
- Big Bazaar's 24hr Facebook Live Campaign won:
  - Gold in Exchange4Media - Maddies of the Year 2018;
  - EMVIE Silver under the category Best Media Innovation, Digital, Social Media;
  - Best Online Advertising Campaign by Exchange4Media, Indian Digital Media Awards 2018.
- Big Bazaar's Midnight Sale Campaign won Silver in Exchange4Media - Maddies of the Year 2018;
- Big Bazaar's Decide Your price won Gold in DMA Asia Echo 2018 under the Create Effect category;
- Big Bazaar Profit Club won Customer Loyalty Awards for the Best Card Based Loyalty Program and Best Loyalty Program in Retail Sector.

fbb (Fashion @ Big Bazaar)

- fbb's Airport Makeover won ET Now - Stars of the Industry Award under the best Experiential and Brand Experience of the year;
- fbb's "National Jeans Day" Campaign won:
  - ET Now - Stars of the Industry Award for the best use of social media and marketing;
  - Best Branded Regional Campaign by Foxglove - Afaqs!;
  - Gold for the Best Use of Social Media to launch a product or service by SAMMIEs - Social Samosa;
  - Gold for the Best Lead Gen Campaign at 9th IDA - IAMAI;
  - Best Launch of a Product by LIDMA - Lighthouse Insights;
  - Digital Awards for the best lead generation campaign through mobile.
- fbb won the best Print Campaign of the year at the Activation Venue Forum - Umbrella Aegis;
- fbb "500 Festive Looks" Campaign won:
  - Best Use of Instagram by Foxglove - Afaqs!;
  - Silver for the Best Content Marketing - Retail by DIGIXX - AdGully.
- fbb's "World Shorts Day" Campaign won:
  - Silver by DIGIXX - AdGully in Social Media;
  - the Best Digital Integrated Campaign by Global Marketing Congress - CMO Asia;
  - Silver for the Best Use of Social Media to generate leads or drive revenues by SAMMIEs - Social Samosa.
- fbb won the Best Media Marketing Campaign, for "Dil Se Desi" Campaign by Global Marketing Congress - CMO Asia.

easyday

- easyday Club awarded Most Admired Food & Grocery Retailer of the Year under National Supermarket Category by IMAGES.

Foodhall

- Foodhall at MKT, Chanakyapuri won VM&RD Awards 2019, North in Food Groceries and General Merchandise;
- Foodhall at MKT, Chanakyapuri won VM&RD Awards 2019, North in Best Shop Fitting;
- Foodhall at Two Horizon Centre, Gurugram won VM&RD Awards 2019, North in Food Groceries and General Merchandise.

Human Resource initiatives

Human Resource is one of the key interfaces the Company has with its customers and hence it is very critical to ensure continuous learning and development of its people resources. FRL employs 45,949 employees located at Head Office, Zonal Offices, Retail Stores, Design houses and Data-Centers across the Country. The Company imparts continuous training to its employees in various fields and at the same time also ensures individual development by imparting training for improvement of skills, knowledge and leadership abilities. The Company has attracted best talents from the industry as well as successful in retaining its core team, which has rich experience of last 20 years leading the Company's core retail business. This year we intend to work on two key pillars to transform our People Office, first by transforming our people processes with the help of technology and second by bringing together the synergies of people organisations across the Group. Further, the Company has implemented ESOP scheme to give better retention benefits to its valued human assets.

Business Outlook

Future Retail has an unparalleled network of stores under core two formats, spread across pan India and is poised to get the maximum benefit of the surge in the consumption drive. We believe that the network is strategically well placed to capture the growth in organized sector over unorganized as well as give incumbency advantages.

We would continue to strive towards optimization of capital employed in our business with a high focus on interest cost reduction, dependencies within the group or large external partners.

A potential reduction in debt, improvement in net worth, would help the Company to achieve better credit ratings, which could eventually help the Company to obtain funding at much more reasonable terms. The Credit Analysis & Research Limited (CARE), has assigned its rating for Short Term borrowings to [CARE A1+ [CARE A One Plus]] and Long Term borrowings [CARE AA- [CARE Double A Minus] as of March 31,2019. For further details on credit rating, you can refer corporate governance report forming part of this Annual Report.

FRL has been at the forefront of modern retail industry evolution and shall continue to lead from front. To this extent, our formats are significantly better on customer experience, technological advancements, and experienced and skilled workforce. We believe this could yield better growth than industry for us in the years to come.

Risks and Threats

External environment factors like interest rates, inflation, liquidity, rationalisation of tax structure, job creation and consumption sentiments continue to be the biggest threats as well as opportunities for the Company. Any slowdown in the economic activity in the Country, significant job losses or high rates of inflation can severely impact the consumption and therefore growth of the Company.

In the recent times, Indian economy has witnessed acute liquidity challenges and softness in the consumption in select discretionary categories (mainly Auto). Any furtherance of the sentiments into categories of our presence – Food, Fashion or Home, could potentially have an adverse impact on the growth and in turn on profitability. The continued liquidity issues could lead to a negative impact at the end of our vendors or supplier base as well, which might have an adverse impact on our working capital management.

Other external factors, such as increase in borrowing costs, policy changes or adversities could lead to negative surprises impacting growth, profitability and / or cash flows. While FRL does have robust internal controls and systems to manage such adversities, the outcome could still be challenging.

Internal controls and their adequacy

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

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

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

The financial results for the twelve months ended March 31, 2019 are not comparable with corresponding period of previous year, due to effect given to demerger of Home Retail Business undertaking to Praxis Home Retail Limited and demerged Retail Business Undertaking of Hypercity Retail (India) Limited with the Company in the previous year.

Sales: The Company's Sales and Operating Income has increased from ₹18,477.97 crore in previous financial year to ₹20,164.90 crore with Y-o-Y growth of 9.13% for the financial year ended March 31, 2019.

Profit Before tax (excluding one-time non-cash exceptional expense): Profit Before Tax of the Company for financial year ended March 31, 2019 stood at ₹732.81 crore as compared to ₹615.18 crore during the previous financial year.

Interest: Interest & Financial charges out flow has increased from ₹175.38 crore incurred in previous financial year to ₹223.98 crore for financial year ended March 31, 2019 due to increase in debt from ₹ 1,286.41 crore to ₹2,657.04 crore as at March 31, 2019.

Net Profit: Net Profit of the Company for financial year ended March 31, 2019 stood at ₹732.81 crore as compared to ₹11.31 crore (after providing for one-time non-cash expense of₹ 603.87 crore due to loss on sale of investments) in the previous financial year.

Dividend: In order to conserve resources for future expansion plan, the Board of Directors of the Company has not recommended any dividend for the financial year ended March 31, 2019.

Capital employed: The capital employed of the Company was ₹6,508.99 crore as at March 31, 2019.

Surplus management: The Company generated a cash profit of ₹833.40 crore for financial year ended March 31, 2019 as compared to ₹668.61 crore in the previous financial year, registering the growth of 24.65%. The amount is ploughed back into the business to fund the growth.

Equity share capital: The equity share capital of the Company has increased from ₹100.40 crore to ₹100.52 crore due to ₹0.12 crore worth of shares issued to employees exercising their stock options during the financial year under review.

Net Debt-Equity: Net Debt-Equity ratio of the Company has increased to 0.62 as at March 31, 2019 as compared to 0.36 in the previous financial year. This ratio has increased due to increase in debt from ₹ 1,286.41 crore to ₹ 2,657.04 crore as at March 31, 2019.

Net Worth (excluding Capital Reserve): The Net worth of the Company has increased from ₹ 3,220.47 crore to ₹3,976.15 crore due to Profit for the current year and shares issued during the financial year.

Cash Earnings Per Share (CEPS): The Company's CEPS (before exceptional items) has increased to ₹16.59 in current financial year in comparison to ₹13.32 in the previous financial year.

Earnings Per share (EPS): The Company's EPS (before exceptional items) has increased from ₹12.45 in previous financial year to ₹14.58 per share for the financial year ended March 31, 2019.

DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the Twelfth Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

The financial performance of the Company is as follows:

(₹ in crore)

Particulars	Standalone		Consolidated
	Financial Year 2018-19	Financial Year 2017-18	Financial Year 2018-19#
Revenue from Operations	20,164.90	18,477.97	20,332.58
Other Income	20.47	11.67	23.14
Total Revenue	**20,185.37**	**18,489.64**	**20,355.72**
Profit/(Loss) before Depreciation and Amortization Expense & Tax expense	833.40	668.61	831.22
Less: Depreciation and Amortization expense	100.59	53.43	104.02
Profit/(Loss) before Exceptional Item	732.81	615.18	727.20
Less: Exceptional Item	-	603.87	-
Profit/(Loss) before Tax	732.81	11.31	727.20
Less: Tax expense	-	-	0.01
Profit/(Loss) after Tax	732.81	11.31	727.19
Other Comprehensive Income for the year	5.81	1.96	5.85
Total Comprehensive Income for the year	738.62	13.27	733.04
Earnings Per Equity Share of Face Value of ₹ 2/- each			
- Basic and Diluted (in ₹)	14.58	0.23	14.47

(#)The Company has prepared the consolidated financial results as required under the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and the applicable prescribed Accounting Standards under the Act, since this is the first year, when the Company has subsidiary and joint venture companies. There were no subsidiary or joint venture companies in previous year and hence no comparable numbers of previous year are available.

REVIEW OF PERFORMANCE

During the year under review, your Company recorded an increase of 9.13% in the Standalone Revenue from Operations at ₹ 20,164.90 crore as compared to ₹ 18,477.97 crore in the previous financial year. Consolidated Revenue from Operations was reported at ₹ 20,332.58 crore during the year under review. Your Company also reported an increase of 19.12% in the Profit of ₹ 732.81 crore as compared to ₹ 615.18 crore for the previous financial year, before exceptional item.

The year 2018-19 was a very fulfilling year. We now have a pan India presence with 1,511 stores in 428 cities as of March 31, 2019 and total retail space of approximately 16.14 million sq. ft. for various formats of our Company. As on March 31, 2019, we have 292 Big Bazaar/Hypercity stores, 94 fbb stores, 12 Foodhall stores, 1,106 small format stores (including WHSmith stores) and 7 eZone stores. Our retail format business is supported by various other businesses operated by Future Group companies and through investee companies of Future Group operating in various ventures including branded fashion, food & FMCG, insurance, warehousing & logistics, media and textiles.

As regard the well-developed formats like Big Bazaar, fbb, Foodhall, easyday etc. which has received good recognition and also acceptance by our stakeholders, we have been able to develop presence across India with good loyal customer base of approximately 50 million members across all formats as of March 31, 2019.

Fiscal 2019 also firmed up the stage for a strong omni-channel business and Online to Offline conversions. The Company has set the foot on a focused small-store membership program, higher paid-loyalty membership enrolments in large format stores and in parallel, several functional enrichment to serve such loyal customers better. To this extent, we have increased the retail technology play across our stores, enriched the Future Pay wallet and introduced many member service aspects.

SCHEME OF ARRANGEMENT AND ACQUISITION

a. Scheme of Arrangement between Hypercity Retail (India) Limited and the Company and their respective Shareholders ("Hypercity Scheme")

The Company had entered into Scheme of Arrangement with Hypercity Retail (India) Limited ("HRIL") and their respective Shareholders under Sections 230-232 and other applicable provisions of the Act in order to consolidate the retail business under singly entity, whereby the retail business undertaking of HRIL got demerged and vested with the Company. The Hypercity Scheme has been given effect on April 25, 2018 ("Effective Date"). The Appointed Date under Hypercity Scheme for Demerger was December 1, 2017.

b. Acquisition of Travel News Services (India) Private Limited ("TNSI")

During the year under review, the Company has executed necessary agreement(s) and on May 11, 2018 acquired the entire equity share capital of TNSI from its existing shareholders for cash consideration. Consequent to this, TNSI has become a wholly owned subsidiary of the Company.

In addition to this TNSI Retail Private Limited, a wholly owned subsidiary of TNSI and Welcome Retail Private Limited, a joint venture of TNSI in which TNSI holds 51% of the share capital have also become step down subsidiaries of the Company effective from the same date i.e. May 11, 2018.

c. Acquisition of "Foodworld" business

During the year under review, the Company has entered into necessary agreement(s) with Foodworld Supermarkets Private Limited and acquired the retail business undertaking under the brand name "Foodworld" for cash consideration.

d. Acquisition of SHME Food Brands Private Limited ("SHME")

During the year under review, the Company has acquired the entire equity share capital of SHME (now known as SHME Food Brands Limited) for cash consideration from its existing shareholders on February 28, 2019 and accordingly, SHME has become a wholly owned subsidiary of the Company.

SHARE CAPITAL

During the year under review, the Company has issued and allotted in aggregate 6,23,285 Equity Shares of ₹ 2/- each to eligible employees of the Company, upon exercise of the vested options granted to the concerned employees under Future Retail Limited Employee Stock Option Plan - 2016 (FRL ESOP - 2016). None of the employees is in receipt of Equity Shares exceeding 1% of Equity Share capital of the Company against the vested options exercised by them under FRL ESOP - 2016. The breakup of allotment is as follows:

Sl. No.	No. of Equity Shares allotted	Date of allotment
1.	5,28,763	May 21, 2018
2.	64,522	August 09, 2018
3.	30,000	November 23, 2018

During the year under review, the Company has not issued any sweat equity shares or bonus shares or equity shares with differential rights.

Post March 31, 2019 and on receipt of initial warrant subscription amount of ₹ 500 crore equivalent to 25% of the warrant issue price as prescribed by the SEBI (ICDR) Regulations for allotment of the equity warrants, on April 23, 2019 the Company considered and allotted 3,96,03,960 equity warrants to M/s. Future Coupons Limited, a Promoter Group entity, on preferential basis. The conversion option can be exercised by Warrantholder(s) at any time during the period of 18 (Eighteen) months from the date of allotment of equity warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable.

BUSINESS OUTLOOK

We believe that your Company with its unparalleled network of stores spread across India is poised to get the maximum benefit of the surge in the consumption drive. We also believe that the network is strategically well placed to capture the growth in organised sector over unorganised as well as yield incumbency advantages.

Our Retail 3.0 organisation of small format stores has come together and we have now focussed strategy on a combined expansion of member platform and member-retail stores. The small stores are overlaid with digital & technology functionalities in many ways which makes the pace of the business management more efficient and allows the Company to expand at a very fast pace. We now have more than 11 lakh active, paid members on our small stores network. Currently, we are rolling out the easyday app for members to order digitally or through inter active commerce from their mobile phones and track delivery at home. The app has unique features like voice search and scheduling in-store or at-home delivery.

Future Group had launched a Future Consumer and Digital (C&D) Lab in Bengaluru that focuses on the consumer and digital space to bring in next-generation innovations using Artificial Intelligence, Big Data Analytics, Blockchains, Internet of Things, Robotics and allied technologies. The C&D Lab brings together multiple teams and companies that are working in these areas, housed in a common, collaborative space and will have ready access to test, experiment, and prototype their technologies across Future Group's brand and retail platforms that serve over a million customers every day.

The Lab is pursuing technology developments that will influence consumer experiences in areas such as payments, unique consumer identification and development of one-on-one consumer conversations, analytics and predictive modeling as well as in back-end functions such as supplier engagements, supply chain automation and infrastructure deployment.

As you are also aware, Future Group is the chosen partner for the launch of 7-Eleven brands of convenience stores in India. With over 67,000 stores across 17 countries, 7-Eleven is an iconic, global retail brand. In India, we will be scripting a unique story for 7-Eleven, combining food services, convenience and superb customer service in every urban neighbourhood. The growth and expansion of 7-Eleven will be a critical part of growing our food and FMCG brands and bringing new services, formats and conveniences for our customers. A dedicated team is being set up to bring together the best practices of 7-Eleven Inc. and our understanding of India, to create the best proposition and offerings for our customers.

As a consumer-driven business it is important for us to build upon new trends, new categories and new ideas that are going to shape consumption in the years ahead. Future Group's own brands represents one of our strongest pillars for the growth and value creation of our business. Our own brands allows us to earn higher end-to-end margins for the organisation. More importantly, it helps us own and deepen the relationship with customers, addresses gaps not fulfilled by our suppliers and also to meet the customers expectations.

As reported during last year performance, the Big Bazaar, the flagship format contributing good return as witnessed from Same Stores Sales Growth at 10.9% in the year 2018-19 and the management is optimistic to see improvement in performance going forward while their expansion plan of opening new stores and renovating existing Big Bazaar stores in place.

The Company is continuing its expansion plan for fbb format and will add more exclusive brand outlets in coming years. Your Company has already taken fbb brand to international markets through its joint venture with Oman based conglomerate Khimji Ramdas LLC and have already opened 2 (Two) stores in Oman in the current financial year. Over the past few years, fbb has undergone a significant transformation and we will continue our journey of improving products assortments, in-store experience and strengthening our supply chain.

DIVIDEND & RESERVES

Keeping in mind the future prospects and further expansion plans of the Company, the Board of Directors of the Company have decided not to recommend any Dividend during the financial year 2018-19. No amount is proposed to be transfer to General Reserve.

INVESTMENTS

During the year under review, the Company has made the following investments:

- **Travel News Services (India) Private Limited ("TNSI")**

  The Board of Directors of the Company had approved the acquisition of entire equity share capital of TNSI and also executed necessary agreement(s) and related documents for the said transaction. On May 11, 2018, the Company has paid ₹ 65.42 crore in cash (after adjustments) to the existing shareholders of TNSI towards the said acquisition.

  Further, on March 29, 2019, the Company had made an additional investment by subscribing 34,00,000 7% Cumulative Redeemable Preference Shares of ₹ 100/- each, aggregating to ₹ 34 crore in cash.

- **Future Retail LLC**

  The Company had entered into shareholders agreement with Khimji Ramdas LLC and incorporated a joint venture company viz; Future Retail LLC ("JV Company") to operate "fbb" brand in Oman and then across other member state of GCC. The Company has in aggregate invested fund to the tune of ₹ 4.57 crore towards total 2,50,000 shares of Omani Rial 1 each in the share capital and accordingly it holds 50% of JV Company.

- **SHME Food Brands Private Limited ("SHME")**

  Pursuant to the approval of the Board of Directors, the Company had acquired the entire equity share capital of SHME (now known as SHME Food Brands Limited) for cash consideration of ₹ 0.01 crore from its existing shareholders on February 28, 2019.

DIVESTMENTS

During the year under review, the Company has not made any divestment.

PUBLIC DEPOSITS

The Company has obtained the approval of Members for acceptance of fixed deposits from public and/or Members of the Company. However, the Company has not accepted any fixed deposits during the year under review and accordingly, no amount on account of principal or interest on deposits from public and/or Members were outstanding as at March 31, 2019.

DEBENTURES

During the year under review, the Members of the Company have granted the approval for issuance of Non-Convertible Debentures. However, the Company has not issued any Debentures during the year ended March 31, 2019.

CORPORATE GOVERNANCE

The Company's Corporate Governance Report for the year under review, forms part of this Annual Report.

A certificate from the Statutory Auditors of the Company regarding the compliance with the conditions of the Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), is annexed to Corporate Governance Report and forms a part of this Report.

BUSINESS RESPONSIBILITY REPORT

Pursuant to SEBI Listing Regulations, a Business Responsibility Report is included and forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. NGS & Co. LLP, Chartered Accountants (Firm Registration No. 119850W) have been appointed for a period of 5 (Five) years from the conclusion of the Ninth Annual General Meeting till the conclusion of the Fourteenth Annual General Meeting of the Members of the Company.

Pursuant to the notification issued by the Ministry of Corporate Affairs on May 7, 2018, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted. Hence, no resolution was proposed for the ratification of appointment of Statutory Auditors at the ensuing AGM.

The Company has received a written confirmation from the Statutory Auditors confirming that their continued appointment shall be in accordance with the applicable provisions of the Act.

Auditors' Report

The Auditors' Report on the financial statements for the financial year ended March 31, 2019 is issued with unmodified opinion and does not contain any qualifications, reservations or adverse remarks.

Secretarial Auditor

As required under provisions of Section 204 of the Act and Rules made thereunder, Ms. Bindu Darshan Shah (Membership No. A-20066 / CP No. 7378), Proprietor: K Bindu & Associates, Practicing Company Secretaries was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2018-19.

The Secretarial Audit Report for the financial year 2018-19 is appended as **Annexure - I**, which forms part of this Report. The said Secretarial Audit Report doesn't contain any qualifications, reservations or adverse remarks.

POLICIES & DISCLOSURE REQUIREMENTS

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

- Details of programs for familiarization of Independent Directors with the Company are available on the website of the Company at the link https://www.futureretail.in/investors/Policies.html
- Policy for determining material subsidiaries of the Company is available on the website of the Company at the link https://www.futureretail.in/investors/Policies.html
- Policy for determining Materiality of Events of the Company is available on the website of the Company at the link https://www.futureretail.in/investors/Policies.html
- Policy for archival of documents of the Company is available on the website of the Company at the link https://www.futureretail.in/investors/Policies.html
- The code of conduct for the Board of Directors and senior management personnel of the Company is available on the website of the Company at the link https://www.futureretail.in/investors/corporate-governance-standards.html
- Policy on dealing with related party transactions is available on the website of the Company at the link https://www.futureretail.in/investors/Policies.html
- The Remuneration Policy is available on the website of the Company at the link https://www.futureretail.in/investors/Policies.html
- The Dividend distribution policy is given as **Annexure - II** to this Report. The same is also available on the website of the Company at the link https://www.futureretail.in/investors/Policies.html

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL(S)

During the year under review, Mr. Rajan Bharti Mittal ceased to be a Director of the Company with effect from August 9, 2018 due to pre-occupation, which was noted by the Board.

Based on the recommendation of Nomination and Remuneration Committee ("NRC"), the Board has appointed Mr. Rahul Garg as an Additional Director (Non-Executive) of the Company with effect from August 9, 2018. Further, the Members at Eleventh AGM held on August 29, 2018 have approved the appointment of Mr. Garg as a Non-Executive Director of the Company.

Further, as recommended by NRC, the Board has considered and approved the re-appointment of Mr. Kishore Biyani as Managing Director and Mr. Rakesh Biyani as Jt. Managing Director both for a period of 3 (Three) years with effect from May 2, 2019, subject to the approval of Members of the Company.

In terms of Section 152 of the Act, Mr. Kishore Biyani who is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

The Company has received necessary disclosure and confirmation from concerned Director(s) in connection with their re-appointment. Additional information as required under Regulation 36 of SEBI Listing Regulations and Secretarial Standards, is given in the Notice convening the ensuing AGM.

The Company has received necessary declarations from Independent Directors under Section 149(7) of the Act stating that they meet the criteria of independence laid down in Section 149(6) of the Act and SEBI Listing Regulations.

COMMITTEES OF THE BOARD

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

NUMBER OF MEETINGS OF THE BOARD

During the year under review, Six (6) meetings of the Board of Directors of the Company were held. The details of date of above meeting including the attendance of the Directors, are given in the Corporate Governance Report which forms part of this Annual Report.

VIGIL MECHANISM/WHISTLE BLOWER

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

SUBSIDIARY, JOINT VENTURE, HOLDING COMPANY AND ASSOCIATE COMPANIES

During the year under review, your Company has the following subsidiaries and joint venture:

Travel News Services (India) Private Limited ("TNSI")

TNSI is a wholly owned subsidiary and is mainly into retail trade of confectionery, food, beverages, accessories etc. and it operates at various airports, corporate parks and also at universities in Delhi and NCR under the brand name "WHSmith" and also provides rental/leasing services. During the year under review, it has reported income from operations amounting to ₹ 158.36 crore and its net profit stood at ₹ 0.60 crore.

TNSI Retail Private Limited ("TNSI Retail")

TNSI Retail is subsidiary of TNSI and is mainly into retail trading and operates at Metro stations in Delhi and NCR under the brand name "WHSmith" and also deals in wholesale trading. During the year under review, it has reported income from operations amounting to ₹ 64.83 crore and incurred a net loss of ₹ 2.23 crore.

Welcome Retail Private Limited ("WRPL")

WRPL is a joint venture of TNSI & Felmingo Group and is into business of setting-up, developing, operating, renting and sub-leasing services for various spaces mainly at airports and metro stations. During the year under review, it has reported income from operations amounting to ₹ 24.16 crore and its net profit stood at ₹ 0.29 crore.

SHME Food Brands Private Limited ("SHME")

SHME (now known as SHME Food Brands Limited) is a wholly owned subsidiary of the Company and is into business of operating, developing, maintaining and running of convenience stores and commercial establishments of similar nature. SHME and the Company have executed a master franchise agreement with 7-Eleven, Inc to develop and operate 7-Eleven stores within India. During the year under review, it has reported income from operations amounting to ₹ 0.03 crore and a net profit of ₹ 0.02 crore.

Future Retail LLC ("FRLLC")

FRLLC is a joint venture incorporated in Oman to undertake business to operate "fbb"brand fashion outlets in Oman and across other member states of GCC. For the period ended December 31, 2018, the joint venture has not commenced any operation and has incurred expenses towards setting up of business and has reported loss of ₹ 0.49 crore.

INDIAN ACCOUNTING STANDARD (IND AS)

The Company has adopted Indian Accounting Standards ("IND AS") from April 01, 2016 with a transition date of April 01, 2015. Accordingly, the financial statement for the year 2018-19 have been prepared in accordance with IND AS, prescribed under Section 133 of the Act, read with the relevant rules issued thereunder and the other recognised accounting practices and policies to the extent applicable.

CONSOLIDATED FINANCIAL STATEMENT

During the year under review, the Board has reviewed the affairs of subsidiaries and joint venture. The Consolidated Financial Statement of the Company is prepared in accordance with the Act and applicable IND AS along with the relevant documents and Auditors' Report thereon form part of this Annual Report.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statement of the subsidiaries and joint venture in the prescribed Form AOC-1 is attached to the financial statement, which forms part of this Annual Report.

In accordance with the provisions of Section 136(1) of the Act, the Annual Report of the Company containing therein the audited standalone and consolidated financial statement and the audited financial statements of each

of the subsidiary companies have been placed on the website of the Company. The audited financial statements in respect of subsidiaries shall also be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of ensuing AGM. The aforesaid documents are also available to Members interested in obtaining the same upon a request made to the Company.

PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Directors individually.

Based on guidance note, the performance of the Board was evaluated after seeking inputs on all the relevant factors from all the Directors on the basis of criteria such as the Board and Committee composition, structure, effectiveness of board processes, information and functioning etc.

The performance of the Committees were evaluated by the Board after taking input from the respective Committee members on all the relevant factors material for evaluation purpose.

A separate exercise was carried out at meeting of Independent Directors to evaluate the performance of individual Directors including the Chairman of the Board, who were *inter-alia* evaluated on parameters such as level of engagement, contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board except the Director being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

The details of commission paid to Executive and Non-Executive Director, is given in Corporate Governance Report forming part of this Annual Report.

RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL

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

The Board has delegated responsibility to the Risk Management Committee to monitor and review risk management, assessment and minimisation procedures and to develop, implement and monitor the risk management plan and identify, review and mitigate all elements of risks which the Company may be exposed to. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Audit Committee and the Board also periodically reviews the risk management assessment and minimisation procedures.

The Company has in place adequate internal financial controls with reference to financial statements. Key risks and threats to the Company and internal controls and their adequacy are analysed in the Management Discussion and Analysis, which forms part of this Annual Report.

EMPLOYEES STOCK OPTIONS PLAN

The Members of the Company have passed necessary resolutions through Postal Ballot and approved the FRL ESOP - 2016 and also approved to offer, issue and allot at any time or to acquire by way of secondary acquisition, to or for the benefit of eligible employees under FRL ESOP - 2016, not exceeding 90,00,000 Equity Shares of ₹ 2/- each, in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the NRC or People Office.

Pursuant to the applicable provisions of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"), the Company has set up a 'Future Retail Limited Employees' Welfare Trust' ("Trust") for implementation of the said Scheme.

The applicable disclosures as stipulated under SBEB Regulations as on March 31, 2019 with regard to the FRL ESOP - 2016 are provided in **Annexure - III** to this Report.

Further, the Company has constituted Employees Gratuity Trust in name of "Future Retail Limited - Employees Gratuity Trust" and constituted a Fund through Trust in the name of "Future Retail Employees Superannuation Trust" for benefits of eligible employees of the Company.

CREDIT RATING

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

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

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

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

Information regarding the no. of complaints received/ resolved/remained unresolved is given in Corporate Governance Report forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

In terms of the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility Committee ("CSR Committee"). The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report, which forms part of this Annual Report.

The disclosures as per Rule 9 of above mentioned Rules is made in prescribed form which is annexed to this Report as **Annexure - IV**.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans granted, guarantee provided and investment made by the Company which are covered under the provisions of Section 186 of the Act, is provided in Notes forming part of financial statement.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, the transactions entered into by the Company with related parties as defined under the Act and SEBI Listing Regulations, were in the ordinary course of business and on an arm's length basis.

Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature with related parties. A statement of all such related party transactions was presented before the Audit Committee on periodic and need basis for its review and approval.

Particulars of contracts or arrangements with related parties as required under Section 134(3)(h) of the Act, in the prescribed Form AOC-2 is given in **Annexure - V** which forms part of this Report.

Disclosure of transactions with related parties (including entity belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company) as required under SEBI Listing Regulations and the applicable Accounting Standards have been given in the Notes forming part of the financial statement.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Act, the Board, to the best of its ability confirms that:

i. in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended March 31, 2019;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts for the financial year ended March 31, 2019 on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of Ms. Gagan Singh, Independent Director as Chairperson of the Committee, Mr. Ravindra Dhariwal, Independent Director, Ms. Sridevi Badiga, Independent Director and Mr. Rakesh Biyani, Jt. Managing Director as other Members of the Committee. There are no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

PARTICULARS OF EMPLOYEES

The information pertaining to the remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as **Annexure - VI** which forms part of this Report.

In terms of the provisions Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules are provided in this Annual Report.

In terms of the proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days and Members interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. Such details are also available on Company's website at www.futureretail.co.in.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Act, an extract of annual return in the prescribed Form MGT-9 is given as **Annexure - VIII** which forms part of this Report.

In accordance with Section 92(3) of the Act, a copy of the Annual Return for the financial year ended March 31, 2019 is available on the website of the Company at https://www.futureretail.in/investors/annual-reports.html.

DETAILS UNDER REGULATION 39(4) OF SEBI LISTING REGULATIONS - UNCLAIMED SUSPENSE ACCOUNT

Pursuant to Regulation 39(4) read with Schedule V of SEBI Listing Regulations, the details pertaining to outstanding shares lying in Unclaimed Suspense Account are given in Corporate Governance Report forming part of this Annual Report. All the unclaimed shares are credited to a Demat Unclaimed Suspense Account and all the corporate benefits in terms of securities, accruing on these unclaimed shares shall be credited to such account. The voting rights on these shares shall remain frozen till the rightful owner(s) claim such shares.

SECRETARIAL STANDARDS

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

AWARDS AND RECOGNITIONS

The Company and its formats received awards in categories like:

Big Bazaar

- Big Bazaar was ranked among the most valuable brand by Interbrand;
- Big Bazaar won IMAGES Most Admired Brand Retail Partnership of the Year 2018;
- Big Bazaar won IMAGES Most Admired Retailer of the Year under Digital Marketing Campaign category;
- Big Bazaar's Smart Search Campaign won MMG Awards, Troxy, London for Best Campaign in Fashion, Beauty & Retail Category for 2018 and the best Mobile Search Campaign globally by SMARTIES, New York;
- Big Bazaar's 24hr Facebook Live Campaign won:
  - Gold in Exchange4Media - Maddies of the Year 2018;
  - EMVIE Silver under the category Best Media Innovation, Digital, Social Media;
  - Best Online Advertising Campaign by Exchange4Media, Indian Digital Media Awards 2018.
- Big Bazaar's Midnight Sale Campaign won Silver in Exchange4Media - Maddies of the Year 2018;
- Big Bazaar's Decide Your price won Gold in DMA Asia Echo 2018 under the Create Effect category;
- Big Bazaar Profit Club won Customer Loyalty Awards for the Best Card Based Loyalty Program and Best Loyalty Program in Retail Sector.

fbb (Fashion @ Big Bazaar)

- fbb's Airport Makeover won ET Now - Stars of the Industry Award under the best Experiential and Brand Experience of the year;
- fbb's "National Jeans Day" Campaign won:
  - ET Now - Stars of the Industry Award for the best use of social media and marketing;
  - Best Branded Regional Campaign by Foxglove - Afaqs!;
  - Gold for the Best Use of Social Media to launch a product or service by SAMMIEs - Social Samosa;
  - Gold for the Best Lead Gen Campaign at 9th IDA - IAMAI;
  - Best Launch of a Product by LIDMA - Lighthouse Insights;
  - Digital Awards for the best lead generation campaign through mobile.
- fbb won the best Print Campaign of the year at the Activation Venue Forum - Umbrella Aegis;
- fbb "500 Festive Looks" Campaign won:

- Best Use of Instagram by Foxglove - Afaqs!;
- Silver for the Best Content Marketing - Retail by DIGIXX - AdGully.

❖ fbb's "World Shorts Day" Campaign won:

- Silver under Social Media - Retail category by DIGIXX - AdGully;
- the Best Digital Integrated Campaign by Global Marketing Congress - CMO Asia;
- Silver for the Best Use of Social Media to generate leads or drive revenues by SAMMIEs - Social Samosa.

❖ fbb won the Best Media Marketing Campaign, for "Dil Se Desi" Campaign by Global Marketing Congress - CMO Asia.

easyday

❖ easyday Club awarded Most Admired Food & Grocery Retailer of the Year under National Supermarket Category by IMAGES.

Foodhall

❖ Foodhall at MKT, Chanakyapuri won VM&RD Awards 2019, North in Food Groceries and General Merchandise;

❖ Foodhall at MKT, Chanakyapuri won VM&RD Awards 2019, North in Best Shop Fitting;

❖ Foodhall at Two Horizon Centre, Gurugram won VM&RD Awards 2019, North in Food Groceries and General Merchandise.

GENERAL DISCLOSURES

Your Directors state that:

- There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future;
- There were no material changes have taken place that could have an impact on the financial position of the Company from the date of closure of financial year under review till the date of signing of Accounts;
- There were no events relating to non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;
- There were no events relating to receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director / Jt. Managing Director of the Company;
- Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

ACKNOWLEDGEMENT

Your Board of Directors would like to thank and place on record their appreciation for the continued support and co-operation provided to your Company by its Members, Future Group entities and in particular, their employees, regulatory authorities, suppliers, customers and its banks and financial institutions. Your Directors would also like to place on record its sincere appreciation for the efforts put in by employees of the Company whose efforts, hard work and dedication has enabled the Company to achieve the targets and recognitions during the year.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 25, 2019

Kishore Biyani
Chairman & Managing Director

ANNEXURE - I

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,
The Members,
Future Retail Limited

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

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

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

i. The Companies Act, 2013 and/or the Companies Act, 1956 to the extent applicable ("the Act") and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed and amended thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines (as amended from time to time) prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

   a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations");

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and/or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable;

   e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

   h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the Audit Period); and

   i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - (Not applicable to the Company during the Audit Period).

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

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent/Non-Executive Directors. The changes in the composition of the Board of Directors/Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act, SEBI Listing Regulations and other applicable provisions thereto;
- Based on the representation given by the Management of the Company and as verified by us, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates;
- Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 (Seven) days in advance for meetings other than those held at shorter notice with proper consent and a system exists for seeking and obtaining additional information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- Majority decisions of the Board were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and no dissenting views were carried out;
- We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further Report that during the audit period of the Company:

(a) There were instances of:
   1. Allotment of equity shares pursuant to Employee Stock Option Scheme;
   2. Preferential Issue of Warrants; and
   3. Formation of joint venture company in Sultanate of Oman.

(b) There were no instances of:
   1. Demerger/Restructuring/Scheme of Arrangement;
   2. Redemption/Buy-Back of Securities;
   3. Foreign Technical Collaborations.

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

Annexure - A to Secretarial Audit Report

To,
The Members,
Future Retail Limited

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations and norms is the responsibility of Management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **K Bindu & Associates**
Company Secretaries

Bindu Darshan Shah
Proprietor
Membership No. A-20066/CP No. 7378

Place : Mumbai
Date : May 25, 2019

ANNEXURE - II
Dividend Distribution Policy

Company's philosophy:

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

Future Retail looks upon good Corporate Governance Practices as a key driver of sustainable corporate growth and long term stakeholder value creation. Good Corporate Governance Practices enable a Company to attract high quality financial and human capital. In turn, these resources are leveraged to maximize long-term stakeholder value, while preserving the interests of multiple stakeholders', including the society at large. Our Dividend philosophy is in line with the above principles. Our Dividend payout ratio would be ranging from 25% to 60% of the earned profits for the year, after adjusting any carried forward losses. Dividend payout ratio would be reviewed every three year and would be based upon profitability and retained earnings and would be further subject to business requirements and general economic conditions. The Company will attempt to maintain a consistent dividend record to reward Shareholders.

Declaration of Dividend:

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

Per share basis:

The dividend will be declared on per share basis only.

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

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

Financial parameters considered while declaring dividend:

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

Internal and external factors considered while declaring dividend:

The Board leads the strategic management of the Company on behalf of the Shareholders, exercise supervision through direction and control and appoints various Committees to handle specific areas of responsibilities. In this endeavor, the Board reviews various types of information provided to it which has a bearing on declaring dividend. Key internal and external factors are listed below (not exhaustive):

Internal:

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

External:

- Macro-economic environment;
- Legislations impacting business;
- Changes in accounting policies and applicable standards;
- Any other matter/risks apprehended by the Board.
- Competition;
- Statutory restrictions;
- Client related risks;

Usage of retained earnings:

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

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

Currently, the Company has only one class of shares. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares. To the extent permitted, the Company would aim for highest level of transparency and equitable treatment of all investors.

ANNEXURE - III

Future Retail Limited Employees Stock Option Plan - 2016 ("FRL ESOP - 2016") of the Company as at March 31, 2019.

To encourage ownership of Company's equity by its employees on an ongoing basis and also in order to reward the employees for their contribution to the successful operation of the Company and to provide an incentive to continue contributing to the success of the Company, it was proposed to create, grant and offer options to the Eligible Employees of the Company under Future Retail Limited Employees Stock Option Plan - 2016 (FRL ESOP - 2016) as recommended by the People Office.

Sl. No.	Particulars	FRL ESOP - 2016
A.	Disclosures in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 40 in Notes to Financial Statements
B.	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 - Earnings Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 39 in Notes to Financial Statements

C. Description of ESOS that existed at any time during the year including the general terms and conditions

I.	Date of Shareholders' approval	The Shareholders of the Company had passed necessary resolutions through Postal Ballot dated November 7, 2016 and approved the FRL ESOP - 2016 which *inter-alia* provides to offer, issue and allot at any time or to acquire by way of secondary acquisition (through Trust Route), to or for the benefit of eligible employees of the Company and/or to the eligible directors/employees of the subsidiary company(ies) of the Company, if any.			
II.	Total number of options approved under FRL ESOP - 2016	90,00,000 (Ninety Lakh only) Equity Shares of face value of ₹ 2/- each			
III.	Vesting requirements	**Option - I***	**Option - II^**	**Option - III#**	
				Grant - I	**Grant - II**
		Options in respect of employees transferred from FEL pursuant to the Scheme of Arrangement were vested effective December 15, 2016.	Options granted under FRL ESOP - 2016 plan would vest not less than 1 year and not more than 3 years from the Grant of such options. Options granted pursuant to the scheme was vested during the year.	Options granted under FRL ESOP - 2016 plan would vest not less than 1 year and not more than 3 years from the Grant of such options.	Options granted under FRL ESOP - 2016 plan would vest not less than 1 year and not more than 3 years from the Grant of such options.
IV.	Exercise price or pricing formula (in ₹ per option)	Exercise price for Options granted under the Scheme was ₹ 10/-	Exercise price for Options granted under the Scheme was ₹ 10/-	Exercise price for Options granted during the year under the Scheme was ₹ 392/-	Exercise price for Options granted during the year under the Scheme was ₹ 300/-
V.	Maximum term of options granted	3 years from the respective date of option granted			
VI.	Source of shares (primary, secondary or combination)	Primary			
VII.	Variation in terms of options	None			
VIII.	Method used to account for ESOS	Black Scholes Method			

D. The stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2018-19 would be ₹ 16.44 crore.

E. Option movement during the year ended on March 31, 2019

Sl. No.	Particulars	Details			
		Option - I*	Option - II^	Option - III#	
				Grant - I	Grant - II
I.	Details Number of options outstanding at the beginning of the year	13,407	6,56,710	NA	NA
II.	Number of options granted during the year	756	51,542	12,70,000	1,25,000
III.	Number of options forfeited/cancelled/lapsed during the year	3,970	13,480	75,000	-
IV.	Number of options vested during the year	756	3,66,417	NA	NA
V.	Number of options exercised during the year	10,193	6,13,092	NA	NA
VI.	Number of shares arising as a result of exercise of options	10,193	6,13,092	NA	NA
VII.	Exercise Price (in ₹ per option)	10/-	10/-	392/-	300/-
VIII.	Money realised by exercise of options, if scheme is implemented directly by the Company (in ₹)	1,01,930/-	61,30,920/-	NA	NA
IX.	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA
X.	Total number of options outstanding (in force) at the end of the year	Nil	81,680	11,95,000	1,25,000
XI.	Number of options exercisable at the end of the year	Nil	81,680	NA	NA

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

		Option - I*	Option - II^		Option - III#	
		Grant on December 15, 2016	Grant on December 6, 2016	Grant on December 15, 2016	Grant on July 05, 2018	Grant on February 4, 2019
I.	Exercise price equals market price (in ₹)	-	-	-	-	-
II.	Exercise price is greater than market price (in ₹)	-	-	-	-	-
III.	Exercise price is less than market price (in ₹)	127.30	125.10	127.30	559.38	440.43

Weighted average Exercise Price of options granted during the year whose:

		Option - I*	Option - II^		Option - III#	
		Grant on December 15, 2016	Grant on December 6, 2016	Grant on December 15, 2016	Grant on July 05, 2018	Grant on February 4, 2019
I.	Exercise price equals market price (₹)	-	-	-	-	-
II.	Exercise price is greater than market price (₹)	-	-	-	-	-
III.	Exercise price is less than market price (₹)	10	10	10	392	300

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

		Option - I*	Option - II^		Option - III#	
		Grant on December 15, 2016	Grant on December 6, 2016	Grant on December 15, 2016	Grant on July 05, 2018	Grant on February 4, 2019
I.	Exercise price equals market price (₹)	-	-	-	-	-
II.	Exercise price is greater than market price (₹)	-	-	-	-	-
III.	Exercise price is less than market price (₹)	119.03	116.82	119.02	282.39	219.24

G. Employee-wise details of options granted during the year ended March 31, 2019

I. Senior Managerial Personnel(s)

Name of the Employee(s)	Option - I*	Option - II^	Option - III#	
			Grant - I	Grant - II
Mr. C. P. Toshniwal (KMP)	Nil	4,444	50,000	Nil
Mr. Dhananjay Sengupta	Nil	Nil	75,000	Nil
Mr. Pawan Sarda	Nil	Nil	25,000	Nil
Mr. Rajan Malhotra	Nil	Nil	Nil	75,000
Mr. Rajesh Seth	Nil	2,334	50,000	Nil
Mr. Sadashiv Nayak	Nil	4,444	1,00,000	Nil
Mr. Swetank Jain	Nil	Nil	50,000	Nil
Mr. Vinay Bhatia	Nil	Nil	75,000	Nil
Mr. Virendra Samani (KMP)	Nil	476	25,000	Nil

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(s)	Option - I*	Option - II^	Option - III#	
			Grant - I	Grant - II
Mr. Anand Banvarilal Adukia	Nil	1,110	75,000	Nil
Mr. Dhananjay Sengupta	Nil	Nil	75,000	Nil
Mr. Mahesh Shah$	Nil	Nil	75,000	Nil
Mr. Manish Agarwal	Nil	Nil	75,000	Nil
Mr. Rajan Malhotra	Nil	Nil	Nil	75,000
Mr. Sadashiv Nayak	Nil	4,444	1,00,000	Nil
Mr. Venkateshwar Kumar	Nil	Nil	75,000	Nil
Mr. Vinay Bhatia	Nil	Nil	75,000	Nil
Mr. Vineet Jain	Nil	2,222	75,000	Nil

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

($) Options granted were cancelled on November 23, 2018 due to cessation from employment.

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

The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows:

Particulars	Option - I*	Option - II^		Option - III#	
				Grant - I	Grant - II
	Grant on December 15, 2016	Grant on December 6, 2016	Grant on December 15, 2016	Grant on July 5, 2018	Grant on February 4, 2019
Risk Free Interest Rate	6.34%	6.30%	6.30%	7.81%	7.20%
Expected Life (in years)	1.5	2.78	2.75	3.65	3.65
Expected Volatility	43.00%	43.00%	43.00%	33.91%	38.07%
Dividend	0	0	0	0	0
Price of underlying shares in the market at the time of Option grant (₹)	127.30	125.10	127.30	559.38	440.43
Stock Price	Average price on BSE Limited on the date of grant has been considered.				

Particulars	Option - I*	Option - II^		Option - III#	
				Grant - I	Grant - II
	Grant on December 15, 2016	Grant on December 6, 2016	Grant on December 15, 2016	Grant on July 5, 2018	Grant on February 4, 2019
Volatility	Volatility was calculated using standard deviation of daily change in stock price. The historical period taken into account match the expected life of the option.				
Risk-free rate of return	The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.				
Exercise Price	Exercise Price of each specific grant has been considered				
Time to Maturity	Time to Maturity/Expected Life of options is the period for which the Company expects the options to be live.				
Expected Dividend Yield	Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.				

(*) Option - I referred the employees who were transferred from Future Enterprises Limited ("FEL") to the Company pursuant to the composite scheme of arrangement.

(^) Option - II referred the employees to whom Options were granted in the Company initially on December 6, 2016 & December 15, 2016 and includes additional Options granted on April 30, 2018 pursuant to other composite scheme of arrangement.

(#) Option - III referred the employees to whom Options were granted in the Company on July 5, 2018 (Grant - I) and on February 4, 2019 (Grant - II).

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

The details in connection with transactions made by the Trust meant for the purpose of administering the FRL ESOP - 2016 are as under:

i. General Information of the Trust:

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

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

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 25, 2019

Kishore Biyani
Chairman & Managing Director

ANNEXURE - IV

Corporate Social Responsibility
(Pursuant to Rule No. 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014)

A brief outline of the Company's Corporate Social Responsibility Policy ("CSR Policy"):

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.		The CSR Policy of the Company *inter-alia* includes CSR activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 ("the Act") read with applicable Rules thereto. The Company's CSR Policy is available on the website of the Company at a link: https://www.futureretail.in/investors/Policies.html The Company has deployed its CSR Funds through - implementing agency, "Sone Ki Chidiya" Foundation ("SKC Foundation"), to carry out CSR activities.
2.	The Composition of the CSR Committee		The CSR Committee as on March 31, 2019 comprises of : • Mr. Kishore Biyani - Chairman • Ms. Gagan Singh - Member • Mr. Rahul Garg - Member
3.	Average net profit of the Company for last three financial years:		₹ 338.25 crore
4.	Prescribed CSR Expenditure (two percent of the amount as mentioned in Item no. 3 above):		₹ 6.76 crore
5.	Details of CSR spent during the financial year 2018-19:		
	(a)	Total amount to be spent for the financial year 2018-19:	The full amount was transferred to SKC Foundation, which is mandated to deploy this amount for CSR initiatives as directed: • An amount of ₹ 5.74 crore has already been spent in the course of the year; • The SKC Foundation has identified projects for the unspent amount of ₹ 1.02 crore which will be implemented in the course of financial year 2019-20 #
	(b)	Amount unspent, if any:	
	(c)	Manner in which amount spent during the financial year 2018-19 is detailed below:	Refer table given below.

(₹ in crore)

Manner in which the CSR amount spent during the financial year 2018-19

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the Reporting period	Amount spent direct or through implementing agency
1.	Supporting immediate families of patients seeking palliative care by setting up of rehabilitation facilities undertaken by Parmarth Seva Samiti	Promoting Healthcare including preventive healthcare *(Activity No. (i) of Schedule VII of the Act)*	District/City: Mumbai State: Maharashtra	0.46	0.46	0.46	Through implementing agency - SKC Foundation

Manner in which the CSR amount spent during the financial year 2018-19							
Sl. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative Expenditure upto the Reporting period**	**Amount spent direct or through implementing agency**
2.	Contribution towards construction of girls hostel proposed to be set up by Maheshwari Vidya Pracharak Mandal for promoting education among girls	Promoting Education *(Activity No. (ii) of Schedule VII of the Act)*	District/City: Mumbai State: Maharashtra	0.25	0.25	0.25	Through implementing agency - SKC Foundation
3.	Providing educational support among tribal children by contributing to Friends of Tribal Society, a non-profit education organisation	Promoting Education *(Activity No. (ii) of Schedule VII of the Act)*	District/City: Palghar State: Maharashtra	0.10	0.10	0.10	Through implementing agency - SKC Foundation
4.	Giving access for basic goods to marginalized communities[1]	Reducing Inequalities *(Activity No. (iii) of Schedule VII of the Act)*	Districts[2] Cities[3] States[4] Union Territories Chandigarh, Puducherry	4.87	4.87	4.87	Through implementing agency - SKC Foundation

1. Partners Not for Profits: Seva Sahayog Foundation, ActionAid, Navjyoti India Foundation, Sahyog Care for You, Indian Council for Child Welfare, Nari Niketan, DHAROHAR Vikas Sanstha, Responsenet Development Services, All India Institute of Local Self-Government, Society for Upliftment and Development of Human Beings by Action, Technology Resource Communication and Service Centre, Magic Bus India Foundation, Community Educational Centre Society, Adruta Children Home, Siliguri Bhawana Society, Hope Kolkata Foundation, Samvedana Trust, The Akshaya Patra Foundation, Goonj, Youth4Jobs Foundation, Sarthak Educational Trust, Blind People's Association, Mann - Center for Individuals with Special Needs, Voice of Needy Foundation, Shishu Sarothi, FMR - India Asha Niketan, TEARS Agra, Sai Swayam Society, Handicapped Welfare Organisation, SAKSHAM;

2. Districts: Angul, Barnala, Bolangir, Chittoor, Dhenkanal, Gaya, Giridih, Idduki, Keonjhar, Korba, Mayurbhanj, Pathanamthitta, Sundergarh, Seraikela Kharsawan and Wayanad;

3. Cities: Agra, Ahmedabad, Ahmednagar, Alappuzha, Ambala, Asansol, Bengaluru, Bhiwandi, Bhopal, Bhubaneswar, Chennai, Coimbatore, Cuttack, Delhi, Dhanbad, Dimapur, Durgapur, Ernakulum, Faridabad, Ghaziabad, Gurugram, Guwahati, Haldwani, Hyderabad, Jaipur, Jalandhar, Kannur, Kolkata, Kottayam, Lucknow, Ludhiana, Malappuram, Mangaluru, Mumbai, Nagpur, Noida, Palakkad, Pune, Puri, Rajahmundry, Ranchi, Sambalpur, Siliguri, Thrissur, Trichy, Vijayawada, Vishakapatnam and Warangal;

4. States: Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Nagaland, NCT of Delhi, Orissa, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal.

Manner in which the CSR amount spent during the financial year 2018-19							
Sl. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative Expenditure upto the Reporting period**	**Amount spent direct or through implementing agency**
5.	Providing access to nutritious food through Responsenet Development Services	Eradicating Hunger *(Activity No. (i) of Schedule VII of the Act)*	Districts/Cities: Mumbai, Bengaluru, Delhi, Gurugram, Noida States: Maharashtra, Karnataka, NCT of Delhi, Haryana, Uttar Pradesh	0.05	0.05	0.05	Through implementing agency - SKC Foundation

Notes:

- Overheads - Nil;
- SKC Foundation has been set up *inter-alia* with objectives of undertaking the projects and activities for the benefits of various sections of the society within India, supporting economically challenged people to meet their social needs and CSR activities as defined under Schedule VII of the Act. In order to attain the above objectives, SKC Foundation aligns its activities and works towards promoting, encouraging, supporting and assisting education and medical activities while reducing inequalities in society;
- The above mentioned projects / activities were carried out along with the support of non-governmental and non-profitable organisations aligned to the vision and mission of the SKC Foundation.

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

(#) The Company was required to spend ₹ 6.76 crore as mentioned above and this entire amount was transferred to SKC Foundation with mandate to deploy such amount for CSR activities identified by the Company. Out of the above contribution, an amount of ₹ 5.74 crore has already been deployed by SKC Foundation during the year under review. SKC Foundation have already identified the relevant projects for balance unspent amount, which will be utilised in current financial year.

Responsibility Statement

The responsibility statement of the CSR Committee of the Board of Directors of the Company is stated below:

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

Kishore Biyani
Chairman & Managing Director
Chairman of CSR Committee

Gagan Singh
Member, CSR Committee

Place : Mumbai
Date : May 25, 2019

ANNEXURE - V

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

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

The details of material contracts or arrangements or transaction at arm's length basis for the year ended March 31, 2019 are as follows:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in crore)#	Date(s) of approval, if any*	Amount paid as advances, if any
Future Enterprises Limited ("FEL") (Related Party)	Payment of Lease Rental for Infrastructure Assets	NA	675	July 29, 2017	Refer notes below
	Purchase of various products including apparels, merchandise and other products etc.	NA	3,200	February 6, 2018	
	Providing of Corporate Guarantee in favour of trustees / lenders / bankers of FEL	NA	6,375	May 25, 2016	

Notes:

(#) Enhanced limit as sanctioned / approved by the Shareholders of the Company.

(*) Necessary approvals of Audit Committee, Board of Directors and Shareholders have been obtained by the Company. Advances in respect of related transactions being adjusted against billings/invoices.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 25, 2019

Kishore Biyani
Chairman & Managing Director

ANNEXURE - VI

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

I. The ratio of remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2018-19 and the percentage (%) increase in remuneration of each Director and Key Managerial Personnel(s) ("KMP's") for the same period are as under:

Name of Directors/KMP's and Designation	Remuneration of Director/KMP for financial year 2018-19 (₹ in crore) (1)	% increase in Remuneration in the financial year 2018-19 (2)	Ratio of Remuneration of each Director/ KMP to MRE for financial year 2018-19 (3=(1)/MRE)
Managing Director/Jt. Managing Director:			
Mr. Kishore Biyani*	4.39	29.02	297.89
Mr. Rakesh Biyani*	4.37	29.19	296.50
Non-Executive/Independent Director:			
Ms. Gagan Singh#	0.50	42.86	33.96
Mr. Ravindra Dhariwal#	0.50	42.86	33.96
Mr. Shailendra Bhandari#	0.50	42.86	33.96
Ms. Sridevi Badiga#	0.50	42.86	33.96
Mr. Rahul Garg^ $	-	-	-
Mr. Rajan Bharti Mittal^	-	-	-
Other KMP's:			
Mr. C. P. Toshniwal - Chief Financial Officer	3.29	8	223.69
Mr. Virendra Samani - Company Secretary##	0.49	18	32.88

Notes:

(*) Percentage increase in remuneration is shown excluding commission.

(#) The remuneration details of Non-Executive/Independent Director includes commission proposed for the year 2018-19. The commission of ₹ 0.35 crore for the financial year 2017-18 was paid during the year under review. There was no change in the sitting fees for attending meetings of the Board and/or Committee thereof to the Non-Executive/Independent Director of the Company. While calculating the above, the sitting fees paid for attending Board/Committee meetings have not been considered. The figure shown above are subject to TDS.

(^) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 9, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day.

($) During the year under review, the Company had not paid any amount towards sitting fees / commission to Mr. Rahul Garg, Non-Executive Director of the Company as it was voluntarily waived to receive the sitting fees and commission.

(##) Remuneration is shown excluding perquisites on exercise of stock options.

II. The MRE of the Company during the year was ₹ 1,47,228 and for the previous year it was ₹ 1,40,774.

III. The increase in MRE in the financial Year 2018-19, as compare to financial year 2017-18 was 4.58%.

IV. There were 45,949 permanent employees on the rolls of the Company as on March 31, 2019.

V. Average percentage increase/decrease made in salaries of employees other than the managerial personnel in the financial year 2018-19 was 8% to 10% whereas there was around 29.19% increase in the managerial remuneration for the same financial year. The remuneration of Managing Director/Jt. Managing Director is decided based on the individual performance, inflation, prevailing industrial trends and benchmarks.

The commission of Non-Executive/Independent Director is decided based on various factors such as Director's participation in the Board and the Committee Meetings, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule - IV of the Act and SEBI Listing Regulations.

VI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 25, 2019

Kishore Biyani
Chairman & Managing Director

ANNEXURE - VII

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

Information on conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 as amended are provided here-under:

(A) Conservation of Energy:	
(i) the steps taken or impact on conservation of energy;	The operations of the Company are not energy intensive; however adequate measures have been taken to reduce energy consumption, wherever possible through installation of temperature controlled air conditioners, consumption of renewable energy, use of natural lights in offices/stores premises. The Company continued its practice of replacing old lighting fixtures with LED lights at its existing offices/ stores.
(ii) the steps taken by the company for utilising alternate sources of energy;	All efforts are made to use more natural lights in offices/store premises to optimize the consumption of energy.
(iii) the capital investment on energy conservation equipments;	Nil
(B) Technology absorption:	
(i) the efforts made towards technology absorption;	The Company continues to adopt and use the latest technologies to improve the services and products with the help of Future Group's C&D (Consumer and Digital) Lab, which focus and deals in the consumer and digital space to bring in next generation innovations using Artificial Intelligence, Big Data Analytics, Blockchains, Internet of Things, Robotics and allied technologies.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): a) the details of technology imported; b) the year of import; c) whether the technology been fully absorbed; d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	NA
(iv) the expenditure incurred on Research and Development.	Nil
(C) Foreign Exchange Earnings and Outgo:	(₹ in crore)

Particulars	2018-19	2017-18
Total Foreign Exchange Used	167.18	326.52
Total Foreign Exchange Earned	80.06	98.55

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 25, 2019

Kishore Biyani
Chairman & Managing Director

ANNEXURE - VIII

FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019
(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L51909MH2007PLC268269
ii.	Registration Date	February 07, 2007
iii.	Name of the Company	Future Retail Limited
iv.	Category/Sub-Category of the Company	Public Company/Limited by shares
v.	Address of the Registered office and contact details	Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060 Tel No.: +91 22 6644 2200; Fax No.: +91 22 6644 2201 E-mail: investorrelations@futureretail.in Website: www.futureretail.co.in
vi.	Whether listed company, Yes/No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C - 101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 Tel No.: +91 22 4918 6270; Fax No.: +91 22 4918 6060 E-mail: rnt.helpdesk@linkintime.co.in 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:

Sl. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Multi Brand Retail Trade	47 (Retail Trade, except of motor vehicles and motorcycles)	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Travel News Services (India) Private Limited ("TNSI")	1st Floor, 34 DLF Industrial Area, Najafgarh Road, Kriti Nagar, New Delhi - 110 015	U22212DL2009PTC191681	Subsidiary	100.00	2(87)
2.	TNSI Retail Private Limited	1st Floor, 34 DLF Industrial Area, Najafgarh Road, Kriti Nagar, New Delhi - 110 015	U93000DL2010PTC203645	Subsidiary	100.00	2(87)

Sl. No.	Name of the company	Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3.	Welcome Retail Private Limited*	1st Floor, 34 DLF Industrial Area, Najafgarh Road, Kriti Nagar, New Delhi - 110 015	U52602DL2016PTC305343	Subsidiary	51.00	2(87)
4.	SHME Food Brands Private Limited$	Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U74120MH2015PTC267752	Subsidiary	100.00	2(87)
5.	Future Retail LLC	PO Box 19, Postal Code 100, Muscat, Sultanate of Oman	1318920#	Joint Venture	50.00	2(6)

(*) Subsidiary of TNSI

($) Name changed to SHME Food Brands Limited consequent to conversion into a public limited company w.e.f. May 6, 2019.

(#) Commercial Registration Certificate issued by Ministry of Commerce and Industry of Oman.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding#

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoters and Promoter Group**									
(1)	**Indian**									
(a)	Individuals/Hindu Undivided Family/ Nominee of Promoter	88,115	-	88,115	0.02	88,115	-	88,115	0.02	0.00
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00
(c)	Bodies Corporate	23,36,52,321	-	23,36,52,321	46.54	23,62,19,516	-	23,62,19,516	47.00	0.46
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	0.00
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	0.00
	Sub-Total (A)(1)	**23,37,40,436**	**-**	**23,37,40,436**	**46.56**	**23,63,07,631**	**-**	**23,63,07,631**	**47.02**	**0.46**
(2)	**Foreign**									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	0.00
(b)	Body Corporates	-	-	-	-	-	-	-	-	0.00
(c)	Bank/Financial Institutions	-	-	-	-	-	-	-	-	0.00
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	0.00
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**23,37,40,436**	**-**	**23,37,40,436**	**46.56**	**23,63,07,631**	**-**	**23,63,07,631**	**47.02**	**0.46**

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds/UTI	1,99,06,949	-	1,99,06,949	3.97	3,75,30,966	-	3,75,30,966	7.47	3.50
(b)	Financial Institutions/Banks	46,68,845	-	46,68,845	0.93	47,52,166	-	47,52,166	0.95	0.02
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	0.00
(d)	Venture Capital Funds	-	-	-	-	231,57,143	-	2,31,57,143	4.61	4.61
(e)	Alternate Investment Funds	1,68,600	-	1,68,600	0.03	1,15,66,453	-	1,15,66,453	2.30	2.27
(f)	Insurance Companies	29,37,682	-	29,37,682	0.59	16,92,788	-	16,92,788	0.34	-0.25
(g)	Foreign Institutional Investors	8,65,53,587	-	8,65,53,587	17.24	6,75,21,491	-	6,75,21,491	13.43	-3.81
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	0.00
(i)	Foreign Bodies Corporate	-	-	-	-	-	-	-	-	0.00
	Sub-Total (B)(1)	**1,42,35,663**	**-**	**11,42,35,663**	**22.76**	**4,62,21,007**	**-**	**14,62,21,007**	**29.09**	**6.33**
(2)	**Non-Institutions**									
(a)	Bodies Corporate	13,57,11,523	3,521	13,57,15,044	27.04	9,77,83,159	3,510	9,77,86,669	19.46	-7.58
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	91,82,652	10,72,778	1,02,55,430	2.05	98,59,780	10,13,320	1,08,73,100	2.16	0.11
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	51,43,612	-	51,43,612	1.02	61,60,771	-	61,60,771	1.23	0.21
(c)	NBFCs registered with RBI	-	-	-	-	88,608	-	88,608	0.02	0.02
(d)	Any Other									
	1. N R I	5,34,498	2,200	5,36,698	0.11	7,56,270	2,200	7,58,470	0.15	0.04
	2. Directors & Relatives	-	-	-	-	8,000	-	8,000	0.00	0.00
	3. Clearing Member	4,03,617	-	4,03,617	0.08	22,85,123	-	22,85,123	0.45	0.37
	4. Trust	11,341	-	11,341	0.00	2,212	-	2,212	0.00	0.00
	5. Foreign Portfolio Investor (Individual)	1,600	-	1,600	0.00	1,600	-	1,600	0.00	0.00
	6. Hindu Undivided Family	19,31,712	1	19,31,713	0.38	21,05,147	1	21,05,148	0.42	0.04
	7. Foreign Nationals	-	-	-	-	100	-	100	0.00	0.00
	Sub-Total (B)(2)	**15,29,20,555**	**10,78,500**	**15,39,99,055**	**30.68**	**11,90,50,770**	**10,19,031**	**12,00,69,801**	**23.89**	**-6.79**
	Total Public Shareholding (B)= (B) (1)+(B)(2)	**26,71,56,218**	**10,78,500**	**26,82,34,718**	**53.44**	**26,52,71,777**	**10,19,031**	**26,62,90,808**	**52.98**	**-0.46**
	TOTAL (A)+(B)	**50,08,96,654**	**10,78,500**	**50,19,75,154**	**100.00**	**50,15,79,408**	**10,19,031**	**50,25,98,439**	**100.00**	**0.00**

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(C)	Custodian for GDRs & ARs	-	-	-	-	-	-	-	-	0.00
	GRAND TOTAL (A)+(B)+(C)	50,08,96,654	10,78,500	50,19,75,154	100.00	50,15,79,408	10,19,031	50,25,98,439	100.00	0.00

(#) Rounding off to two decimals.

(ii) Shareholding of Promoters & Promoter Group

Sl. No.	Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in 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.	Mr. Kishore Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
2.	Retail Trust^	-	-	-	-	-	-	-
3.	Future Corporate Resources Private Limited (f.k.a Suhani Trading and Investment Consultants Private Limited)*	23,36,51,321	46.54	20.17	23,62,18,516	47.00	22.64	0.46
4.	Lifestyle Trust^	-	-	-	-	-	-	-
5.	Ryka Commercial Ventures Private Limited#	-	-	-	-	-	-	-
6.	Consumer Goods Trust^	-	-	-	-	-	-	-
7.	Future Capital Investment Private Limited#	-	-	-	-	-	-	-
8.	Akar Estate & Finance Private Limited	1,000	0.00	0.00	1,000	0.00	0.00	0.00
9.	Ms. Ashni Biyani	71,147	0.02	0.00	71,147	0.02	0.00	0.00
10.	Mr. Anil Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
11.	Mr. Gopikishan Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
12.	Mr. Laxminaryan Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
13.	Mr. Rakesh Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
14.	Mr. Sunil Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
15.	Mr. Vijay Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
16.	Mr. Vivek Biyani	2,121	0.00	0.00	2,121	0.00	0.00	0.00
	Total	**23,37,40,436**	**46.56**	**20.17**	**23,63,07,631**	**47.02**	**22.64**	**0.46**

Notes:

(^) As per disclosures under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, furnished by the Promoter/ Promoter Group/PACs.

(*) Name of Suhani Trading and Investment Consultants Private Limited has been changed to Future Corporate Resources Private Limited with effect from December 11, 2018.

(#) Shown as a Promoter/PAC/Promoter Group in Information Memorandum filed by the Company.

(iii) Change in Promoters and Promoter Group Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	23,37,40,436	46.56	23,37,40,436	46.56
1.	January 22, 2019 - Market Purchase	4,50,897	0.09	23,41,91,333	46.60
2.	January 23, 2019 - Market Purchase	66,455	0.01	23,42,57,788	46.61
3.	January 24, 2019 - Market Purchase	6,83,779	0.14	23,49,41,567	46.75
4.	January 25, 2019 - Market Purchase	71,388	0.01	23,50,12,955	46.76
5.	January 28, 2019 - Market Purchase	7,86,875	0.16	23,57,99,830	46.92

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6.	February 8, 2019 - Market Purchase	1,71,727	0.03	23,59,71,557	46.95
7.	February 11, 2019 - Market Purchase	2,14,599	0.04	23,61,86,156	46.99
8.	February 18, 2019 - Market Purchase	4,549	0.00	23,61,90,705	46.99
9.	February 25, 2019 - Market Purchase	1,16,926	0.02	23,63,07,631	47.02
	At the end of the year			**23,63,07,631**	**47.02**

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)*

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**PI Opportunities Fund I**	0	-	0	-
	June 7, 2018 - Market Purchase	2,31,57,143	4.61	2,31,57,143	4.61
	At the end of the year			**2,31,57,143**	**4.61**
2.	**Bennett, Coleman and Company Limited**	2,31,14,741	4.60	2,31,14,741	4.60
	At the end of the year			**2,31,14,741**	**4.60**
3.	**Heritage Foods Limited**	1,78,47,420	3.64	1,78,47,420	3.64
	At the end of the year			**1,78,47,420**	**3.55**
4.	**L and T Mutual Fund Trustee Ltd - L and T India Value Fund**	77,25,017	1.54	77,25,017	1.54
	April 06, 2018 - Market Purchase	1,50,000	0.03	78,75,017	1.57
	April 13, 2018 - Market Purchase	1,00,000	0.02	79,75,017	1.59
	April 27, 2018 - Market Purchase	10,56,108	0.21	90,31,125	1.80
	May 4, 2018 - Market Purchase	32,800	0.01	90,63,925	1.81
	May 11, 2018 - Market Purchase	45,710	0.01	91,09,635	1.82
	May 25, 2018 - Market Purchase	70,664	0.01	91,80,299	1.83
	June 1, 2018 - Market Purchase	1,05,802	0.02	92,86,101	1.85
	August 3, 2018 - Market Purchase	1,48,790	0.03	94,34,891	1.88
	August 10, 2018 - Market Purchase	20,000	0.00	94,54,891	1.88
	August 17, 2018 - Market Purchase	1,83,107	0.04	96,37,998	1.92
	August 24, 2018 - Market Purchase	40,000	0.01	96,77,998	1.93
	August 31, 2018 - Market Purchase	20,000	0.00	96,97,998	1.93
	September 7, 2018 - Market Purchase	80,000	0.02	97,77,998	1.95
	September 14, 2018 - Market Purchase	5,57,857	0.11	1,03,35,855	2.06
	September 21, 2018 - Market Purchase	8,24,865	0.16	1,11,60,720	2.22
	September 29, 2018 - Market Purchase	1,88,823	0.04	1,13,49,543	2.26
	October 5, 2018 - Market Purchase	23,96,701	0.48	1,37,46,244	2.74
	October 12, 2018 - Market Purchase	18,60,000	0.37	1,56,06,244	3.11
	October 19, 2018 - Market Purchase	1,42,000	0.02	1,57,48,244	3.13
	October 26, 2018 - Market Purchase	81,200	0.02	1,58,29,444	3.15

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	November 2, 2018 - Market Purchase	23,000	0.00	1,58,52,444	3.15
	November 30, 2018 - Market Purchase	3,50,000	0.07	1,62,02,444	3.22
	December 7, 2018 - Market Purchase	50,000	0.01	1,62,52,444	3.23
	December 14, 2018 - Market Purchase	1,65,000	0.03	1,64,17,444	3.26
	December 21, 2018 - Market Purchase	25,000	0.01	1,64,42,444	3.27
	January 11, 2019 - Market Purchase	50,000	0.01	1,64,92,444	3.28
	January 18, 2019 - Market Purchase	29,200	0.01	1,65,21,644	3.29
	February 8, 2019 - Market Purchase	44,500	0.01	1,65,66,144	3.30
	March 1, 2019 - Market Purchase	10,00,000	0.20	1,75,66,144	3.50
	March 8, 2019 - Market Purchase	25,600	0.00	1,75,91,744	3.50
	March 15, 2019 - Market Purchase	1,00,000	0.02	1,76,91,744	3.52
	At the end of the year			**1,76,91,744**	**3.52**
5.	**Brand Equity Treaties Limited**	2,37,99,999	4.74	2,37,99,999	4.74
	April 20, 2018 - Market Sell	(10,00,000)	(0.20)	2,27,99,999	4.54
	April 27, 2018 - Market Sell	(30,10,096)	(0.60)	1,97,89,903	3.94
	June 8, 2018 - Market Sell	(4,00,000)	(0.08)	1,93,89,903	3.86
	June 13, 2018 - Market Sell	(5,20,145)	(0.10)	1,88,69,758	3.76
	August 3, 2018 - Market Sell	(39,00,000)	(0.78)	1,49,69,758	2.98
	August 24, 2018 - Market Sell	(3,00,000)	(0.06)	1,46,69,758	2.92
	August 31, 2018 - Market Sell	(12,08,220)	(0.24)	1,34,61,538	2.68
	At the end of the year			**1,34,61,538**	**2.68**
6.	**Bharti Enterprises (Holding) Private Limited#**	4,63,30,647	9.23	4,63,30,647	9.23
	June 7, 2018 - Market Sell	(3,03,00,000)	(6.03)	1,60,30,647	3.19
	November 29, 2018 - Market Sell	(56,93,587)	(1.13)	1,03,37,060	2.06
	At the end of the year			**1,03,37,060**	**2.06**
7.	**Tata India Consumer Fund**	48,63,670	0.97	48,63,670	0.97
	April 06, 2018 - Market Purchase	1,51,000	0.03	50,14,670	1.00
	April 20, 2018 - Market Sell	(1,000)	(0.00)	50,13,670	1.00
	April 27, 2018 - Market Purchase	20,000	0.00	50,33,670	1.00
	May 4, 2018 - Market Purchase	60,000	0.01	50,93,670	1.01
	May 11, 2018 - Market Purchase	1,02,000	0.02	51,95,670	1.04
	May 18, 2018 - Market Purchase	6,00,000	0.12	57,95,670	1.15
	May 25, 2018 - Market Purchase	1,000	0.00	57,96,670	1.15
	June 8, 2018 - Market Purchase	15,000	0.00	58,11,670	1.16
	July 6, 2018 - Market Sell	(1,90,000)	(0.04)	56,21,670	1.12
	July 13, 2018 - Market Purchase	6,50,000	0.13	62,71,670	1.25

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	July 27, 2018 - Market Purchase	1,50,000	0.03	64,21,670	1.28
	August 3, 2018 - Market Purchase	1,25,000	0.02	65,46,670	1.30
	August 24, 2018 - Market Sell	(5,300)	(0.00)	65,41,370	1.30
	August 31, 2018 - Market Purchase	2,75,000	0.05	68,16,370	1.36
	September 7, 2018 - Market Purchase	7,28,000	0.14	75,44,370	1.50
	September 14, 2018 - Market Purchase	3,15,380	0.06	78,59,750	1.56
	November 2, 2018 - Market Purchase	1,00,000	0.02	79,59,750	1.58
	November 23, 2018 - Market Sell	(20,000)	(0.00)	79,39,750	1.58
	November 30, 2018 - Market Purchase	20,000	0.00	79,59,750	1.58
	December 28, 2018 - Market Purchase	1,00,000	0.02	80,59,750	1.60
	January 4, 2019 - Market Purchase	1,15,000	0.03	81,74,750	1.63
	At the end of the year			**81,74,750**	**1.63**
8.	**IDFC Sterling Equity Fund**	54,96,269	1.09	54,96,269	1.09
	April 06, 2018 - Market Purchase	40,000	0.01	55,36,269	1.10
	April 13, 2018 - Market Purchase	12,006	0.00	55,48,275	1.10
	May 4, 2018 - Market Purchase	10,000	0.00	55,58,275	1.10
	May 11, 2018 - Market Purchase	10,000	0.00	55,68,275	1.10
	May 18, 2018 - Market Purchase	27,000	0.01	55,95,275	1.11
	May 25, 2018 - Market Purchase	40,000	0.01	56,35,275	1.12
	June 1, 2018 - Market Purchase	34,000	0.01	56,69,275	1.13
	June 8, 2018 - Market Purchase	25,000	0.00	56,94,275	1.13
	June 15, 2018 - Market Purchase	40,000	0.01	57,34,275	1.14
	June 22, 2018 - Market Purchase	30,000	0.01	57,64,275	1.15
	July 6, 2018 - Market Purchase	6,500	0.00	57,70,775	1.15
	July 20, 2018 - Market Purchase	35,000	0.01	58,05,775	1.16
	July 27, 2018 - Market Purchase	20,000	0.00	58,25,775	1.16
	August 3, 2018 - Market Purchase	23,500	0.00	58,49,275	1.16
	August 10, 2018 - Market Purchase	50,000	0.01	58,99,275	1.17
	August 17, 2018 - Market Purchase	20,000	0.01	59,19,275	1.18
	August 24, 2018 - Market Purchase	10,000	0.00	59,29,275	1.18
	September 7, 2018 - Market Sell	(10,000)	(0.00)	59,19,275	1.18
	September 21, 2018 - Market Purchase	2,52,500	0.05	61,71,775	1.23
	September 29, 2018 - Market Purchase	56,509	0.01	62,28,284	1.24
	October 5, 2018 - Market Purchase	1,48,957	0.03	63,77,241	1.27
	October 12, 2018 - Market Purchase	3,94,032	0.08	67,71,273	1.35
	October 19, 2018 - Market Purchase	1,87,282	0.04	69,58,555	1.39

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	October 26, 2018 - Market Purchase	23,261	0.00	69,81,816	1.39
	November 2, 2018 - Market Purchase	1,21,834	0.02	71,03,650	1.41
	November 9, 2018 - Market Purchase	86,624	0.02	71,90,274	1.43
	November 16, 2018 - Market Purchase	1,15,198	0.02	73,05,472	1.45
	November 30, 2018 - Market Purchase	14,929	0.00	73,20,401	1.45
	December 7, 2018 - Market Purchase	36,000	0.01	73,56,401	1.46
	December 14, 2018 - Market Purchase	11,000	0.00	73,67,401	1.46
	December 21, 2018 - Market Purchase	25,000	0.01	73,92,401	1.47
	December 31, 2018 - Market Purchase	50,000	0.01	74,42,401	1.48
	January 11, 2019 - Market Purchase	35,000	0.01	74,77,401	1.49
	January 25, 2019 - Market Sell	(4,000)	(0.00)	74,73,401	1.49
	February 8, 2019 - Market Purchase	25,000	0.00	74,98,401	1.49
	February 15, 2019 - Market Purchase	20,000	0.01	75,18,401	1.50
	March 1, 2019 - Market Purchase	63,717	0.01	75,82,118	1.51
	March 8, 2019 - Market Purchase	21,283	0.00	76,03,401	1.51
	March 15, 2019 - Market Purchase	50,000	0.01	76,53,401	1.52
	March 22, 2019 - Market Purchase	1,20,000	0.03	77,73,401	1.55
	At the end of the year			**77,73,401**	**1.55**
9.	**Arisaig India Fund Limited**	1,24,12,185	2.47	1,24,12,185	2.47
	June 8, 2018 - Market Sell	(2,78,104)	(0.06)	1,21,34,081	2.41
	June 15, 2018 - Market Sell	(1,96,212)	(0.03)	1,19,37,869	2.38
	June 30, 2018 - Market Sell	(42,072)	(0.01)	1,18,95,797	2.37
	July 6, 2018 - Market Sell	(6,03,342)	(0.12)	1,12,92,455	2.25
	July 13, 2018 - Market Sell	(3,60,135)	(0.07)	1,09,32,320	2.18
	July 20, 2018 - Market Sell	(1,40,706)	(0.03)	1,07,91,614	2.15
	August 24, 2018 - Market Sell	(3,84,673)	(0.08)	1,04,06,941	2.07
	August 31, 2018 - Market Sell	(5,42,988)	(0.11)	98,63,953	1.96
	September 7, 2018 - Market Sell	(2,97,073)	(0.06)	95,66,880	1.90
	November 16, 2018 - Market Sell	(91,383)	(0.02)	94,75,497	1.88
	November 23, 2018 - Market Sell	(1,05,072)	(0.02)	93,70,425	1.86
	November 30, 2018 - Market Sell	(13,934)	(0.00)	93,56,491	1.86
	December 21, 2018 - Market Sell	(20,97,611)	(0.42)	72,58,880	1.44
	At the end of the year			**72,58,880**	**1.44**
10.	**Pioneer Investment Fund**	-	-	-	-
	June 7, 2018 - Market Purchase	71,42,857	1.42	71,42,857	1.42
	At the end of the year			**71,42,857**	**1.42**

(*) Shareholding is consolidated based on Permanent Account Number (PAN) of the Shareholder. Date-wise Increase / Decrease in Shareholding during the year are taken based on the weekly benpos and do not reflect the actual date of transactions. Reasons for increase / decrease unless stated, may be trade / transfer.

(#) Pursuant to order of Hon'ble National Company Law Tribunal, New Delhi Bench dated September 27, 2018, Cedar Support Services Limited has been amalgamated with Bharti Enterprises (Holding) Private Limited.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Mr. Kishore Biyani - Chairman & Managing Director**	2,121	0.00	2,121	0.00
	At the end of the year			2,121	0.00
2.	**Mr. Rakesh Biyani - Jt. Managing Director**	2,121	0.00	2,121	0.00
	At the end of the year			2,121	0.00
3.	**Ms. Gagan Singh - Independent Director**	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
4.	**Mr. Ravindra Dhariwal - Independent Director**	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
5.	**Mr. Shailendra Bhandari - Independent Director**	Nil	Nil	Nil	Nil
	March 29, 2019 - Market Purchase^	8,000	0.00	8,000	0.00
	At the end of the year			8,000	0.00
6.	**Ms. Sridevi Badiga - Independent Director**	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
7.	**Mr. Rahul Garg - Non - Executive Director***	NA	NA	NA	NA
	At the end of the year			Nil	Nil
8.	**Mr. Rajan Bharti Mittal - Non - Executive Director***	Nil	Nil	Nil	Nil
	At the end of the year			NA	NA
9. (a)	**Mr. C. P. Toshniwal - Chief Financial Officer**	11,000	0.00	11,000	0.00
	At the end of the year			11,000	0.00
9. (b)	**Mr. C. P. Toshniwal - Chief Financial Officer (HUF)**	20,000	0.00	20,000	0.00
	At the end of the year			20,000	0.00
10.	**Mr. Virendra Samani - Company Secretary**	5,450	0.00	5,450	0.00
	May 21, 2018 - Allotment made pursuant to the FRL ESOP - 2016.	6,414	0.00	11,864	0.00
	At the end of the year			11,864	0.00

(^) As per the disclosure received.

(*) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 09, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day. Further, Mr. Rajan Bharti Mittal was not holding any equity share of the Company till the date of his resignation.

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

(₹ in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,286.41	-	-	1,286.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1,286.41**	**-**	**-**	**1,286.41**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
i) Addition	1,482.29	-	-	1,482.29
ii) Reduction	(111.66)	-	-	(111.66)
Net Change	**1,370.63**	**-**	**-**	**1,370.63**
Indebtedness at the end of the financial year				
i) Principal Amount	2,657.04	-	-	2,657.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**2,657.04**	**-**	**-**	**2,657.04**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in crore)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
1.	Gross salary	Mr. Kishore Biyani	Mr. Rakesh Biyani	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3.91	3.89	7.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961#	0.01	0.01	0.02
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission^	1.50	1.00	2.50
	Others	Nil	Nil	Nil
5.	Retiral Benefits	0.47	0.47	0.94
	Total (A)	**5.89**	**5.37**	**11.26**
	Ceiling as per the Act	10% profit under Section 198 of the Companies Act, 2013.		

(#) Rounded off to ₹ in crore and is part of exempted perquisites.

(^) Commission for the financial year 2017-18 was paid during the year under review.

B. Remuneration to other directors:

(₹ in crore)

Sl. No.	Particulars of Remuneration	Name of Directors				Total
1.	**Independent Directors**	Ms. Gagan Singh	Mr. Ravindra Dhariwal	Mr. Shailendra Bhandari	Ms. Sridevi Badiga	
	Fees for attending Board/ Committee meetings#	0.14	0.15	0.10	0.11	0.50
	Commission*	0.35	0.35	0.35	0.35	1.40
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	**0.49**	**0.50**	**0.45**	**0.46**	**1.90**

Sl. No.	Particulars of Remuneration	Name of Directors		Total
2.	**Other Non-Executive Directors**	**Mr. Rajan Bharti Mittal^**	**Mr. Rahul Garg^$**	
	Fee for attending Board/ Committee meetings#	0.03	Nil	0.03
	Commission*	0.35	Nil	0.35
	Others, please specify	Nil	Nil	Nil
	Total (2)	**0.38**	**Nil**	**0.38**
	Total (B) = (1 + 2)			**2.28**
	Ceiling as per the Act	1% profit under Section 198 of the Companies Act, 2013.		
	Total Managerial Remuneration (A+B)			**13.54**
	Overall Ceiling as per the Act	11% profit under Section 198 of the Companies Act, 2013.		

(#) Rounded off to ₹ in crore

(*) Commission of ₹ 35.00 Lakh for the financial year 2017-18 was paid during the year under review.

(^) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 09, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day.

($) Voluntarily waived to receive the sitting fees and commission.

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

(₹ in crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel(s)		
		Chief Financial Officer	**Company Secretary**	**Total**
		Mr. C. P. Toshniwal	**Mr. Virendra Samani**	
1.	Gross salary	2.86	0.48	3.34
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00*	0.00**	0.00
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2.	Stock Option	^	^^	-
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00
	Others	0.00	0.00	0.00
5.	Retiral Benefits	0.43	0.01	0.44
	Total	**3.29**	**0.49**	**3.78**

(*) Represents ₹ 39,600/-

(**) Represents ₹ 32,800/- (excluding perquisites on exercising of ESOP)

(^) Granted 54,444 Options during the year.

(^^) Granted 25,476 Options during the year.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2019.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company as a flagship Company of Future Group believes in effective corporate governance practices which shall constitute the strong foundation on which successful organisation is built to last. We strive to create an organisation working towards sustainable and profitable growth to create long-term value for our people, business partners, customers and shareholders.

Your Company's ongoing efforts encompass financial stewardship in strategic and daily business decisions to ensure accurate financial reporting and effective controls. The Company consistently followed the principles of good corporate governance and strives to enhance the stakeholders' relationship, e-governance initiatives, while upholding the core values of integrity, transparency, fairness, responsibility and accountability.

Your Company, in line with the above, taken various initiatives to further strengthen the corporate governance practices and adopted various codes/policies, pursuant to the applicable provisions of the Companies Act, 2013 or Companies Act, 1956 as may be applicable ("**the Act**") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"). Further, the Company is also in compliance with the requirements stipulated under Regulation 17 to 27 read with other applicable provisions of SEBI Listing Regulations, as amended from time to time.

CODE OF CONDUCT

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

All the Board Members and Senior Management Personnel have affirmed compliance with this Code. As required a declaration signed by the Chairman & Managing Director to this effect is attached at the end of this Report. This Code is available on the Company's website www.futureretail.co.in.

COMPOSITION OF THE BOARD

The composition of the Board of Directors ("**the Board**") is in compliance with the requirement of the Act and Regulation 17 of SEBI Listing Regulations. As on March 31, 2019, the Board comprises of 7 (Seven) Directors including 2 (Two) Independent Women Directors. The Board consists of a balanced combination of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. None of the Directors of the Company have attained the age of 75 (Seventy Five) years. All Independent Directors of the Company serving in other companies is within the limit as specified in the Act and SEBI Listing Regulations. The Company has received a declaration from Independent Directors that they meet the criteria of independence as per Regulation 16 of SEBI Listing Regulations and the same has been taken on record by the Company.

None of the Directors on the Board is a Member of more than 10 (Ten) Committees and/or Chairperson of more than 5 (Five) Committees (as specified in Regulation 26 of SEBI Listing Regulations), across all the public companies in which he/she is a Director. Further, the maximum tenure of Independent Directors is in line with provisions of Section 149 (10) and (11) of the Act and Rules made thereunder.

The information on composition of the Board, category and their Directorships/Committee Membership across all the Companies in which they are Directors as on March 31, 2019 is as under:

Name & Category of Director	Name of the Listed entities where he/she is a director & (category of directorship)	Date of Appointment as a current designation	No. of Directorships*		No. of Memberships/ Chairmanships of Committees in public companies**	
			Public	Private/ Non profit	Member-ships	Chairman-ships
Mr. Kishore Biyani - Chairman & Managing Director (Promoter Group)	➢ Future Lifestyle Fashions Ltd. (Executive); ➢ Future Consumer Ltd. (Non-Executive); ➢ Future Enterprises Ltd. (Non-Executive); ➢ INOX Leisure Ltd. (Independent).	May 2, 2016	7	2	3	1

Name & Category of Director	Name of the Listed entities where he/she is a director & (category of directorship)	Date of Appointment as a current designation	No. of Directorships*		No. of Memberships/ Chairmanships of Committees in public companies**	
			Public	Private/ Non profit	Member-ships	Chairman-ships
Mr. Rakesh Biyani - Jt. Managing Director (Promoter Group)	➢ Future Supply Chain Solutions Ltd. (Non-Executive); ➢ Future Lifestyle Fashions Ltd. (Non-Executive); ➢ Dollar Industries Ltd^. (Independent).	May 2, 2016	6	6	3	-
Ms. Gagan Singh - Independent Director	➢ Timex Group of India Ltd. (Independent).	April 30, 2016	2	-	4	2
Mr. Ravindra Dhariwal - Independent Director	➢ Bata India Ltd. (Independent); ➢ Sheela Foam Ltd. (Independent).	April 30, 2016	5	3	5	-
Mr. Shailendra Bhandari - Independent Director	-	April 30, 2016	2	0	1	1
Ms. Sridevi Badiga - Independent Director	➢ Praxis Home Retail Ltd. (Independent).	April 20, 2017	2	-	2	-
Mr. Rahul Garg - Non-Executive Director	-	August 9, 2018	-	5	1	-

Notes:

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

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

(^) Resigned w.e.f. April 10, 2019.

The details of equity shares held by the Directors in the Company as on March 31, 2019 are as follows:

Name of Director	Number of Equity Shares held#
Mr. Kishore Biyani	2,121
Mr. Rakesh Biyani	2,121
Ms. Gagan Singh	Nil
Mr. Ravindra Dhariwal	Nil
Mr. Shailendra Bhandari^	8,000
Ms. Sridevi Badiga	Nil
Mr. Rahul Garg@	Nil

Notes:

(#) The Company has not issued any convertible instrument during the year under review.

(^) As per the disclosure received by the Company.

(@) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 9, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day. Further, Mr. Rajan Bharti Mittal was not holding any equity share of the Company till the date of his resignation.

The details of the familiarization program of the Independent Directors is available on the website of the Company at the link https://www.futureretail.in/investors/Policies.html

None of the Directors of the Company is *inter-se* related to each other.

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

MATRIX SETTING OUT SKILLS/EXPERTISE/COMPETENCE AS IDENTIFIED BY THE BOARD

The Skill Matrix sets out the key skills and experience that Directors brings to the Board. This year, the Skill Matrix was reviewed and appended below identifying the skills of entire Board under following broad categories:

- **Governance**

  The governance skills broadly includes financial and audit review, compliance and risk management, developing good governance practices, assessing strategic opportunities and threats, crisis management, business and policies development etc.

- **Personal Leadership Skills**

  This category mainly includes skills set of Board members to provide both strategic and innovative thought leadership, analysing issues and making decisions that support the organisation's overarching mission, creating new ideas and providing possible solutions, commitment, ethics and integrity, relationship building etc.

- **Industry specific**

  This category broadly includes skills relevant to the industry or section in which the Company operates such as understanding of consumer behaviour and customer insights, consumption pattern analysis, introduction of new products, digital/technology upgrade, marketing, supplier management, store operations, communication with customers etc.

BOARD MEETINGS AND LAST AGM DETAILS

During the year under review, total 6 (Six) Meetings of Board of Directors were held on May 21, 2018, August 9, 2018, November 14, 2018, February 4, 2019, February 28, 2019 and March 25, 2019.

The gap between two Meetings did not exceed 120 (One Hundred and Twenty) days as prescribed in the Act and SEBI Listing Regulations. The Eleventh (11th) Annual General Meeting of the Members of the Company was held on Wednesday, August 29, 2018.

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

Name of Directors	No. of Board Meetings held during the tenure of respective Directors		11th AGM (August 29, 2018)
	Held	Attended	
Mr. Kishore Biyani	6	6	Yes
Mr. Rakesh Biyani	6	3	Yes
Ms. Gagan Singh	6	6	Yes
Mr. Ravindra Dhariwal	6	6	Yes
Mr. Shailendra Bhandari	6	5	Yes
Ms. Sridevi Badiga	6	5	Yes
Mr. Rahul Garg#	5	4	Yes
Mr. Rajan Bharti Mittal#	2	1	NA

(#) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 9, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of 4 (Four) Directors out of which 3 (Three) are Independent Directors. Ms. Gagan Singh, Chairperson of the Committee is an Independent Director. All the Members of the Committee possess accounting and financial management expertise. The Chairperson of the Committee was present at the 11th Annual General Meeting of the Company held on August 29, 2018.

The Company Secretary functions as Secretary to the Committee.

During the year under review, total 5 (Five) Meetings of the Audit Committee were held on May 21, 2018, August 9, 2018, November 14, 2018, February 4, 2019 and March 25, 2019.

The composition of the Audit Committee and the attendance of the Members at the above meetings is as under:

Name of Directors/Members	Category	Designation	No. of Meetings held during the tenure of respective Members	
			Held	Attended
Ms. Gagan Singh	Independent Director	Chairperson	5	5
Mr. Ravindra Dhariwal	Independent Director	Member	5	5
Ms. Sridevi Badiga	Independent Director	Member	5	5
Mr. Rakesh Biyani	Jt. Managing Director	Member	5	3

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

Terms of Reference

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

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

- overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report.
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties; [Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed];
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;

- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
- reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments existing as on the date of coming into force of this provision.

Reviewing of the following information

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

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of 3 (Three) Non-Executive Directors, out of which 2 (Two) are Independent Directors.

During the year under review, total 5 (Five) Meetings of the Nomination and Remuneration Committee were held on May 21, 2018, July 5, 2018, August 9, 2018, February 4, 2019 and March 25, 2019.

The Composition of Nomination and Remuneration Committee and the attendance details of the Members at the above Committee meetings is as under:

Name of Directors/Members	Category	Designation	No. of Meetings held during the tenure of respective Members	
			Held	Attended
Mr. Ravindra Dhariwal	Independent Director	Chairman	5	5
Mr. Shailendra Bhandari	Independent Director	Member	5	4
Mr. Rahul Garg#	Non-Executive Director	Member	2	2
Mr. Rajan Bharti Mittal#	Non-Executive Director	Member	3	2

(#) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 9, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day. Accordingly, Mr. Rahul Garg was inducted as a Member of the Committee in place of Mr. Rajan Bharti Mittal.

Terms of Reference

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated *inter-alia* to comply with the requirements as specified in Part D of the Schedule II of SEBI Listing Regulations including

the amendment made through SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the provisions of Section 178 of the Act and Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014, as may be applicable.

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

- to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- to formulate the criteria for evaluation of performance of Independent Directors and the Board;
- to devise a policy on Board diversity;
- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- to establish and from time to time review the policy for ESOP/ESOS as well as issuance of SWEAT equity shares and recommend the grants to be made under ESOP/ESOS;
- to review Company's remuneration and human resources policy; and
- recommend to the Board, all remuneration, in whatever form, payable to senior management.

Performance evaluation criteria for Independent Directors

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

Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retiral benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in the overall corporate growth, profitability and financial success of the organisation. The remuneration policy is in consonance with the existing industry practice.

Remuneration policy for Executive Directors

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

Criteria of making payments to Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending Meeting of the Board and Committee(s) of the Board including meeting of Independent Directors, time spent in deliberations with the senior management on operational matters other than at meetings and contribution at the Board/Committee(s) levels as decided from time to time by the Board. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. The Members of Corporate Social Responsibility Committee have voluntarily waived the acceptance of sitting fees for attending the meeting of the CSR Committee.

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

Remuneration to Directors

(a) Managing Director/Jt. Managing Director

The remuneration paid to the Managing Director/Jt. Managing Director for the year ended March 31, 2019 is as under:

(₹ in crore)

Name	Salary	Performance Bonus/Commission*	Company's Contribution to Funds	Perquisites and allowance	Total	Total Contract Period^	Notice period in months	Stock Options granted
Mr. Kishore Biyani	3.91	1.50	0.47	0.01#	5.89	3 years (w.e.f. May 2, 2019)	6	Nil
Mr. Rakesh Biyani	3.89	1.00	0.47	0.01#	5.37	3 years (w.e.f. May 2, 2019)	6	Nil

(^) As recommended by NRC, the Board has considered and approved the re-appointment of Mr. Kishore Biyani as Managing Director and Mr. Rakesh Biyani as Jt. Managing Director both for the period of 3 (Three) years with effect from May 2, 2019, subject to the approval of Members of the Company.

(*) The said amount was paid during the year 2018-19 as commission which was pertaining for the year 2017-18.

(#) Represents ₹ 39,600/-.

Notes:

1. All the above components of remuneration, except performance bonus/commission, are fixed in nature.
2. There is no separate provision for payment of severance fees.

(b) Non-Executive/Independent Directors

The remuneration in form of sitting fees/commission paid to Non-Executive/Independent Directors during the year under review is as under:

(₹ in crore)

Name of Directors^	Sitting Fees paid*	Commission	
		Paid for FY 2017-18	Payable for FY 2018-19
Ms. Gagan Singh	0.14	0.35	0.50
Mr. Ravindra Dhariwal	0.15	0.35	0.50
Mr. Shailendra Bhandari	0.10	0.35	0.50
Ms. Sridevi Badiga	0.11	0.35	0.50
Mr. Rajan Bharti Mittal#	0.03	0.35	-

(*) Rounded off to ₹ in crore

(^) During the year under review, the Company has not paid any amount towards sitting fees/commission to Mr. Rahul Garg, Non-Executive Director of the Company as it was voluntarily waived to receive the sitting fees and commission.

(#) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 09, 2018.

Apart from reimbursement of expenses incurred in the discharge of their duties, the payment of sitting fees and commission within the limit for identified Non-Executive Directors as entitled under the Act, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors and its Senior Management, which in their judgment would affect their independence. None of the Directors of the Company is *inter-se* related to each other.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee presently comprised of Mr. Shailendra Bhandari, Independent Director as a Chairperson of the Committee. Ms. Gagan Singh, Independent Director and Mr. Rahul Garg, Non-Executive Director, are other Members of the Committee.

Compliance Officer

Mr. Virendra Samani - Company Secretary, is the Compliance Officer of the Company.

During the year under review, total 4 (Four) Meetings of Stakeholders' Relationship Committee were held on May 21, 2018, August 9, 2018, November 14, 2018 and February 4, 2019.

The attendance of the Members at the above meetings is as under:

Name of Directors/Members	Designation	No. of meetings held during the tenure of respective Members	
		Held	Attended
Mr. Shailendra Bhandari	Chairman	4	3
Ms. Gagan Singh	Member	4	4
Mr. Rahul Garg#	Member	2	2
Mr. Rajan Bharti Mittal#	Member	2	1

(#) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 9, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day. Accordingly, Mr. Rahul Garg was inducted as a Member of the Committee in place of Mr. Rajan Bharti Mittal.

Terms of reference

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated *inter-alia* to comply with the requirements as specified in Part D of the Schedule II of SEBI Listing Regulations, as amended and the provisions of Section 178 of the Act.

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

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by Shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

Share Transfer Committee

The Share Transfer Committee comprises of Mr. Shailendra Bhandari, Mr. Kishore Biyani and Mr. Rakesh Biyani as Members of the Committee. The Share Transfer Committee meets as and when required to consider the transfer proposals and attend to Investors' grievances, transmission of shares, split, consolidation, issue of duplicate share certificate, rematerialisation of shares etc.

Investors' Grievance Redressal

Details of investor complaints received and resolved during the year under review are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance#
Nil	10	9	1

(#) Resolved on April 2, 2019 as per information received from Registrar and Share Transfer Agent of the Company.

CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY DESIGNATED PERSONS

In terms of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, the Company had adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders. Pursuant to the requirements prescribed under SEBI notification dated December 31, 2018 and provisions of Securities Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the revised Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons ("Code for Insider Trading") was adopted by the Company. The provisions of the Code for Insider Trading are designed *inter-alia* to regulate, monitor and report trades by Designated Person(s) or their immediate relatives in securities of the Company.

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

In terms of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, as amended from time to time, the Company had adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. Pursuant to the requirements prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, as amended, the revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure") was adopted by the Company which comes into effect from April 1, 2019. The Code of Fair Disclosure is posted on Company's website at the weblink https://www.futureretail.in/investors/corporate-governance-standards.html.

INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors was held on May 21, 2018. The said meeting was attended by all the Independent Directors of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted in line with the provisions of Section 135 of the Act. Presently, the Committee comprises of Mr. Kishore Biyani Chairman & Managing Director, Ms. Gagan Singh, Independent Director and Mr. Rahul Garg, Non-Executive Director as Members of the Committee. During the year under review, 1 (One) Meeting of Corporate Social Responsibility Committee was held on August 9, 2018.

The attendance of the Members at the above meeting is as under:

Name of Directors/Members	Designation	No. of meetings held during the tenure of respective Members	
		Held	Attended
Mr. Kishore Biyani	Chairman	1	1
Ms. Gagan Singh	Member	1	1
Mr. Rajan Bharti Mittal#	Member	1	1
Mr. Rahul Garg#	Member	-	-

(#) During the year under review, Mr. Rajan Bharti Mittal has resigned from the Company with effect from August 9, 2018 and Mr. Rahul Garg was appointed as Additional Director on the same day. Accordingly, Mr. Rahul Garg was inducted as a Member of the Committee in place of Mr. Rajan Bharti Mittal.

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

a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

The disclosures as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form which is appended to the Directors' Report forming part of this Annual Report.

RISK MANAGEMENT COMMITTEE

During the year under review, the provision relating to the Risk Management Committee under Regulation 21 of SEBI Listing Regulations was not Applicable to our Company. However, for the purpose of better governance, the Company had already constituted aforesaid Committee. Further, provisions relating to the Risk Management Committee shall be applicable to the Company with effect from April 1, 2019.

The Risk Management Committee comprised of Mr. Kishore Biyani, Chairman & Managing Director, Mr. Rakesh Biyani Jt. Managing Director and Mr. C. P. Toshniwal, Chief Financial Officer as Members of the Committee.

The Committee functions in accordance with the terms of reference as specified by the Board from time to time, which *inter-alia* includes implementing and monitoring of risk management plan and policy of the Company. During the year under review, 1 (One) meeting of the Committee was held on March 22, 2019.

RISK MANAGEMENT

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

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

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

COMMITTEE OF DIRECTORS

The Committee of Directors comprises of Mr. Kishore Biyani, Chairman & Managing Director and Mr. Rakesh Biyani, Jt. Managing Director as a Members of the Committee. The main functions of Committee is to handle day-to-day operations and activities of the Company and to ensure smooth functioning and for regular operations. The Committee is further authorised to delegate some of its powers to employees/executives of the Company as authorised therein. Total 23 (Twenty Three) Meetings of the Committee were held during the year under review.

GENERAL BODY MEETINGS

Annual General Meeting

The details of the last three Annual General Meetings (AGM) held are as follows:

Year	Day, Date & Time of AGM	Venue	Special Resolutions Passed
2017-18	Wednesday, August 29, 2018 at 09:30 AM	Rangaswar, Fourth Floor, Y. B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai - 400 021.	❖ Approval for revision in remuneration of Mr. Kishore Biyani as Managing Director; ❖ Approval for revision in remuneration of Mr. Rakesh Biyani as Jt. Managing Director; and ❖ Approval for payment of Commission to Non- Executive/ Independent Directors.
2016-17	Tuesday, August 29, 2017 at 09:30 AM	Rangaswar, Fourth Floor, Y. B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai - 400 021.	❖ Approval for revision in remuneration of Mr. Kishore Biyani as Managing Director; ❖ Approval for revision in remuneration of Mr. Rakesh Biyani as Jt. Managing Director; and ❖ Increase in the investment limit in Equity Share capital by Registered Foreign Portfolio Investors ("RFPIs") and Foreign Institutional Investors ("FIIs").
2015-16	Monday, August 29, 2016 at 09:30 AM	Rangaswar, Fourth Floor, Y. B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai - 400 021.	❖ Approval for entering into Related Party Transaction.

Extraordinary General Meeting

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

Day, Date & Time of EGM	Venue	Special Resolutions passed
Tuesday, March 5, 2019 at 10:30 AM	Rangaswar, Fourth Floor, Y. B. Chavan, Gen. Jagannath Bhosle Marg, Mumbai - 400 021	❖ Issue of Warrants on Preferential basis; and ❖ Issue of Securities on Private Placement basis.

Postal Ballot

During the year under review, the Company had completed 1 (One) process of obtaining the approval of its Members through Postal Ballot as per provisions of Section 110 of the Act and Rules made thereunder.

The approval of Members obtained through Postal Ballot was pertaining to:

Sl. No.	Particulars	Type of resolution Special/Ordinary
1.	Acceptance of Deposits from Public and/or Members of the Company	Special

The results of above matter was announced on January 28, 2019.

Voting Pattern and Procedure for Postal Ballot:

(i) The Company has appointed Ms. Bindu Darshan Shah, Prop: K Bindu & Associates, Practicing Company Secretaries, as the Scrutiniser for conducting the Postal Ballot voting process;

(ii) Process for the Postal Ballot was carried out in a fair and transparent manner. The Postal Ballot forms had been kept under safe custody of Scrutiniser in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot forms;

(iii) All Postal Ballot forms received/receivable up to the close of working hours on January 27, 2019 the last date and time fixed by the Company for receipt of the forms in the Postal Ballot, had been considered by Scrutiniser in her scrutiny;

(iv) Envelopes containing Postal Ballot forms received after January 27, 2019 for the respective Postal Ballot had not been considered for her scrutiny;

(v) The result of the Postal Ballot was announced on January 28, 2019 as per Scrutiniser's Report the details of which are as under:

Resolution Required : (Special)			**1 - Acceptance of Deposits from Public and/or Members of the Company**					
Whether promoter/promoter group are interested in the agenda/resolution?			**No**					
Category	**Mode of Voting**	**No. of shares held**	**No. of votes polled**	**% of Votes Polled on outstanding shares**	**No. of Votes in favour**	**No. of Votes Against**	**% of Votes in favour on votes polled**	**% of Votes against on votes polled**
		[1]	**[2]**	**[3]={[2]/[1]}*100**	**[4]**	**[5]**	**[6]={[4]/[2]}*100**	**[7]={[5]/[2]}*100**
Promoter and Promoter Group	E-Voting	23,37,40,436	23,37,40,436	100.000	23,37,40,436	0	100.0000	0.0000
	Poll		Not Applicable					
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**23,37,40,436**	**100.0000**	**23,37,40,436**	**0**	**100.0000**	**0.0000**
Public Institutions	E-Voting	15,20,73,789	11,44,10,966	75.2338	8,30,47,575	3,13,63,391	72.5871	27.4129
	Poll		Not Applicable					
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	Total		**11,44,10,966**	**75.2338**	**8,30,47,575**	**3,13,63,391**	**72.5871**	**27.4129**
Public Non Institutions	E-Voting	11,67,84,214	7,74,05,815	66.2811	7,74,03,817	1,998	99.9974	0.0026
	Poll		Not Applicable					
	Postal Ballot		31,633	0.0271	31,063	570	99.1981	1.8019
	Total		**7,74,37,448**	**66.3081**	**7,74,34,880**	**2,568**	**99.9977**	**0.0033**
Grand Total		**50,25,98,439**	**42,55,88,850**	**84.6777**	**39,42,22,891**	**3,13,65,959**	**92.6300**	**7.3700**

MEANS OF COMMUNICATION

The Company regularly submits quarterly/half yearly/annual financial results to the Stock Exchanges, as soon as these are taken on record/approved by the Board. The financial results are published in leading English and Marathi dailies, viz. "The Free Press Journal" (English Newspaper) and "Nav Shakti" (Marathi Newspaper). The Company's Annual Report, Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website www.futureretail.co.in and also posted by BSE and NSE on their respective website. The Company's presentations to institutional investors and analysts are also posted on the Company's website.

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

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

GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of the Twelfth AGM

Tuesday, on July 30, 2019 at 11:30 AM at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai - 400 021.

Financial Year

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

Financial Reporting for

Quarter	Release Date (tentative & subject to change)
1st Quarter ending June 30, 2019	First/Second week of August, 2019
2nd Quarter/Half- year ending September 30, 2019	First/Second week of November, 2019
3rd Quarter ending December 31, 2019	First/Second week of February, 2020
4th Quarter/Year ending March 31, 2020	Third/Fourth week of May, 2020

Note: The above dates are indicative.

Dividend

The Board has not recommended any dividend for the financial year ended March 31, 2019.

Listing on Stock Exchanges

Equity Shares

The Equity Shares of the Company are listed on the following Stock Exchanges:

- BSE Limited ("BSE")

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

- National Stock Exchange of India Limited ("NSE")

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

Debt Securities

The Company has not allotted any debentures during the year under review.

Listing Fees

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

Stock Code

Shares/Debentures	ISIN No.	Stock Code	
		BSE	NSE
Equity Shares	INE752P01024	540064	FRETAIL
Optionally Convertible Warrants#	INE752P13011	-	-

(#) The Company has obtained the ISIN for warrants on April 24, 2019.

Corporate Identification Number (CIN)

The Company's CIN as allotted by the Ministry of Corporate Affairs: L51909MH2007PLC268269.

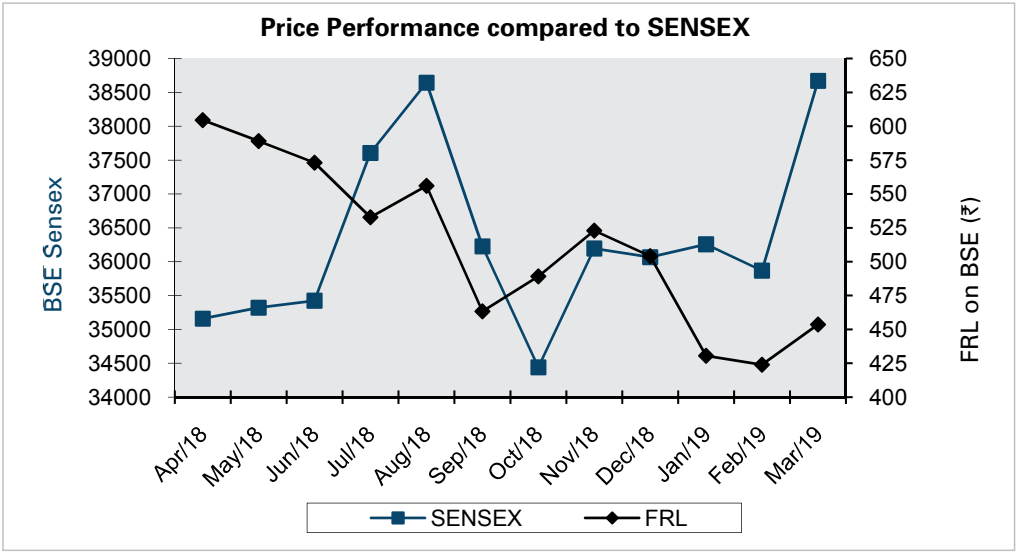
Stock Performance

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

Months	BSE (in ₹)		NSE (in ₹)	
	High	Low	High	Low
Apr-18	638.95	522.35	637.80	522.60
May-18	619.50	492.50	620.00	491.25
Jun-18	592.05	531.00	593.35	528.00
Jul-18	576.55	509.25	579.00	511.70
Aug-18	564.05	453.05	565.00	451.65
Sep-18	593.45	460.00	594.00	459.05
Oct-18	519.55	423.40	520.00	423.00
Nov-18	540.00	482.00	540.90	482.70
Dec-18	574.00	484.50	575.00	483.55
Jan-19	507.65	417.10	507.00	417.10
Feb-19	456.40	401.95	455.90	401.10
Mar-19	467.40	425.00	467.95	424.40

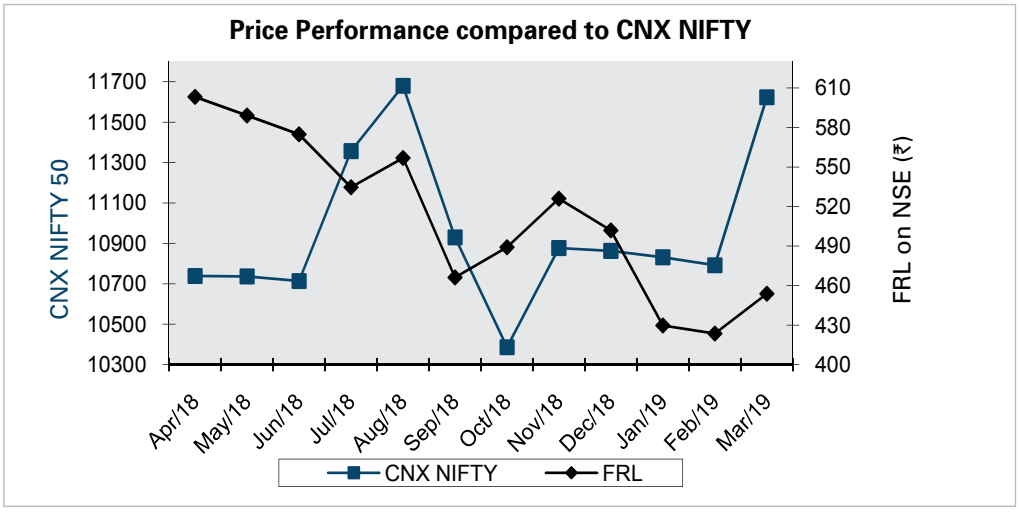
[Source: This information is compiled from the data available from the websites of BSE and NSE respectively]

Performance of share price of the Company in comparison to the BSE Sensex



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

Performance of share price of the Company in comparison to the NSE CNX NIFTY



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

Share Transfer System

Trading in equity shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of 15 (Fifteen) days or such other extended period as permitted by regulatory authorities from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Share Transfer Committee and Registrar and Share Transfer Agents to approve the transfers of equity shares of the Company.

De-materialisation of shares

99.80% of the equity shares of the Company have been dematerialised as on March 31, 2019. The Company has entered into agreements with both National Securities Depository Limited and Central Depository Services (India) Limited whereby shareholders have an option to dematerialise their shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialised form. Status of Dematerialisation of equity shares as on March 31, 2019 is as under:

Particulars	No. of Equity Shares	% of total Paid-up Capital*
National Securities Depository Limited	44,06,29,741	87.67
Central Depository Services (India) Limited	6,09,49,667	12.13
Total Dematerialised	**50,15,79,408**	**99.80**
Physical	10,19,031	0.20
Total	**50,25,98,439**	**100.00**

(*) There is a difference of 1,04,371 equity shares between Issued and paid-up Capital of the Company. The reason being said equity shares of ₹ 2/- each of the Company are being kept in abeyance against 95,878 equity shares of ₹ 2/- each and 8,493 Class B (Series I) equity shares of ₹ 2/- each kept in abeyance in Future Enterprises Limited.

Distribution of Shareholding of Equity Shares as on March 31, 2019

No. of Shares	No. of Shareholders	%	No. of Equity Shares	%
1-500	50,414	90.03	35,35,945	0.70
501-1000	3,484	6.22	23,24,151	0.46
1001-2000	878	1.57	12,78,302	0.25
2001-3000	306	0.55	7,70,009	0.15
3001-4000	144	0.26	5,06,010	0.10
4001-5000	96	0.17	4,53,743	0.09
5001-10000	187	0.33	13,97,430	0.28
10001 and above	489	0.87	49,23,32,849	97.97
Total	**55,998**	**100.00**	**50,25,98,439**	**100.00**

Shareholding Pattern as on March 31, 2019

Category	No. of Equity Shares	% of holding
Promoters & Promoter Group	23,63,07,631	47.02
Bodies Corporate	9,77,86,669	19.46
Foreign Portfolio Investor	6,75,21,491	13.43
Mutual Funds	3,75,30,966	7.47
Venture Capital Fund	2,31,57,143	4.60
Public (Individual)	1,70,33,871	3.39
Alternate Investment Fund	1,15,66,453	2.30
Banks/Financial Institutions	47,52,166	0.95
Clearing Members	22,85,123	0.45
Hindu Undivided Family	21,05,148	0.42
Insurance Companies	16,92,788	0.34
Non-Resident Indians	7,58,470	0.15
NBFCs registered with RBI	88,608	0.02
Directors & their Relatives	8,000	0.00
Trust	2,212	0.00
Foreign Portfolio Investor (Individual)	1,600	0.00
Foreign Nationals	100	0.00
Total	**50,25,98,439**	**100.00**

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

As on March 31, 2019 the Company has not issued any GDR/ADR/Warrants or any convertible instruments. Further, details related to the options granted to the employees pursuant to FRL ESOP - 2016 is provided in the Directors' Report forming part of this Annual Report.

Further, on receipt of initial warrant subscription amount of ₹ 500 crore equivalent to 25% of the warrant issue price as prescribed by the SEBI (ICDR) Regulations for allotment of the equity warrants, the Company on April 23, 2019 has *inter-alia* considered and allotted 3,96,03,960 equity warrants to M/s. Future Coupons Limited, a Promoter Group entity on preferential basis. The conversion option can be exercised by Warrantholder(s) at any time during the period of 18 (Eighteen) months from the date of allotment of equity warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable.

Unclaimed Shares

In accordance with the requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2018	184	1,00,710
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	184	1,00,710

The voting rights on these shares shall remain frozen till the rightful owner(s) claim such shares.

Plant Locations

In view of the nature of the Company's business i.e. Multi Brand Retail, the Company operates from various stores on pan India basis.

Registered Office

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

Address for Investor Correspondence

- **For securities held in physical form**
  Registrar and Share Transfer Agents
  Link Intime India Private Limited
  C - 101, Embassy 247,
  L.B.S Marg, Vikhroli (West),
  Mumbai - 400 083
  Tel No.: +91 22 4918 6270
  Fax No.: +91 22 4918 6060
  E-mail: rnt.helpdesk@linkintime.co.in; 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. Virendra Samani, Company Secretary
  Future Retail Limited
  Knowledge House, Shyam Nagar,
  Off. Jogeshwari - Vikhroli Link Road,
  Jogeshwari (East), Mumbai - 400 060
  Tel No.: +91 22 6644 2200
  Fax No.: +91 22 6644 2201
  E-mail: investorrelations@futureretail.in; Website: www.futureretail.co.in

Commodity Price Risk or Foreign Exchange Risk and Hedging activities

The Company dose not deal in future and options related to commodities and therefore the disclosure pursuant to SEBI circular dated November 15, 2018 is not required to be given. The Company is exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies. The Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk as per guidelines laid down by Risk Management Policy of the Company.

Credit Ratings

The details of credit ratings obtained by the Company are as follows:

Type/Facility	Rating assigned*	Name of the Rating Agency
Commercial Paper	CARE A1+	CARE Ratings Limited
Short Term Bank Facilities	CARE A1+	
Long Term Bank Facilities	CARE AA- (Outlook Stable)	
Proposed Fixed Deposit Programme#	CARE AA- (Outlook Stable)	
Proposed Non-Convertible Debentures#	CARE AA- (Outlook Stable)	
Commercial Paper	ACUITE A1+	Acuité Ratings & Research Limited
Proposed Commercial Paper#	BWR A1+	Brickwork Ratings India Private Limited
Proposed Non-Convertible Debentures#	BWR AA (Outlook Stable)	

Notes:

(*) There was no revision in the existing ratings assigned.
(#) Proposed instruments and was not utilised till March 31, 2019.

DISCLOSURES

Related Party Transactions

Related party transactions were reviewed/approved by the Audit Committee and were entered into in the ordinary course of business and on an arm's length basis. Except as disclosed during the year under review, there were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. The details of related party transactions are given in Notes forming part of the financial statements for the year ended March 31, 2019. Policy on dealing with related party transactions is available on the website of the Company at the link https://www.futureretail.in/investors/Policies.html

Disclosure of Accounting Treatment

During the year under review, the Company followed the applicable Accounting Standards as specified under Section 133 of the Act, in the preparation of its financial statements.

Management

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

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

CEO/CFO Certification

As required under Regulation 17(8) SEBI Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2019.

Subsidiary Companies

The details of subsidiary companies of the Company has been disclosed in the Directors' Report forming part of this Annual Report. The Company does not have any material subsidiary company as on March 31, 2019. However, the Company has a policy for determining material subsidiaries of the Company, which is available on the website of the Company at the link https://www.futureretail.in/investors/Policies.html

Details of non-compliance

The Company has complied with the requirements of regulatory authorities. During the last 3 (Three) years under review, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

Certificate from Practicing Company Secretary

A certificate has been received from K Bindu & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director in companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The said Certificate is appended to this Report.

Recommendations of Committees of the Board

During the year under review, there were no instances, where the Board did not accepted any recommendations of any Committees of the Board which were mandatorily required.

Establishment of Whistle Blower Policy/Vigil Mechanism

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

Fees to Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity are as follows:

(₹ in crore)

Sl. No.	Particulars	Amount
1.	Statutory Audit Fees	0.95
2.	Certification & Consultation Fees	0.05
	Total	**1.00**

Disclosure in relation to Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, the Company had received 5 (Five) complaints and the same have been resolved.

Compliance with Mandatory requirements

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

Discretionary requirements (Part E of Schedule II of SEBI Listing Regulations)

The Board: The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.

Shareholders' Rights: Quarterly and half yearly financial results of the Company are furnished to Stock Exchange(s) and also published in the newspapers and uploaded on website of the Company. Significant events are also posted on the Company's website under the Investors section. Hence, no half yearly results and significant events were sent to each of household of Shareholders.

Modified opinion(s) in audit report: During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continues to adopt best practices and has ensured a track record of financial statements with unmodified audit opinion on financial statements.

Separate posts of Chairperson and CEO: The positions of Chairman & Managing Director are not separately held.

Reporting of Internal Auditor: Internal Auditors are regularly invited to the meetings of Audit Committee to make presentation to the Committee on their observations and suggestions during the course of their Internal Audit.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Future Retail Limited

We have examined the compliance of conditions of Corporate Governance by Future Retail Limited ("the Company") for the financial year ended on March 31, 2019 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W

Ashok A. Trivedi
Partner
Membership No. 042472

Place : Mumbai
Date : May 25, 2019

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To,
The Members of
Future Retail Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, during the year ended March 31, 2019.

For Future Retail Limited

Kishore Biyani
Chairman & Managing Director

Place : Mumbai
Date : May 25, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
Future Retail Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Future Retail Limited having CIN L51909MH2007PLC268269 and having Registered Office at Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Mr. Kishore Biyani	00005740	April 30, 2016
2.	Mr. Rakesh Biyani	00005806	April 30, 2016
3.	Ms. Gagan Singh	01097014	April 30, 2016
4.	Mr. Ravindra Dhariwal	00003922	April 30, 2016
5.	Mr. Shailendra Bhandari	00317334	April 30, 2016
6.	Ms. Sridevi Badiga	02362997	April 20, 2017
7.	Mr. Rahul Garg	06939695	August 9, 2018

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

For **K Bindu & Associates**
Company Secretaries

Bindu Darshan Shah
Proprietor
Membership No. A-20066 / CP No. 7378

Place : Mumbai
Date : May 25, 2019

BUSINESS RESPONSIBILITY REPORT

Overview

Future Retail Limited ("FRL"/"Company"), is India's pioneer in homegrown modern organised retail and meets the aspirational needs of urban and rural consumers across the country through its various formats viz. large formats (Big Bazaar, fbb (Fashion @ Big Bazaar), Hypercity, Foodhall) and Small Store formats (easyday, Heritage, Nilgiris). During the year under review, the Company has expanded its small store formats at various locations. The expansion and increase of access points in under served areas has fueled creation of grass root employment and contributed significantly to social inclusion.

The business through its fashion, food, and home segments works with value chain members who have a large role to play in the success of the business as well as the ecosystems it operates in.

FRL embraces the Group's sustainability vision "Striving to grow responsibly and achieve our dual goal of a happy environment and society, both of which are necessary ingredients for business continuity and growth."

Consequently, the Company's principles are focused on creating sustained environmental, social and economic value.

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Directors of FRL hereby present the Business Responsibility Report ("BRR") of the Company for the financial year ended March 31, 2019.

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

Part A: General Information about the Company

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L51909MH2007PLC268269
2	Name of the Company	Future Retail Limited
3	Registered address	Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
4	Website	www.futureretail.co.in
5	E-mail id	investorrelations@futureretail.in
6	Financial Year reported	2018-19
7	Sectors(s) that the Company is engaged in (industrial activity code-wise)	Multi Brand Retail Trade NIC Code: 47 (Retail Trade, except of motor vehicles and motorcycles)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	i. Apparels / Garments; ii. Food and Grocery; and iii. Consumer Durables / Electronics
9	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	We are not operating from any International locations as on March 31, 2019. Subsequent to year end and as on date of report, our joint venture company viz, Future Retail LLC incorporated in Oman is running fashion business through two (2) fbb stores.
	(b) Number of National Locations	As on March 31, 2019, we have a pan India presence with 1,511 stores in 428 cities covering various formats of the Company
10	Markets served by the Company - Local/State/ National/International	National / International (Post year end, we have presence in Oman (International market) through Future Retail LLC (joint venture company) running "fbb" stores)

Part B: Financial details of the Company

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	₹ 100.52 crore
2	Total Turnover (INR)	₹ 20,164.90 crore (standalone)
3	Total profit after taxes (INR)	₹ 732.81 crore (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	With regard to the year under review, the Company was required to spend ₹ 6.76 crore on CSR activities, since the average net profits of the Company made during the three immediately preceding financial years was ₹ 338.25 crore. The Company has transferred this entire amount to "Sone Ki Chidiya Foundation" ('SKC Foundation') with mandate to deploy such amount for CSR activities identified by the Company. Out of the above contribution, an amount of ₹ 5.74 crore has already been deployed by SKC Foundation during the year under review. SKC Foundation have already identified the relevant projects for balance unspent amount, which will be utilised in current financial year.
5	List of activities in which expenditure in 4 above has been incurred	During the year under review, the Company spent it's CSR contribution through SKC Foundation, which in-turn has deployed these funds *inter-alia* towards: I. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare; II. Promoting education, including special education and employment enhancing vocational skills among differently abled and livelihood enhancement projects; III. Measures for reducing inequalities faced by socially and economically backward groups through access to basic goods and services *(For further details, please see the Corporate Social Responsibility Report forming part of Directors' Report)*

Part C: Other Details

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes, FRL has two subsidiaries and two step down subsidiaries as on March 31, 2019
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiary companies define their own initiatives specific to their business context whilst having access to information and expertise residing with the Parent company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Group has duly approved sustainability policies and framework and in coming years will see familiarisation amongst its prominent business partners. Based on discussion with suppliers and distributors, currently less than 30% of other entities participate in BR initiatives of the Company.

Part D: BR Information

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

Sr. No.	Particulars	Details
1	Director Identification Number (if applicable)	00005740
2	Name	Mr. Kishore Biyani
3	Designation	Chairman & Managing Director
4	Telephone number	022-61190000
5	E-mail ID	investorrelations@futureretail.in

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

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

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

BR Policies and coverage of NVG Nine principles:

(a)	**Details of compliance (Reply in Y/N)**								
Sr. No.	Questions	**Business Ethics**	**Product Responsibility**	**Well-being of Employees**	**Stakeholders**	**Human Rights**	**Environment**	**Public Policy**	**CSR**	**Customer Relations**
		P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on voluntary sustainability guidelines such as the Global Reporting Initiative (GRI) and also based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes – the policies have been approved by the Board and signed by the Chairman & Managing Director								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of policy?	Yes, the Company's officials / respective departments are authorised to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	www.futureretail.co.in/investors/Policies.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(a)	Details of compliance (Reply in Y/N)	
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	In the upcoming reporting period, FRL will evaluate its operations including its suppliers on various parameters - environmental, social, quality and safety norms and compliance requirements vide a self-assessment questionnaire and will verify the declarations by third party on achieving robustness in the process and reporting
(b)	**If answer to the question at serial number 1 against any principle, is 'No', please explain why**	Not Applicable

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company and its Committees shall continue to assess various business responsibility initiatives undertaken by the Company annually.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BRR for the year 2018-19 forms part of the Annual Report, which is published and is also available on the website of the Company: www.futureretail.co.in/investors/Policies.html

Part E: Principle-wise Performance

Principle 1: Ethics, Transparency & Accountability

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

FRL diligently follows good corporate governance practices, policies and procedures that ensures ethical conduct at all levels. The Company's employees are committed to the highest standards of personal and professional ethical behaviour. Employees at all levels are expected to comply with the Future Group's policies and code of conduct.

FRL's Directors and Senior Management are required to abide by a separate Code of Conduct ("CoC"). Their affirmation to the CoC is communicated to all stakeholders by Managing Director through a declaration in the Annual Report.

Governance

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

The Company discloses all necessary legal and financial disclosures to stakeholders through Stock Exchanges, Company's website, Annual Report, including Newspapers and other media as required.

Vigilance Policy

The Company's Vigil mechanism empowers employees and other stakeholders who have concerns about suspected misconduct, unethical behaviour, actual or suspected fraud or violation of the code of conduct or ethics policy to come forward and express their concerns without fear of punishment or unfair treatment. The mechanism promotes responsible and secure whistle blowing and provides adequate safeguards to the whistle blower.

There were no complaints received by FRL under the Whistle Blower Policy as on March 31, 2019.

Grievance Redressal Mechanism

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

- **Employees**

  Grievance boxes are made available at all stores and store employees are made aware of the same. At the outset, efforts are made that grievances are resolved at the store level itself.

  In case such grievances are not resolved, the Company's Internal Complaints Committee ("ICC") receives the complaints, investigates the issue and resolves the grievance.

  The POSH policy is accessible to employees vide the intranet. Employees are entitled to report potential cases of sexual harassment by writing at - posh@futuregroup.in and seek redressal of their grievances.

  During the year under review, 5 (five) complaints with allegation of sexual harassment were filed with the Company and the same have been resolved.

- **Investors**

  The Company has a good system in place for servicing investor related queries and grievances through its Registrar and Share Transfer Agents (R&T Agent) and the Compliance Officer is responsible for the same.

  The Stakeholders' Relationship Committee regularly meets to resolve queries, grievances, if any, and provides guidance for any Company related matter. The Company has a designated e-mail ID – investorrelations@futureretail.in for addressing the investor complaints.

  During the reporting period, the Company has received a total of 10 (Ten) investor complaints. Out of which a total of 9 (Nine) complaints were resolved during the year and the balance 1 (One) complaint was since resolved on April 2, 2019. In summary, complaints received are satisfactorily resolved by the Company and its R&T Agent.

- **Customers**

  The Company is constantly working on ways to improve its customer grievance redressal mechanism. Any service or product deficiencies through offline and online interfaces are mapped on database in CRM systems and taken up for necessary action by concerned team members. Customers are updated about the actions taken and the customer service team ensures that necessary actions are being taken.

  Details of consumer complaints: Opening balance – 159, received during the year – 141; resolved during the year – 48; and pending at the end of the year - 252 (due to legal cases / matters in the reporting period).

Principle 2: Product Stewardship / Products contributing to Sustainability

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

Customers trust FRL to provide affordable, safe and healthier products for them and their families. The Company understands that trust is earned by advocating these values among value chain members and encouraging innovation and transparency on product development and production.

The Company has begun engaging with its large suppliers to reduce environmental and social impacts of products and services in its value chain.

Affordable, Healthy and Safe Products

As on year end, FRL operates 1,511 retail stores across 428 cities. Freshness of healthy product varieties is a challenge due to Indian tropical conditions and the infrastructure conditions. The Company ensures quality of the sourced rice, sugar, wheat, oil seeds, pulses, dry fruits and spices and freshness of fruits and vegetables through the support of more than 85 distribution centers well equipped with packing infrastructure, cold storages and quality equipment.

Nutrition is considered as one of the critical parameters for addressing health and well-being and hence the Company promotes healthy eating habits, organic food products and healthy drinks. The stores also provide access to various products like rice, wheat, milk, salt and essential oil fortified with the basic micronutrients and vitamins required to serve its customers a nutritious meal.

The Company also retails a wide product range of healthy snacks and breakfast meals like cornflakes, rolled oats, dry fruits which addresses health concerns in the society like diabetes and cardiovascular diseases.

Environment Friendly Products

The Company does not manufacture any products, but demonstrates responsible procurement in sourcing of products that meet the aspirational needs and addresses customer requirements.

With the increasing notifications on the ban of single use plastic across the country and changing perception of Indian consumers, the Company witnessed an exponential increase in sale of cotton bags and consumption of bags of roll made of paper and cornstarch. The Company ensures that any plastics retailed and used at stores comply with the provisions of Plastic Waste Management (Amendment) Rules, 2018.

The Company is conscious about customer welfare and environment health and accordingly retails products that are free of harmful chemicals like parabens, sulphates, silicon, formaldehyde releasing preservatives and microbeads. Essential goods like milk, oil, rice, wheat and salt fortified with vitamins and iron, biodegradable products, environment friendly paper products and a range of organic products certified by USDA are also available at stores.

The Company retails electronics under the brand name 'KORYO', wherein various product ranges include solar lanterns, air purifiers, air fryers, LED based products including :

(a) Water efficient invertor washing machines of high capacity ranging from 5 kg to 10 kg;

(b) Invertor air conditioners and refrigerators having BEE certification ranging between 3 star and 5 star and utilizing eco-friendly refrigerants.

Product Labelling

Products retailed at stores comply with the applicable regulations such as the Drugs and Cosmetics Act, Legal Metrology Act, Bureau of Indian Standards Specifications, Food Safety and Standards Act, Food Safety and Standards (Packaging and Labelling) Regulations, 2011 in addition to local applicable laws. The Company also

ensures compliance of labelling requirements as required to comply E-Waste Management Rules and Plastic Waste Management (Amendment) Rules, 2018.

FRL's private brand Koryo provides clear information on the safe and responsible usage of its products including guidelines for product handling, storage and disposal and makes sure that the same is explicitly visible. Procurement teams at Koryo, sources from large vendors who demonstrate compliance to local/national statutory requirements.

The Company is committed to build trust by disclosing information truthfully and factually including cautionary statements and through transparent communication.

Sustainable Sourcing

FRL endeavours to create minimum environmental impact from logistics and transportation and promotes local entrepreneurship. The Company provides market linkages for products produced by women small co-operatives and women entrepreneurs in Ahmedabad, Bengaluru and Delhi.

FRL sources fruits and vegetables directly from over 6,000 farmers and makes available to customers the seasonal produce found at specific geographies at affordable price like strawberries from Mahabaleshwar, oranges from Farmer Producer Companies in Warud and Paratwada in Nagpur, Kinnow orange directly from Abohar in Punjab, apples from Himachal Pradesh, green peas from Solan in Himachal Pradesh.

FRL retails a range of organic products under the "Mother Earth" brand and also sources incense sticks, agarbattis and dhoop under the "Pratha" brand. These are made by women entrepreneurs and small co-operatives both of which contribute to livelihood generation activities.

In the year under review, the Company sourced Forest Stewardship Council (FSC)[1] certified paper bags for its Big Bazaar stores, from a local convertor that helped in minimizing the environmental footprint by reducing paper consumption per bag by approximately 40%. The Company intends to increase procurement from certified sources in the coming years.

In the upcoming financial years, the Company plans to procure carry bags and fabrics made from natural cotton made by women entrepreneurs from small cities / town.

The Company is in the process of creating awareness and will assess its suppliers on specific parameters which inter-alia includes quality, compliances, human rights, health & safety and environment in the coming reporting period. The Company intends to ensure our suppliers adhere to our broad based sustainability targets for responsible supply chain in coming years. (Please refer to Principle 4 for more details).

Principle 3: Employee Welfare

Business should promote the well-being of all employees

The Company's retail processes create opportunities for a large number of value chain members and those employed at the Company's stores and offices. The Company remains committed to inclusion and hires those from diverse backgrounds and provides them the opportunity to experience and grow in the retail industry.

FRL's human resource policies are guided by the inherent values of the Group and are aligned with labour and human rights regulations that is applicable from time to time. FRL's HR policies ensure that there is no child labour, forced labour or any form of involuntary labour, paid or unpaid at any of its premises.

Non-Discrimination in Recruitment and Employment

With the presence of stores across the country, diversity and richness of culture the Company constantly seeks to maintain a diverse workforce through employments of Customer Service Associates (CSA) and identification of supply chain members, both of which are critical to the Company.

The Company's recruitment process evaluates candidates from entry through their journey on a values based assessment process. The Company uses gender neutral job descriptions and removes potential biases in screening, shortlisting and sourcing of candidate which is also consistent with employment related legislation.

At a pan India level, zonal offices have tied up with multiple not-for-profits organisations in villages and towns for sourcing of CSAs, thus providing entry level employees an opportunity to learn, grow and advance their careers.

The permanent manpower at FRL as on March 31, 2019 was as follows:

Total Employee Strength	No. of female employees	No. of differently abled
45,949	10,752	189

Levels (Band wise)	Home Office		Stores		Zone		Total
	Female	Male	Female	Male	Female	Male	
1	4	25	9,601	25,988	70	220	35,908
2	61	168	602	5,425	106	641	7,003
3	120	241	41	1,168	76	708	2,354
4	39	131		109	20	277	576
5	11	71			1	25	108
Total	**235**	**636**	**10,244**	**32,690**	**273**	**1,871**	**45,949**

1) FSC prohibits illegal logging, forest degradation and deforestation in certified areas and is the forest certification scheme backed by environmental NGOs like Greenpeace and the World Wide Fund for Nature.

Diversity and Women's Empowerment

The Company is keen to improve diversity, right from entry level bands to its senior leadership, with a focus on women's representation. FRL currently employs around 23.3% women in their workforce at Company level, an increase of upto 3% over financial year 2017-18.

Strengthening the Leadership pipeline:

- Leadership Academy: The Group looks at identifying its leadership team across various businesses through the institution of its Leadership Academy, an intricately curated 10 months intervention for leaders which has been developed to identify employees with leadership potential and strengthen their capacities through adequate training and project exposure.
- Assessor Certification: A 16 hour training programme for all senior management is conducted annually.

Young Leader induction programs:

- Future Business Innovator Program (FBI)

  The Company through its Campus Connect program hires management graduates from Welingkar Institute of Management & Research, IRMA at Anand and School of Communications at Manipal. These graduates are placed in a program that ensures learning in a fast paced environment for up-to a year in a General Management role. In the reporting year, total 25 FBIs were hired.

- Future Summer Samurai

  The program provided summer internship to 38 management graduates in the month of April-May 2018 for a period of 2 months, wherein they are mentored by Business Heads and get hands on experience.

Employee growth, training and development and overall well-being

The Company believes that a skilled and confident workforce will create greater value and in turn stronger communities. The Company ensures continuous skill and competence upgradation of all employees including customer service associates and new employees at stores by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. Training assessments are conducted on an annual basis for all employees. Some of the training programs by our large format and small format stores in the reporting period are:

Name of Training Programme	Training Description	No. of Participants	No. of Training Hours
Large Format Stores			
Prarambh	Trainee of new joinees for a 10 day store level induction programme	2,421	1,14,832
Avatar	Assistant manager, assistant stores manager and team leaders undergo training to enable them to achieve their career objectives. Some of the trainings include : • Effective communication; • Team management; • Customer service; • Conflict Management; • Planning and prioritizing; • Inventory Management; • Sales Analytics; • Cashiering; • Leadership; • Constructive conversation; • Decision making; • Beyond price tags; • Style Genie; • Personal impact; • Environmental Management	5,060	45,416
Foodhall Skill Training	Training to store staff on • Grooming; • Etiquettes; • Communication; • Cashiering; • Customer service; • First aid and fire safety; • FSSAI training;	2,279	12,195
	• Personality Development; • Butler training; • SOP Training; • Product and process training: - wine basic; - store basic; - better for you; - loss prevention; - seva neeti; - MPOS training		
STRIDE	Training to improve the skills of Assistant Store Manager to build Competencies	55	4,400

Name of Training Programme	Training Description	No. of Participants	No. of Training Hours
Others	• Analytical skills; • Problem solving; • VM Workshop; • SOP CSD; • Goldratt's Workshop; • Presentation Advantage; • FSSAI; • Entrepreneurship thinking; • Management trainee (MT) inductions; • Fashion forward; • Finance for non finance; • Gurukul; • Pragathi	1,868	28,264
Small Format Stores			
Induction Training	New Joiners Induction + On the Job training	7,839	28,22,040
Membership Certification	Membership and selling skills certification	158	1,264
OUST Learning	• Retail 3.0; • Expiry Management; • Markdowns; • Membership pre enrolment; • Membership enrolment; • Far eye app; • Member app; • Voice of Customer; • Picker app;	6,275	1,19,225
Others			
LEAP	Training intervention is defined to develop competencies of managers to create a leadership pool to take up larger responsibilities	82	3,104
FutuReady	An interactive and engaging induction & orientation program for all new joiners which explains them an overview of Future Group, its businesses, its values & culture and prepares them for their journey at Future Group.	178	1,424
Assessors Certification	A training programme of 16 hours must for all senior management is conducted annually.	294	4,704
Leadership Academy	An intricately curated 10 month intervention for leaders which has been developed to identify employees with leadership potential and strengthen their capacities through adequate training and project exposure.	63	1,008
Grand Total		**26,572**	**31,57,876**

Sensitisation of store employees towards Persons with Disabilities (PWDs)

As a part of Avesha, training programs were organized for store managers and employees of PWD friendly Big Bazaar stores on pan India basis with the objective of sensitising them to important aspects of dealing with People with Disabilities (PWDs).

A plan to create awareness at store level was also executed successfully in the reporting period, the sensitisation training also introduced participants to sign languages.

Zones	No of employees trained	No. of Training Hours
Mumbai	460	3,680
North (including Delhi NCR)	2,026	16,208
South (including Andhra Pradesh and Telangana)	5,996	47,968
West	68	544
East	1,010	8,080
Total	**9,560**	**76,480**

Promotion and Recognition

The Company through an internal evaluation process has advanced a number of its employees providing higher financial incentives.

Inter Band Promotion for 2018-19

Revised Band (2 to 5)	Band Description	No. of Employees
2	Specialist	365
3	Mid-Management	189
4	Management Advisory	51
5	Strategic	11
Total		**616**

Intra Band Promotion for 2018-19

Revised Band (1 to 5)	Band Description	No. of Employees
1	Coordinator	726
2	Specialist	299
3	Mid-Management	128
4	Management Advisory	27
5	Strategic	2
Total		**1,182**

Khushali program (Employee wellbeing)

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

- Housing Benefits

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

- Education Support

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

- Health Benefits

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

  Insurance policies such as Mediclaim, EDLI and Life security plans continue at Group level for eligible employees as per their grade.

Employee incentives

The Company provides benefits to its employees and dependents upto a maximum of five who can avail employee discount benefits at any of Future Group stores including Big Bazaar, Hypercity, fbb, Central, Brand Factory, Foodhall, Home Town, easyday and Nilgiris. This helps meet the daily and aspirational needs of the employees and its dependents in various categories like food, bakery, fashion, homecare, electronics and personal care product categories.

Other benefits

Employees are provided the liberty of a flexi time window to enable employees to achieve a work life balance on need basis.

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

The Company's small format stores like Heritage engages with its employees to explore ways to address store specific local challenges:

- Local conveyance and rental accommodation benefits are being provided to employees who are deployed at premium store locations;
- Organizing free health check-up and other wellness programs;
- Providing transfer options for our Customer Service Associates (CSAs) to other stores at selected locations or relocation to home stores locations.

Employee Health and Safety

The Company embraces the Group's policy of health and safety to ensure employee welfare through accident free operations.

The concerned team at Group level works on a regular basis to strengthen its checks and processes and the asset health and functioning of safety equipment at stores and offices. The Company is in process of setting up separate teams at office and identification of specific personnel at every store in addition to regular and periodical audit and mock drills as per requirement of local laws and authorities.

POSH Training

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

The Company organized 5 POSH trainings that was attended by 163 employees from Future Group who were sensitized about the definition, scope, investigation skills, identifying sexual harassment, how to avoid/protect oneself from being a victim of sexual harassment and the reporting procedure of sexual harassment complaints.

Principle 4: Stakeholder Engagement

Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

FRL believes that meaningful engagement and collaboration with stakeholders helps the Company

envision, address various opportunities and challenges proactively.

This common dialogue allows learning, understanding of the operating environment, pooling of resources to positively impact and resolve problems that makes the organization perform better.

The Company has identified its stakeholders and established periodic and effective communication with them.

Investor Engagement

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

The Investor Relations team also interacts regularly with investors and analysts, through quarterly results calls, one-on-one and group meetings, participation at investor conferences and the investors meet.

Employee Engagement

FRL engages with employees irrespective of their function and position within the organization and organizes various programs and activities to boost their morale, provide equal opportunities to nurture talent and develop their creativity. The employees in return are committed and passionate towards their individual, organizational goals and self-development.

Certain identified activities were undertaken during the year, which are summarized below:

- Encourages participation of store employees in various competitions on fruit carving, games, dance and painting, bowling, basketball and many more;
- Organizes employee welfare programmes by setting up free health checkups and dental checkups on a periodic basis;
- Undertakes reward and recognition activities on a periodical basis at store and office level and appreciates efforts towards customer service every day and specially on Retail Employees' Day;
- Undertakes quarterly outdoor activities at Foodhall format for store employees to create a spirit of team building and employee satisfaction. Activities include watching movies, team lunch, team outings, inter store sports, and competitions.
- Celebration of Birthdays and Anniversaries at Store and Office level;
- Celebrating festivals and traditional days along with employee's children and families. Activities include organising fun activities, distributing sweets and goodies;
- Organised desk yoga on the occasion of World Yoga Day;
- Celebrated world environment day through street plays, quiz and distribution of cloth bags to spread awareness on environment friendly practise, safe use and disposal of plastic;
- Celebrated Women's Day and engaged women with fun, educational and grooming sessions for all women employees.

Customer

FRL works towards addressing the requirements of the immediate community through active involvement of employees and customers, and collaborating with institutions and not-for-profits to carry out various activities:

Help us Help Kerala

Big Bazaar partnered with Goonj and encouraged customers on pan India basis to stand in solidarity with the people of Kerala by creating a platform for donating kits (comprising of water, dry foods, essential oil, health and hygiene products) that were distributed to the affected community through offline channels at stores and vide online platform. The Company also created modalities for donations towards Kerala CMs' distress relief fund within the given platform. (Please refer Principle 8, for more details)

Bano Kisi Ka Santa

Big Bazaar with the help of NGO partners - Magic Bus Foundation and Child Rights and You took a step to celebrate and be a cause of joy to children during Christmas 2018.

The Company created opportunities for customers to play Santa by gifting to children from weaker sections vide Big Bazaar stores and online portal. This generated delight to the lives of children participated.

Store outreach efforts

The stores celebrate days of national/international importance, promotes local festivals, cultures and tradition with its community including employees and also makes available essential products and service that bring joy amongst our members of the community.

Social Activities	West Zone	North Zone	East Zone	South Zone
Free Health Check Up		• BB-Noida, Grand Venice • BB-Ghaziabad, Kaushambi • BB-Varanasi, IP Grand		BB- Bengaluru-Hebbal
Free Dental Check up		BB-Ghaziabad, Aditya Mall		
Free Eye Check up		BB-Varanasi, IP Grand		BB- Bengaluru-Hebbal
Blood Donation Camp	BB-Manish Nagar, Nagpur		• BB-Barasat • BB-Jamshedpur • BB-Rourkela , • BB-Krishnaplaza • BB-PS Aviator • BB-Jorhat • BB-Dimapur	
Road Safety, working with traffic police			• BB-Krishnanagar • BB-Dimapur	
Visiting old age homes, terminally ill and orphanages (distribution of grocery, snacks, sweets garments and utility items)		• BB-Prayagraj • BB-Meerut • BB-Agra • BB-Vasant Kunj*	• BB-Asansol • BB-Barasat • BB-Bokaro • BB-Ranchi, BG Tower, Nucleus Mall • BB-Jamshedpur • BB-LIC, • BB VIP Road Kolkatta • BB-Saltlake • BB-Silchar	BB Vijayawada
Annasantharpane (last Friday of every month)				BB Mysuru Chamrajpuram
Festival celebrations* with local community (donations of grocery, water, juices and organising competitions)	• BB-Ajmer • BB-Rajkot • BB-Bharuch	• BB-Varanasi • BB & FBB- Prayagraj • BB-Mathura • BB-Meerut • BB-NCR region	• BB-Agartala • BB-Shreebhumi, Kolkata • BB-Dhanbad Sri Ram Mall • BB-Bokaro • BB-Ranchi, BG Tower, • BB-Jamshedpur • BB-Deoghar • BB-Nagpur • BB-Jalpaiguri • BB-Rabindrasarani, • BB-Woodsquare • BB-Darjeeling • BB-Dibrugarh	
Cleanliness drives – Swachh Bharat Abhiyan		• BB-Kangra • BB-Meerut	BB-Deoghar, Revolution Mall	
Yoga day with community#		BB-Mathura	BB-Guwahati	BB-Gokulam Road, Bengaluru
Young Elders Walkathon		BB-stores, NCR	BB-Ranchi, BG Tower	
Recycling Holi clothes	BB-Mumbai stores	BB-stores , NCR incl. Lucknow and Meerut	BB-stores Kolkata	BB-stores Chennai

* *Festivals: Janmashtami Seva (Matki Phod), Iftari during Ramadan, Chhath Puja (Juice Sewa), Cheti Chand (Sindhi Samaj), Baisakhi Seva, Jal Seva during Adhik Maas, Navratri, Durga Puja (Jal Sewa), Kanvar Yatra Seva, Holi, Sarhul Seva, Ram Navami Seva.*

\# *Yoga day: Encouraging community to participate in Yoga with help of local trainer.*

Supplier / Vendor Engagement

FRL is committed for promoting, increasing and improving the participation of the suppliers within its value chain.

As a leading retailer in India, the diversity within the value chain not only allows the Company to broaden the range of products and services provided to the communities served, but also develop product in line with the changing habits and local tastes of a given store or region. The Company is able to source from both large and small players including its Group's private brands in food category.

FRL also partners with its suppliers on new product development initiatives. In the reporting period, the Company collaborated with a major paper producer and identified convertors to develop paper bags that are sourced from sustainable sources, which helped the organization reduce its environmental footprint.

In the upcoming reporting years, the Company shall endeavour to incorporate key aspects (quality, compliance to applicable regulations, human rights, health and safety and environment) of the Group's sustainability guidelines during vendor registration and assess suppliers through a self-assessment questionnaire to ensure compliance to local regulations, adherence to social and environmental standards and monitor key aspects in an endeavour towards supply chain improvement.

Media

The Company engages with media to update about the developments in the Company. Regular interactions with print, television and online media take place through press releases, media events and quarterly results announcements. The Company also ensures timely and appropriate responses to media for any information requests within the stipulated disclosure norms.

Communities

The Company, through its stores and employees have identified and created multiple platforms to undertake community service. The coming years will see scaling up of these efforts, and ensuring that the community including the employees and customers are an integral part of this.

(Please refer to Store outreach efforts in this section and Principle 8 for more details)

Principle 5: Human Rights

Business should respect and promote human rights

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

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

In order to ensure no child labour in its operations, the Company documents age proofs and PAN cards or identical proof of all candidates hired or contracted. FRL ensures non-discrimination while communicating the job description through recruitment channels to give equal opportunity to all candidates irrespective of their caste, race, religion or gender.

The upcoming reporting period will see the Company sensitise value chain members and include key sustainability criteria in contracts of suppliers, contractors and vendors such as compliances to applicable labour laws, salary / wage payments within prescribed time limits, medical facilities, and also ensuring compliance of applicable deductions including PF, ESIC, contributions to various funds like Gratuity and other retirement benefits as applicable from time to time.

Employees at FRL are provided with ample opportunities to voice their needs. With an open door policy within the Company, it helps employees to express their grievances, feedback or suggestion to senior management for sound resolution. In view of this, the need of employees to participate in collective bargaining activities was not required. No complaints were received during the year under review.

The Chairman & Managing Director regularly interacts with all employees through e-mails and regular briefings, and all employees are encouraged to directly write to him on his email address. The Company ensures that stakeholders including consumers and communities impacted by the business have access to grievance mechanism.

Principle 6: Environment

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

Resource efficiency is an important pillar of the sustainability framework of the organisation. The Company embraces the Group's policies with respect to the Environment including its Energy and Carbon, Water Stewardship, Waste to Wealth and Health & Safety policies in an endeavour to use resources efficiently and comply with applicable environmental norms within the local and national boundaries.

Energy Efficiency and Climate Stewardship

The Company has taken an internal target to reduce its energy consumption by 20% across all stores by 2022 and is committed towards low carbon transformation by sourcing energy from renewable sources, utilizing IOT platforms and improving efficiency of its energy intensive equipment.

The Company has reduced its' carbon footprint through various actions, some of these are mentioned herein:

- Installed aircosavers in Big Bazaar, fbb and Hypercity stores across Karnataka, Andhra Pradesh, Telangana and Kerala which is expected to bring in 10% savings in HVAC load as per pilot study carried out by the Company;
- Small format stores of appx. 2,000 sq.ft., have installed end to end IOT platform at more than 20 store locations in Pune and MMRDA that support monitoring of asset health, energy monitoring, power quality monitoring, air quality control and optimizing operations of HVAC viz. based on footfalls, thermal comfort and scheduled on and off control coupled with manual overrides to increase or decrease set temperatures. The initiative has resulted in savings up to 10% of total energy consumption at identified stores;
- Installed timer based controls for lighting and HVAC to schedule on and off of the equipment in identified Big Bazaar stores in Delhi resulting in 10% savings on overall consumption of stores;
- Replacement of 2X28W LED lighting fixtures with 1x28W LED lighting fixtures across which has resulted in approx. 6% saving in energy from lighting purpose at the stores;
- Converting open door chillers to closed door chillers resulting in energy has resulted in savings of upto 15% savings in refrigeration operations at identified stores.

Various sensitization activities including switching off unessential lighting at stores and offices was undertaken on Earth Day. The Company empowers employees at offices to make a choice and improve their energy consumption by providing manual overhead controls for lighting fixtures.

In the upcoming years, the Company endeavours to:

- Implement mechanisms to measure and monitor energy consumption including diesel at all stores, track refill rates of refrigerant gases in HVAC and refrigerators, deploy key performance indicators, undertake carbon foot-printing studies and develop a climate strategy to showcase the commitment of the Company as a climate steward;
- Scale up activities undertaken in the current reporting period;
- Installation of energy efficient chiller, which is expected to generate energy savings of 6% in overall consumption;
- Identification and installation of rooftop solar and accessing renewable energy at feasible locations;
- Retrofit IOT based solutions in more than 150 Big Bazaar stores, which will provide 10% savings in overall energy consumption through timer based controls for chillers, weather based controls and occupancy sensor based controls;
- Retrofit existing HVAC systems with invertor based HVAC systems, using eco-friendly refrigerants which will ensure up to 15% energy savings in cooling operations, the Company has undertaken pilots in the year under review.

FRL audits its emissions and conducts checks in order to comply with emission norms from DG sets as defined by CPCB at periodic intervals.

Material consumption

With Responsible Consumption as the objective, the Company took a pledge to reduce paper consumption by 50% in offices and at stores by 2021 over 2018 baseline. The Company sensitized employees on the environmental impacts of paper wasted and promoted the concept, ways and means to reduce – reuse – recycle.

The Company undertook the following initiatives:-

- Reduced its POS roll consumption/bill by 18% at various stores by optimizing the bill structure and through lever realignment of printers;
- Paper consumption audits were undertaken, tech based interventions to control and reduce paper consumption by 15% was undertaken in the reporting period.

During the period under review, several pilots were undertaken by the Company to reduce paper consumption which shall be undertaken in the upcoming financial year at FRL. Digital invoicing was rolled out by another Group company and the Company will begin implementing the same in the coming financial year.

Detailed below are a couple of customer connect platforms that was piloted at selected Big Bazaar stores with the objective of creating awareness amongst both employees and customers, delivering economic, environmental and social value:

Holi Clothes Recycling

Holi, a festival of colours and happiness is celebrated across different parts of the country. Whilst participating in Holi celebrations, the clothes that are worn often gets stained rendering it unwearable and then these clothes are often thrown away and end up in landfills.

During this year during Holi, Big Bazaar partnered with "Goonj" to launch a recycling campaign for Holi stained clothes across 93 stores in Mumbai, Chennai, Delhi NCR, Lucknow, Meerut and Kolkata. During the campaign, customers were incentivized to bring back and drop in their stained garments. The campaign saw an overwhelming response and more than 50,000 clothes were collected from around 27,000 Big Bazaar customers.

The clothes were collected, re-processed and upcycled at Goonj Processing Centres and converted into sitting mats and quilts that have benefitted over 5,000 children in over 50 schools located in extreme climatic regions, thereby creating a better learning environment, providing comfort and also promoting good hygiene practices.

Recycling Plastic Bottles Campaign: Plastic Lao Paise Kamao

In adherence to the Plastic Waste Management (Amendment) Rules 2018, Big Bazaar is supporting brand owners by creating a collection mechanism for the brand's packaging at Point of Sale in stores.

This Extended Producer Responsibility (EPR) mechanism is available at BB stores in Mumbai, Navi Mumbai, Thane, Solapur, Kolhapur, Latur, Tarapore, Nashik and Ahmednagar, while creating awareness amongst customers of Big Bazaar.

Waste management

FRL's compliance to waste management is limited to disposal of e-wastes generated through electronic product brand 'KORYO' and have partnered with authorised e-waste handlers across India.

Further, there were no show cause and legal notices received by the Company which are pending from the CPCB or SPCB at any of the Company's operations.

Principle 7: Public Advocacy

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

FRL focuses on building excellence in retail, while interacting with key stakeholders. The senior leadership team continue to share invaluable experience to provide incisive insights at various conferences involving industry leaders as knowledge sharing practice.

FRL is committed to public good, however the Company has not actively advocated or lobbied directly with government officials or institutions. FRL actively participates in industry events and is a member of the Retailers Association of India (RAI). The operational team continue to learn from the best practices of others. Management and the senior leadership team interacts with various professional bodies and organizations to anticipate and understand the government regulations, economic scenario, industrial environment and advancement of public goods and services.

Principle 8: Inclusive Growth

Business should support inclusive growth and equitable development

Inclusive growth and sustainability are key components of strategy and business practices at FRL in creating 'Happy Communities'. The Company listens to the voice of the disadvantaged stakeholder and strives to reach out and support these in partnership with its customers and third sector partners.

Engagement with People with disabilities

The Company believes that shopping should be accessible to everyone. The joy of shopping is a feeling which everyone i.e. senior citizen, pregnant women, temporarily disabled & people with disabilities should experience to navigate, bargain, talk, discover and shop like any other shopper. Big Bazaar wants to foster inclusiveness and is on a mission to make everyone shop irrespective of race, religion, income, age or disability.

Big Bazaar 'Sabke Liye' initiative has resulted in 140 Big Bazaar stores having disability friendly trial rooms, accessible washrooms, wheelchair friendly ramps, shopping assistance, sit down billing, free home delivery and priority checkouts for shoppers with special needs. Families with babies can enjoy shopping at Big Bazaar which is now also having diaper changing stations.

During the reporting period, Big Bazaar launched a Braille Shopping Guide on World Braille Day making shopping independent and enjoyable. Reserved parking for shoppers with special needs, wider aisles and obstacle free navigation are some of the value added services that have benefitted the disadvantaged society.

Big Bazaar encourages people with special needs through various campaign to experience shopping independently and make them feel special. In December, 2018 the Company organized a Looking Ahead workshop for people with blindness at 13 Big Bazaar stores across India.

More than 400 people with visual impairment participated in the three phased workshop promoting:

- **Eye for Fashion -** A workshop on fashion tips and styling for women with blindness conducted by experts;
- **You Look Beautiful -** A workshop on beauty and personal grooming for women with blindness;
- **Cooking Without Looking -** Hands on training on cooking food and beverages using safe cooking equipments.

Further in SPARK 2019, the annual business meet of Future Group, the idea was promoted by two models having locomotive and visual disability, as show stoppers in an inclusive fashion show.

The Quiet Hour

Shopping can be very stressful and painful experience for people with neuro development disorders such as Autism. The bright lights, loud music and crowds of people can trigger anxiety. The sheer demographic magnitudes in Indian cities makes shopping a crowded experience for all persons with sensorial processing difficulties, including autism , preventing them from experiencing shopping in a pleasant and fulfilling way.

On December 3, 2018, Big Bazaar, Matunga organized quiet hour, a unique concept, first of its kind to make shopping environment conducive to people with autism. The concept will be a weekly feature for one hour on Tuesdays for shoppers at 9 (nine) Big Bazaar stores located at Hebbal, Bengaluru, Matunga, Mumbai, City Square, Guwahati, Vasal Mall, Jalandhar, Vasant Kunj, New Delhi, Elante Mall, Chandigarh, City Square, Jaipur, Hiland Park, Kolkata and Amanara Town Centre, Pune

FRL also partners with various not-for-profits organisations like Youth4Jobs Foundation, Sarthak Educational Trust and Trust for Retailers & Retail Associates of India (TRRAIN Foundation) to train and create livelihood opportunities for Persons with Disability (PwD) in the retail industry. In the reporting period, FRL has hired PwDs who are employed as cashiers and at back end operations. The Company sensitizes employees on inclusion and becoming more receptive to PwD customers through AVESHA (For more details refer to Principle 3)

Further disclosures with reference to non-discrimination at the work place including persons with disabilities and minorities, respecting employee dignity and human rights may be referred to under Principles 3, and 5 of this report.

Social Responsibility Programs

Pursuant to the requirements detailed in Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by the Ministry of Corporate Affairs ("MCA") the Company has in place its Corporate Social Responsibility ("CSR") policy.

The Company implements its CSR programs through the Group's "Sone Ki Chidiya" Foundation ("SKC Foundation").

SKC Foundation has been set up *inter-alia* with objectives of undertaking projects that support community welfare thus creating social value, economic empowerment and environmental value. It seeks to inspire our employees and value chain members to volunteer and participate on key issues that affects communities in areas where stores, offices and warehouses are located.

During the reporting period, the Company was mandated to spend ₹ 6.76 crore on CSR projects as per an agreed plan, which was transferred to the SKC Foundation to be disbursed on various projects and activities as per provisions of Schedule VII of the Companies Act. An amount of ₹ 5.74 crore was spent in the reporting period.

Humanitarian Relief

Disasters create devastating human suffering that demands coordinated, swift relief efforts. Big Bazaar provides basic goods like food supplies and garments, as required by the community in a safe and timely manner with the support of on-ground partners.

Kerala Flood Relief

Big Bazaar in partnership with customers and Goonj provided relief kits, which equipped communities in Kerala State to sustain the damages caused due to floods.

Further, the Company aggregated cash worth ₹ 0.07 crore as donations by customers vide offline and online platform which was donated to Kerala CM's Distress Relief Fund (KCMDRF). The Company also matched the cash contributions of its customers and submitted the same to the KCMDRF.

Nathapur Fire Hazard

The Company through the SKC Foundation extended support and help for needy and affected people of various families during Nathapur Fire Hazard which took place in March 2019.

Creating Social Value

Some of the activities undertaken in relation to social value are mentioned below:

Promoting Education

The Company donated ₹ 0.25 crore towards Maheshwari Vidya Pracharak Mandal for construction of a girls hostel at Airoli, Mumbai which will benefit over 75 young women pursuing their higher education.

The Company donated ₹ 0.10 crore towards Friends of Tribal Society in Wada district in Palghar. These 50 Ekalvidyalayas helps to promote the culture of continuous learning through education amongst more than 1,500 tribal children.

Creating Access to Better Healthcare Facilities

FRL partnered with Parmath Seva Samiti to provide a better recuperative and living environment for the caretakers of cancer survivors and patients seeking palliative care in Mumbai by donating ₹ 0.46 crore for the construction of residential facilities in Mumbai.

Reducing Inequalities through access to nutritious food

The Company donated oats worth ₹ 0.05 crore to a large network of children's homes, shelter homes for the homeless and non-formal education centers across Mumbai, Delhi NCR, Bengaluru under the midday meal programmes run by Responsenet Development Services. Through such food assistance, over 16,200 food insecure children were provided nutrition rich meals including breakfast and snacks.

Reducing Inequalities faced by socially and economically backward groups by providing basic goods:

The Company provided goods worth ₹ 4.87 crore to affected communities and has so far provided to over a lakh members of the community in 21 states and 2 union territories.

State	District/Cities	NGO Partners	Beneficiaries
Andhra Pradesh	Visakhapatnam, Vijayawada, Rajahmundry, Chittoor	The Akshaya Patra Foundation, Youth4Jobs Foundation	200 youth with disability and 19,553 children in 91 government schools

State	District/Cities	NGO Partners	Beneficiaries
Assam	Guwahati	Shishu Sarothi, Youth4Jobs, Indian Council for Child Welfare	78 youth with disability and 136 children
Bihar	Dhanbad, Gaya	Responsenet Development Services	378 children
Chandigarh	Chandigarh	Sarthak Educational Trust, Sai Swayam Society	580 youth with disability
Chhattisgarh	Korba	Responsenet Development Services	483 children
NCT of Delhi	Delhi, Gurugram	Navjyoti India Foundation, Sahyog Care for You, Magic Bus India Foundation, SAKSHAM, Sarthak Educational Trust, Sai Swayam Society, Society for Upliftment and Development of Human Beings by Action	4,953 children and 4,099 youth with disability
Gujarat	Ahmedabad	Blind Peoples Association, Youth4Jobs Foundation, Samvedana Trust, Sai Swayam Society	1,175 children with disability and 1,500 children
Haryana	Ambala, Faridabad	Sarthak Educational Trust	800 youth with disability
Himachal Pradesh	Haldwani	DHAROHAR Vikas Sanstha	25 children
Jharkhand	Ranchi, Seraikela Kharsawan, Giridih	Youth4Jobs Foundation, Technology Resource Communication and Service Centre. Responsenet Development Services	40 youth with disability and 1,183 children
Karnataka	Bengaluru, Mangaluru	Seva Sahayog Foundation, ActionAid, Voice of Needy Foundation, Youth4Jobs Foundation	200 youth with disability and 3,997 children
Kerala	Wayanad, Idduki, Kannur, Thrissur, Malappuram, Kottayam, Pathanamthitta, Palakkad, Alappuzha and Ernakulum	Goonj	13,500 families from marginalized communities
Madhya Pradesh	Bhopal	Sarthak Educational Trust	400 youth with disability
Maharashtra	Mumbai, Pune, Nagpur, Ahmednagar, Bhiwandi	Youth4Jobs Foundation, Sarthak Educational Trust, Seva Sahayog Foundation, Mann Center for Individuals with Special Needs, All India Institute of Local Self- Government	1,090 youth with disability including 120 youth with autism and intellectual disability and 3,582 children
Nagaland	Dimapur	Community Educational Centre Society	1,553 children from Naga Society
Orissa	Bhubaneswar, Cuttack, Sambalpur, Puri, Angul, Mayurbhanj, Dhenkanal, Bolangir, Sundergarh, Keonjhar	Handicapped Welfare Organisation, Youth4Jobs Foundation, Adruta Children Home	88 youth with disability including 48 youth with intellectual disability and 450 orphan children

State	District/Cities	NGO Partners	Beneficiaries
Punjab	Jalandhar, Ludhiana, Barnala	Nari Niketan, Sarthak Educational Trust, Sai Swayam Society	39 children and 580 youth with disability
Puducherry	Puducherry	Youth4Jobs Foundation	40 youth with disability
Rajasthan	Jaipur	Youth4Jobs Foundation, Seva Sahayog Foundation, Sai Swayam Society	620 youth with disability and 2,934 children
Tamil Nadu	Chennai, Coimbatore, Trichy	Seva Sahayog Foundation, Youth4Jobs Foundation	130 youth with disability and 1,925 children
Telangana	Hyderabad, Warangal	Youth4Jobs Foundation, The Akshaya Patra Foundation, Sarthak Educational Trust, Responsenet Development Services	540 youth with disability and 20,608 children
Uttar Pradesh	Agra, Ghaziabad, Lucknow, Noida	TEARS Agra, Sarthak Educational Trust, Sai Swayam Society	1,134 children with intellectual disability
West Bengal	Kolkata, Siliguri, Asansol, Durgapur	Hope Kolkata Foundation, Youth4Jobs Foundation, Siliguri Bhawana Society, FMR- India Asha Niketan, Sarthak Educational Trust, Sai Swayam Society.	409 children and 643 youth with disability

(For more details, please refer to CSR Report annexed to Directors' Report for the year ended March 31, 2019)

Projects scheduled for deployment in the course of FY 2019-20

The Company has finalised partnerships with not-for-profits organisations in various cities on pan India basis aimed at vocational training and employment opportunities for persons with disabilities

Principle 9: Value to customers and consumers

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

FRL adheres to key customer values that matters and constantly works towards increasing customer loyalty by adhering to highest standards of quality and compliance requirements.

To lend credence to its motto 'Sab Ke Liye", the Company consistently provides customer connect platforms at its stores and through its outreach efforts with underserved communities.

As in past years, the Learning and Development Team and the Operations SPOC are continually involved in training of employees from Customer Service Team on pan India basis for better customer service, improving knowledge of technology, especially the CRM at the Customer interface to cater to customer grievances and feedback.

FRL has integrated Microsoft CRM with Field Partner CRM for complete transparency and visibility of field service.

The customer based survey, internally branded as Voice of Customer (VOC) runs on the Net Promoter Score (NPS) platform. During the reporting period, the Company saw a marked improvement in the NPS score and it has set out internal target going forward.

The Company proactively interacts with customers for higher customer centricity and better response (Please refer to Principle 4 for more details related to customers) and have set in place a strong grievance mechanism, conducted through CRM software to address complaints (Please refer to Principle 1 for more details on grievance mechanism).

FRL ensures that its marketing and advertising campaign and communications do not confuse or mislead the consumers or violate any of the principles in these Guidelines. (Please refer to Principle 2 for more details with regards to Product Labeling).

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

4 YEARS FINANCIAL SUMMARY

Key Highlights of Financial Position

(₹ in crore)

Particulars	Mar-19##	Mar-18	Mar-17	Mar-16*
Share Capital	100.52	100.40	94.36	8.70
Reserves & Surplus	3,751.43	2,995.87	2,459.30	1,779.92
Net Worth	3,851.95	3,096.27	2,553.66	1,874.19
Total Borrowings	2,657.04	1,286.41	1,244.13	1,122.40
Capital Employed	6,508.99	4,382.68	3,797.79	2,996.59
Net Block	1,440.82	1,018.56	553.78	260.93
Investments	104.00	0.01	0.00	-
Inventory	5,065.59	4,417.41	3,735.16	3,297.24

Key Highlights of Financial Results

(₹ in crore)

Particulars	Mar-19##	Mar-18	Mar-17	Mar-16*
	12 Months	12 Months	12 Months	12 Months
Sales & Operating Income	20,164.90	18,477.97	17,075.09	6,844.96
Total Income	20,185.37	18,489.64	17,098.89	6,860.47
COGS	14,781.08	13,740.68	12,834.35	5,065.12
PBDIT	1,057.38	843.99	605.09	101.06
Interest	223.98	175.38	204.23	49.75
Depreciation	100.59	53.43	32.58	36.76
Profit Before Tax	732.81	615.18	368.28	14.55
Profit After Tax	732.81	11.31#	368.28	14.55

Key Financial Ratios

Particulars	Mar-19##	Mar-18	Mar-17	Mar-16*
COGS/Sales & Operating Income(%)	73.30%	74.36%	75.16%	74.00%
Interest/Total Income (%)	1.11%	0.95%	1.19%	0.73%
PBDIT/Interest (Debt-Service Ratio)	4.72	4.81	2.96	2.03
PBDIT/Total Income (%)	5.24%	4.56%	3.54%	1.48%
PBT/Total Income (%)	3.63%	3.33%	2.15%	0.21%
PAT/Total Income (%)	3.63%	0.06%	2.15%	0.21%
Basic EPS (₹)	14.58	0.23	7.81	0.66
Debt Equity Ratio	0.69	0.42	0.49	0.60

Note: * The Company's Retail business was realigned in FY 2015-16 pursuant to the scheme of arrangement between Future Retail Limited and Future Enterprises Limited (FEL) and vesting of Retail business of FEL with the Company and transfer of Retail Infrastructure business to FEL.

\# In the previous financial year, the Company has a non-cash exceptional item of ₹ 603.87 crore resulting in reduction of profit by the same amount.

The financial results for the year ended March 31, 2019 are not comparable with previous years, due to effect given to demerger of Home Retail Business undertaking to Praxis Home Retail Limited and vesting of demerged Retail Undertaking of Heritage Foods Retail Limited and demerged Retail Business Undertaking of Hypercity Retail (India) Limited with the Company at different period of times during the previous years and in the financial year under review.

INDEPENDENT AUDITORS' REPORT

To the Members of
FUTURE RETAIL LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Future Retail Limited, ("the Company") which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	Revenue Recognition Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers".	Principal Audit Procedures We assessed the appropriateness of the revenue recognition accounting policies, including those relating to discounts by comparing with new revenue accounting standard. Tested the relevant information technology system's access and change management controls which govern revenue recognition interfaces between different systems and key management controls over revenue recognition to assess the completeness of the revenue entries being recorded in the accounting system. We performed substantive testing by selecting samples of discount transactions recorded during the year and comparing the parameters used in the calculation of the discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of the discounts was in accordance with the terms and conditions defined in the corresponding schemes. Performed analytical procedures for reasonableness of revenues.
2	Valuation of Inventory We identified this matter as key in our audit due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory.	Principal Audit Procedures Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process. Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard. Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system. Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory. Verification of the determination of net realizable value on a representative sample basis

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

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

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid Standalone Financial Statements comply with Ind AS specified under Section 133 of the Act, read with relevant rule issued there under.
   e. On the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act.
   f. With respect to the adequacy of Internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "Annexure B" our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
   g. With respect to the other matters to be included in the Auditor's in the Auditor's Report in accordance with requirement of section 197(16) of the Act, as amended:

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

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. : 119850W

Ashok A. Trivedi
Partner
Membership Number: 042472

Mumbai
May 25, 2019

Annexure A to the Independent Auditor's Report

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

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

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

c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed, conveyance deed provided to us, we report that, the title deeds, comprising the immovable properties of land, are held in the name of the Company as at the Balance Sheet date.

ii. The management has conducted physical verification of inventory at regular intervals during the year. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material having regard to the size of the operations of the company.

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

iv. In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to guarantee given.

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

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

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

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

c. Details of dues of Sales Tax, Value Added Tax and Stamp Duty which have not been deposited as at March 31, 2019 on account of dispute are given below:

Name of the Statute	Nature of the dues	Amount (₹ In Crore)	Period to which the amount relates	Forum where dispute is pending
The Indian Stamp Act, 1899	Stamp Duty	9.53*	FY: 2008-09; FY: 2015-16	District Collector of Stamp, Gautambudhnagar, U.P.; Collector of Lucknow; ADM (F & R),; The Collector of Stamps Preet Vihar, Delhi
Central Sales Tax Act and Local Sales Tax Act	Central Sales Tax and Local Sales Tax (including Value Added Tax)	17.22*	FY: 2011-12; FY: 2013-14; FY: 2014-15; FY: 2015-16; FY: 2016-17; FY: 2017-18.	Dy. Commissioner of Sales Tax; Joint Commissioner of commercial Taxs, Appeal-3; Comm. Tax Circle-P, Jammu ; Tribunal

*Net of amount paid under protest

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

ix. Based on our audit procedure and on the basis information and explanation given by the management, we are of the opinion that money raised by company by way of term loan have been applied for the purpose for which they were raised. The company did not raise any money by way of Initial Public offer or further public offer.

x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company was noticed or reported during the year, although there were some instances of fraud on the Company noticed by the Management, the amounts whereof were not material in the context of the size of the Company and the nature of its business and the amounts were adequately provided for.

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

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

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

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

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

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

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. : 119850W

Ashok A. Trivedi
Partner
Membership Number: 042472

Mumbai
May 25, 2019

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Future Retail Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may

become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. : 119850W

Ashok A. Trivedi
Partner
Membership Number: 042472

Mumbai
May 25, 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	**862.64**	488.62
Capital Work-in-Progress	2	**147.82**	24.31
Intangible Assets	3	**578.18**	529.94
Intangible Assets Under Development	3	**42.36**	9.27
Financial Assets			
Investments	4	**104.00**	0.01
Deposits	5	**395.32**	273.49
Other Financial Assets	6	**0.13**	0.31
Other Non-Current Assets	7	**275.14**	132.66
Total Non-Current Assets		**2,405.59**	1,458.61
2. Current Assets			
Inventories	8	**5,065.59**	4,417.41
Financial Assets			
Trade Receivables	9	**316.46**	238.35
Cash and Cash Equivalents	10	**204.91**	175.34
Bank Balances Other Than The Above	11	**47.90**	39.64
Deposits	12	**1,540.13**	1,306.50
Other Financial Assets	13	**99.84**	82.90
Other Current Assets	14	**847.26**	475.73
Total Current Assets		**8,122.09**	6,735.87
Total Assets		**10,527.68**	8,194.48
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	**100.52**	100.40
Other Equity	16	**3,751.43**	2,995.87
Total Equity		**3,851.95**	3,096.27
Liabilities			
1. Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	**375.31**	223.33
Provisions	18	**57.76**	52.26
Other Non-Current Liabilities	19	**136.99**	118.50
Total Non-Current Liabilities		**570.06**	394.09
2. Current Liabilities			
Financial Liabilities			
Borrowings	20	**2,178.67**	1,001.41
Trade Payables	21		
Due to Micro and Small Enterprises		**19.31**	16.17
Due to Others		**2,918.01**	3,408.06
Other Financial Liabilities	22	**121.40**	83.27
Provisions	23	**7.71**	3.97
Other Current Liabilities	24	**860.57**	191.24
Total Current Liabilities		**6,105.67**	4,704.12
Total Equity and Liabilities		**10,527.68**	8,194.48
The accompanying notes are an integral part of the financial statements.	1-53		

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2019

For and on behalf of Board of Directors

Kishore Biyani
Chairman & Managing Director

Rakesh Biyani
Jt. Managing Director

Ravindra Dhariwal
Director

Gagan Singh
Director

Shailendra Bhandari
Director

Sridevi Badiga
Director

Rahul Garg
Director

C. P. Toshniwal
Chief Financial Officer

Virendra Samani
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
INCOME			
Revenue From Operations	25	**20,164.90**	18,477.97
Other Income	26	**20.47**	11.67
Total Income		**20,185.37**	18,489.64
EXPENSES			
Purchase of Stock-In-Trade		**15,431.85**	14,422.55
Change in Inventories of Stock-In-Trade	27	**(650.77)**	(681.87)
Employee Benefits Expense	28	**1,074.41**	929.95
Finance Costs	29	**223.98**	175.38
Depreciation and Amortization Expense	2&3	**100.59**	53.43
Other Expenses	30	**3,272.50**	2,975.02
Total Expenses		**19,452.56**	17,874.46
Profit Before Exceptional Item and Tax		**732.81**	615.18
Exceptional Item	31	**-**	(603.87)
Profit Before Tax		**732.81**	11.31
Total Tax Expense	35	**-**	-
(1) Current Tax		**-**	-
(2) Deferred Tax		**-**	-
Profit For The Year		**732.81**	11.31
Other Comprehensive Income For The Year		**5.81**	1.96
Fair Value Changes On Investment		**0.00**	0.00
Re-measurement Gains on Defined Benefit Plans		**5.81**	1.96
Total Comprehensive Income For The Year		**738.62**	13.27
Earnings Per Equity Share of Face Value of ₹ 2/- each	39		
Basic And Diluted		**14.58**	0.23
The accompanying notes are an integral part of the financial statements.	1-53		

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2019

For and on behalf of Board of Directors

Kishore Biyani
Chairman & Managing Director

Rakesh Biyani
Jt. Managing Director

Ravindra Dhariwal
Director

Gagan Singh
Director

Shailendra Bhandari
Director

Sridevi Badiga
Director

Rahul Garg
Director

C. P. Toshniwal
Chief Financial Officer

Virendra Samani
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
(A)	**EQUITY SHARE CAPITAL**		
	Opening Balance	**100.40**	94.36
	Issue of Equity Shares Under Employee Stock Option Scheme	**0.12**	0.03
	Issued Pursuant to the Scheme of Arrangement	**-**	3.57
	Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	**-**	0.57
	Issued Pursuant to the acquisition of Equity shares of Hypercity Retail (India) Limited	**-**	1.86
	Closing Balance	**100.52**	100.40
(B)	**OTHER EQUITY**		
	Share Capital Suspense		
	Opening Balance	**-**	3.57
	Issued Pursuant to the Scheme of Arrangement	**-**	(3.57)
	Closing Balance	**-**	-
	Retained Earnings		
	Opening Balance	**(112.02)**	(125.29)
	Profit For The Year	**732.81**	11.31
	Other Comprehensive Income For The Year		
	Fair Value Changes On Investment	**0.00**	0.00
	Re-measurement Gain on Defined Benefit Plans	**5.81**	1.96
	Closing Balance	**626.60**	(112.02)
	Capital Reserve		
	Opening Balance	**(124.20)**	2,273.54
	On Composite Scheme of Arrangements	**-**	(2,397.74)
	Closing Balance	**(124.20)**	(124.20)
	Securities Premium		
	Opening Balance	**3,224.69**	6.02
	Issue of Equity Shares	**7.92**	1.93
	Issued Pursuant to the Scheme of Arrangement	**-**	291.43
	Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	**-**	153.63
	Issued Pursuant to the acquisition of Equity shares of Hypercity Retail (India) Limited	**-**	498.14
	On Composite Scheme of Arrangement	**-**	2,273.54
	Closing Balance	**3,232.61**	3,224.69

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	As at March 31, 2019	As at March 31, 2018
Securities Premium Reserve Suspense		
Opening Balance	-	291.43
Issued Pursuant to the Scheme of Arrangement	-	(291.43)
Closing Balance	-	-
Share Options Outstanding Account		
Opening Balance	**7.40**	4.08
Employee Stock Option Expense	**16.44**	5.13
Exercise of Stock Options	**(7.42)**	(1.81)
Closing Balance	**16.42**	7.40
Equity Component of Optionally Convertible Debentures		
Opening Balance	-	5.95
Conversion of Optionally Convertible Debentures (Equity Component)	-	(5.95)
Closing Balance	-	-
TOTAL OTHER EQUITY	**3,751.43**	2,995.87

As per our report of even date attached

For NGS & Co. LLP
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Firm Registration No. 119850W

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Mumbai
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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 Before Tax	**732.81**	11.31
	Adjustments For:		
	Depreciation and Amortization Expense	**100.59**	53.43
	Finance Costs	**223.98**	175.38
	Loss on Sale of Investment	**-**	603.87
	Employee Stock Option Expense	**16.44**	5.13
	Allowance for Credit Losses	**5.55**	2.75
	Loss on Disposal/Discard of Fixed Assets (Net)	**8.51**	1.41
	Interest Income	**(17.70)**	(10.82)
	Operating Profit Before Working Capital Changes	**1,070.18**	842.46
	Adjustments For:		
	Trade Receivables	**(83.66)**	(30.24)
	Deposits, Other Financial Assets and Other Assets	**(878.89)**	(26.70)
	Inventories	**(648.18)**	(742.17)
	Trade Payables	**(486.91)**	681.23
	Other Financial Liabilities, Other Liabilities and Provisions	**741.02**	(76.85)
	Cash Generated From/(Used in) Operations	**(286.43)**	647.73
	Taxes Paid	**(15.59)**	(15.40)
	Net Cash Flows From/(Used in) Operating Activities	**(302.02)**	632.33
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment and Intangible Assets	**(687.99)**	(375.86)
	Purchase of Investment	**(103.99)**	(111.72)
	Sale of Investment	**-**	7.85
	Interest Received	**17.70**	10.82
	Net Cash Flows Used In Investing Activities	**(774.28)**	(468.91)
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from Issue of Shares	**0.62**	148.40
	Proceeds from Borrowings	**1,329.23**	(103.49)
	Interest Paid	**(223.98)**	(175.38)
	Net Cash Flow from/(Used In) Financing Activities	**1,105.87**	(130.47)
	On Composite Schemes of Arrangement	**-**	13.93
	Net Increase/(Decrease) In Cash and Cash Equivalents	**29.57**	46.89
	Net Increase/(Decrease) In Cash and Cash Equivalents	**29.57**	46.89
	Cash and Cash Equivalents (Opening Balance)	**175.34**	128.45
	Cash and Cash Equivalents (Closing Balance)	**204.91**	175.34

As per our report of even date attached

For NGS & Co. LLP
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Company Overview and Significant Accounting Policies

1.1 Company Overview

Future Retail Limited ('The Company') is a public Company domiciled in India and incorporated on February 7, 2007. The Company is engaged in the business of retailing of fashion, household and consumer products through departmental and neighbourhood stores under various formats across the country.

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

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 25, 2019.

1.2 Basis of Preparation of Financial Statements

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

1.3 Use of Estimates

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

1.4 Revenue Recognition

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

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative-catchup transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Sale of Products

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

Rendering of Services

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

Interest Income

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

Dividend Income

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

1.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

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

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

Building	:	30 years
Plant and Equipment	:	15 years
Office Equipment*	:	3 to 6 years
Furniture and Fixture	:	10 years
Leasehold Improvement*	:	Lease term or 15 years, whichever is lower
Vehicle	:	8 years

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

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

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

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

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

1.6 Intangible Assets

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

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

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

1.7 Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on

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

1.8 Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense on a straight line basis in Statement of Profit and Loss over the lease term.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss.

1.9 Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when it is:

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

All other liabilities are classified as non-current.

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

1.10 Measurement of Fair Value

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

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

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

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

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

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

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

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

1.11 Financial Instruments

(i) Initial Recognition and Measurement

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

(ii) Subsequent Measurement

A Non-Derivative Financial Instruments

a Financial Assets Carried at Amortized Cost

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

b Financial Assets at Fair Value Through Other Comprehensive Income

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

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

c Financial Assets at Fair Value Through Profit or Loss

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

d Financial Liabilities

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

B Derivative Financial Instruments

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

Financial Assets or Liabilities, at Fair Value Through Profit or Loss:

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

Although The Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

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

(iii) Derecognition of Financial Instruments

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

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

1.12 Inventories

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

1.13 Foreign Currency

(i) Functional Currency

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

(ii) Transactions and Translations

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

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

1.14 Borrowing Costs

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

1.15 Employee Benefits

Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus etc. are recognised as an expense at the undiscounted amount in statement of profit and loss for the period in which the related service is rendered.

Post-employment defined contribution benefits

Payment to defined contribution plans such as provident fund, employee state insurance etc. are recognised as expense when employees have rendered services entitling them to such contributions. Company has no further payment obligations once the contributions have been paid.

Post-employment defined benefit benefits

Cost of post-employment benefit plans such as gratuity are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period. Service cost (including current service cost, past service cost) and interest expense are recognised in the statement of profit and loss. Gains and losses through re-measurements of the net defined benefit liability are recognised in other comprehensive income. The effect of any plan amendments are recognised in statement of profit and loss.

1.16 Share-Based Payment

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/ option at the grant date.

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

1.17 Income Tax

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

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

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

1.18 Earnings Per Share

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

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

1.19 Provisions

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

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

1.20 Impairment

(i) Financial Assets

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

(ii) Non-Financial Assets

Intangible Assets and Property, Plant and Equipment

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

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

1.21 Share Capital

Ordinary Shares

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

1.24 Application of new and revised standards

Ind AS 116- Leases:

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules,2019 which is applicable with effect from 1st April,2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in IND AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Property, Plant and Equipment

(₹ in crore)

	Freehold Land	Building	Leasehold Improve-ments	Plant and Equip-ments	Office Equip-ments	Furniture and Fixtures	Vehicles	Office Equipments On Lease	Total	Capital Work-in-Progress
Cost										
As At April 01, 2017	7.94	12.05	5.70	51.01	6.40	10.37	0.09	1.41	94.97	2.41
Additions/Transfer	-	-	105.60	61.55	11.95	230.94	-	-	410.04	-
Disposals	-	-	-	-	-	-	-	1.41	1.41	-
As At March 31, 2018	7.94	12.05	111.30	112.56	18.35	241.31	0.09	-	503.60	24.31
As At April 01, 2018	7.94	12.05	111.30	112.56	18.35	241.31	0.09	-	503.60	24.31
Additions/Transfer	0.13	-	90.88	92.70	10.06	249.47	1.04	-	444.28	-
Disposals	-	-	6.71	-	0.18	2.60	-	-	9.49	-
As At March 31, 2019	**8.07**	**12.05**	**195.47**	**205.26**	**28.23**	**488.18**	**1.13**	**-**	**938.38**	**147.82**
Depreciation										-
As At April 01, 2017	-	-	-	-	-	-	-	-	-	
Depreciation For The Year	-	0.19	3.06	4.38	2.08	5.26	0.01	0.27	15.25	-
Disposals	-	-	-	-	-	-	-	0.27	0.27	-
As At March 31, 2018	-	0.19	3.06	4.38	2.08	5.26	0.01	-	14.98	-
As At April 01, 2018	-	0.19	3.06	4.38	2.08	5.26	0.01	-	14.98	-
Depreciation For The Year	-	1.30	14.94	9.12	4.27	31.68	0.10	-	61.41	-
Disposals	-	-	0.62	-	-	0.03	-	-	0.65	-
As At March 31, 2019	**-**	**1.49**	**17.38**	**13.50**	**6.35**	**36.91**	**0.11**	**-**	**75.74**	**-**
Net Book Value					-					
As At March 31, 2019	**8.07**	**10.56**	**178.09**	**191.76**	**21.88**	**451.27**	**1.02**	**-**	**862.64**	**147.82**
As At March 31, 2018	7.94	11.86	108.24	108.18	16.27	236.05	0.08	-	488.62	24.31

3. Intangible Assets

	Computer Software	Brand/ Trademark	Total	Intangible Assets Under Development
Cost				
As At April 01, 2017	354.50	155.03	509.53	9.44
Additions/Transfer	109.57	-	109.57	-
Disposals	-	-	-	-
As At March 31, 2018	464.07	155.03	619.10	9.27
As At April 01, 2018	464.07	155.03	619.10	9.27
Additions/Transfer	55.95	31.47	87.42	
Disposals	-	-		
As At March 31, 2019	**520.02**	**186.50**	**706.52**	**42.36**
Amortization				
As At April 01, 2017	50.72	-	50.72	-
Amortization For The Year	38.44	-	38.44	-
Disposals	-	-	-	-
As At March 31, 2018	89.16	-	89.16	-
As At April 01, 2018	89.16	-	89.16	
Amortization For The Year	39.18	-	39.18	
Disposals	-	-		
As At March 31, 2019	**128.34**	**-**	**128.34**	
Net Book Value				
As At March 31, 2019	**391.68**	**186.50**	**578.18**	**42.36**
As At March 31, 2018	374.91	155.03	529.94	9.27

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
4	**Non-Current Financial Assets - Investment in**		
	Equity Instruments		
	Fully Paid Up Equity Shares		
	Quoted		
	100 Equity Shares of Future Supply Chain Solutions Limited of ₹ 10/- each *	**0.01**	0.01
	Unquoted		
	Subsidiary Companies		
	41,44,211 (Nil) Equity Shares of Travel News Services (India) Private Limited of ₹ 10/- each	**65.41**	-
	10,000 (Nil) Equity Shares of SHME Food Brands Private Limited of ₹ 10/- each	**0.01**	-
	Joint Venture Company		
	2,50,000 (Nil) Equity Shares of Future Retail LLC of RO 1/- each	**4.57**	-
	Fully Paid Up Preference Shares		
	Unquoted		
	Subsidiary Company		
	34,00,000 (Nil) 7% Cumulative Redeemable Preference Shares of Travel News Services (India) Private Limited ₹ 100/- each	**34.00**	-
		104.00	0.01
	Note:		
	Investment Carried At Fair Value Through Other Comprehensive Income		
	*Aggregate Value of Quoted Investment ₹ 0.01 Cr (2018 ₹ 0.01 Cr)		
	Aggregate Value of Unquoted Investment ₹ 103.99 Cr (2018 ₹ Nil)		
5	**Non-Current Financial Assets - Deposits**		
	Security Deposits		
	Unsecured, Considered Good	**395.32**	273.49
		395.32	273.49
6	**Non-Current Financial Assets - Others**		
	Bank Balances Other Than Cash and Cash Equivalents		
	Deposit With Banks	**0.13**	0.31
		0.13	0.31
7	**Other Non-Current Assets**		
	Capital Advances		
	Others Unsecured, Considered Good	56.54	-
		56.54	-
	Others		
	Others Unsecured, Considered Good*	**218.60**	132.66
		218.60	132.66
		275.14	132.66
	(* Includes Balances with Statutory Authorities.)		

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
8	**Inventories**		
	Stock-in-Trade	**5,063.56**	4,412.79
	Goods-in-Transit of ₹ 126.18 crore (2018: ₹ 93.28 crore)		
	Packing Materials And Others	**2.03**	4.62
		5,065.59	4,417.41
9	**Trade Receivables**		
	Unsecured, Considered Good (Refer Note No. 32)	**316.46**	238.35
	Unsecured, Considered Doubtful	**5.55**	2.75
		322.01	241.10
	Less: Allowance for Credit Losses	**5.55**	2.75
		316.46	238.35
10	**Cash and Cash Equivalents**		
	Balances with Banks	**132.49**	146.74
	Cheques on Hand	**1.37**	1.11
	Cash on Hand	**71.05**	27.49
		204.91	175.34
11	**Bank Balances Other Than The Above**		
	Deposit With Banks*	**47.90**	39.64
		47.90	39.64
	*Held as margin money or security against the borrowings, guarantees and other commitments		
12	**Current Financial Assets - Deposits**		
	Security Deposits		
	Unsecured, Considered Good	**1,540.13**	1,306.50
	Unsecured, Considered Doubtful	**2.90**	-
		1,543.03	1,306.50
	Less: Provision for Doubtful	**2.90**	-
		1,540.13	1,306.50
13	**Current Financial Assets-Others**		
	Others	**99.84**	82.90
		99.84	82.90
14	**Other Current Assets**		
	Other Advances#		
	Unsecured, Considered Good	**847.26**	475.73
	Unsecured, Considered Doubtful	**2.99**	1.43
		850.25	477.16
	Less: Provision for Doubtful	**2.99**	1.43
		847.26	475.73
	#Includes Advance to Suppliers, Prepaid Expenses, Statutory Authorities, etc.		

15 Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	Number	**(₹ in crore)**	Number	(₹ in crore)
Authorised				
Equity Shares of ₹ 2/- each	**12,50,00,00,000**	**2,500.00**	12,50,00,00,000	2,500.00
	12,50,00,00,000	**2,500.00**	12,50,00,00,000	2,500.00
Issued *				
Equity Shares of ₹ 2/- each	**50,27,02,810**	**100.54**	50,20,79,525	100.42
	50,27,02,810	**100.54**	50,20,79,525	100.42
Subscribed and Paid up *				
Equity Shares of ₹ 2/- each	**50,25,98,439**	**100.52**	50,19,75,154	100.40
	50,25,98,439	**100.52**	50,19,75,154	100.40

* Pursuant to the provisions of the Companies Act, 2013, the issue of 1,04,371 Equity Shares are kept in abeyance corresponding to their status in Future Enterprises Limited

(i) Reconciliation of Number of Shares

Equity Shares of ₹ 2/- each

Particulars	**As at March 31, 2019**	As at March 31, 2018
	Number of Shares	Number of Shares
Opening Balance	**50,19,75,154**	47,18,12,739
Add : Shares Issued Under Employee Stock Option Scheme	**6,23,285**	1,51,622
Add : Shares issued pursuant to Composite Scheme of Arrangement	**-**	1,78,47,420
Add : Shares issued on conversion of Optionally Convertible Debentures into Equity Shares	**-**	28,52,386
Add : Issued Pursuant to the acquisition of Equity shares of Hypercity Retail (India) Limited	**-**	93,10,987
Closing Balance (Equity Shares of ₹ 2/- each)	**50,25,98,439**	50,19,75,154

(ii) Terms/Rights Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Each holder is entitled to one vote per share in case of voting by show of hands and one vote per share held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the Company. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

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

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

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Future Corporate Resources Private Limited (formerly known as Suhani Trading and Investment Consultants Private Limited)	**23,62,18,516**	**47.00**	23,36,51,321	46.55
Cedar Support Services Limited	-	-	4,63,30,647	9.23

Nature and Purpose of Reserves:

a) Securities Premium Reserve

Securities Premium Reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and Company can use this reserve for buy-back of shares.

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
16	**OTHER EQUITY**		
	Share Capital Suspense		
	Opening Balance		3.57
	Issued Pursuant to the Scheme of Arrangement	-	(3.57)
	Closing Balance	-	-
	Retained Earnings		
	Opening Balance	**(112.02)**	(125.29)
	Profit For The Year	**732.81**	11.31
	Other Comprehensive Income For The Year		
	Fair Value Changes On Investment	**0.00**	0.00
	Re-measurement Gain on Defined Benefit Plans	**5.81**	1.96
	Closing Balance	**626.60**	(112.02)
	Capital Reserve		
	Opening Balance	**(124.20)**	2,273.54
	On Composite Scheme of Arrangements	-	(2,397.74)
	Closing Balance	**(124.20)**	(124.20)
	Securities Premium		
	Opening Balance	**3,224.69**	6.02
	Issue of Equity Shares	**7.92**	1.93
	Issued Pursuant to the Scheme of Arrangement	-	291.43
	Issued Pursuant to Conversion of Optionally Convertible Debentures to Cedar Support Services Limited	-	153.63
	Issued Pursuant to the acquisition of Equity shares of Hypercity Retail (India) Limited	-	498.14
	On Composite Scheme of Arrangement	-	2,273.54
	Closing Balance	**3,232.61**	3,224.69
	Securities Premium Reserve Suspense		
	Opening Balance	-	291.43
	Issued Pursuant to the Scheme of Arrangement	-	(291.43)
	Closing Balance	-	-
	Share Options Outstanding Account		
	Opening Balance	**7.40**	4.08
	Employee Stock Option Expense	**16.44**	5.13
	Exercise of Stock Options	**(7.42)**	(1.81)
	Closing Balance	**16.42**	7.40
	Equity Component of Optionally Convertible Debentures		
	Opening Balance	-	5.95
	Conversion of Optionally Convertible Debentures (Equity Component)	-	(5.95)
	Closing Balance	-	-
	TOTAL OTHER EQUITY	**3,751.43**	2,995.87

(₹ in crore)

		As at March 31, 2019	As at March 31, 2018
17	**Non-Current Financial Liabilities - Borrowings**		
	Secured (Refer Note No. 48)		
	Loan from Banks	**375.31**	223.33
		375.31	223.33
18	**Non-Current Liabilities - Provisions**		
	Provision for Employee Benefits	**57.76**	52.26
		57.76	52.26
19	**Other Non-Current Liabilities**		
	Lease Equalisation Account	**136.99**	118.50
		136.99	118.50
20	**Current Financial Liabilities - Borrowings**		
	Secured		
	Loan from Bank	**50.00**	-
	Working Capital Loans and Others	**2,128.67**	1,001.41
		2,178.67	1,001.41
21	**Trade Payables**		
	Due to Micro and Small Enterprises (Refer Note No. 41)	**19.31**	16.17
	Due to Others	**2,918.01**	3,408.06
		2,937.32	3,424.23
22	**Current-Other Financial Liabilities**		
	Current Maturities of Long-Term Borrowings	**103.06**	61.67
	Security Deposits	**11.82**	10.59
	Others	**6.52**	11.01
		121.40	83.27
23	**Current Provisions**		
	Provision for Employee Benefits	**6.90**	3.39
	Warranties	**0.81**	0.58
		7.71	3.97
24	**Other Current Liabilities**		
	Lease Equalisation Account	**2.83**	3.70
	Advance From Customers	**164.77**	138.28
	Other Payables	**692.97**	49.26
		860.57	191.24

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crore)

		Year Ended March 31, 2019	Year Ended March 31, 2018
25	**Revenue From Operations**		
	Sale of Products	**21,288.16**	19,540.53
	Less: Vat, Sales Tax,GST	**1,892.05**	1,628.17
	Other Operating Revenue	**768.79**	565.61
		20,164.90	18,477.97
26	**Other Income**		
	Interest Income	**17.70**	10.82
	Excess Provisions/Liabilities Written Back	**2.02**	0.05
	Miscellaneous Income	**0.75**	0.80
		20.47	11.67
27	**Changes In Inventories of Stock-In-Trade**		
	Opening Inventories		
	Stock-In-Trade	**4,412.79**	3,730.92
	Closing Inventories		
	Stock-In-Trade	**5,063.56**	4,412.79
		(650.77)	(681.87)
28	**Employee Benefits Expense**		
	Salaries, Wages and Bonus	**966.65**	843.42
	Contribution to Provident and Other Funds	**58.83**	54.06
	Employee Stock Option Expense	**16.44**	5.13
	Staff Welfare Expenses	**32.49**	27.34
		1,074.41	929.95
29	**Finance Costs**		
	Interest Expense	**218.28**	167.12
	Other Borrowing Costs	**5.70**	8.26
		223.98	175.38
30	**Other Expenses**		
	Power and Fuel	**320.27**	264.79
	Repairs and Maintenance	**54.59**	46.09
	Insurance	**11.64**	8.59
	Rates and Taxes	**43.15**	29.55
	Rent Including Lease Rentals	**1,487.38**	1,405.33
	Advertisement and Marketing	**379.71**	336.60
	Corporate Social Responsibility Expenses	**6.76**	0.17
	Allowance for Credit Losses	**4.89**	2.82
	Loss on Disposal/Discard of Fixed Assets (Net)	**8.51**	1.41
	Exchange Fluctuation Loss/(Gain) (Net)	**4.35**	(3.56)
	Miscellaneous Expenses	**951.25**	883.23
		3,272.50	2,975.02
31	**Exceptional Item**		
	Loss on Sale of Investment	**-**	603.87
		-	603.87

32. Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

i Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the interest cost, treasury performs a comprehensive corporate interest rate risk management by balancing the borrowings from commercial paper, short term loan, working capital loan and non fund facilities from banks.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

ii Foreign Currency Risk

The Company is exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies.

The Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

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

(₹ in crore)

	2018-19	2017-18
Trade Payables	**13.87**	134.06
Trade Receivables	**4.42**	-

iii Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 316.46 crore and ₹ 238.35 crore as of March 31, 2019 and March 31, 2018 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by The Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit Risk Exposure

Change in the loss allowance measured using life-time expected credit loss model:

(₹ in crore)

	2018-19	2017-18
Opening Balance	**2.75**	1.36
Provided During The Year	**4.89**	1.39
Amounts Written off	**2.09**	-
Closing Balance	**5.55**	**2.75**

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due:

(₹ in crore)

	2018-19	2017-18
Up to 3 Months	**281.29**	212.70
3 to 6 Months	**22.67**	16.76
More Than Six Months	**12.50**	8.89

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

iv Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

(₹in crore)

	2018-19	2017-18
Short Term Borrowings	**2,178.67**	1,001.41
Trade Payables	**2,937.32**	3,424.23
Other Financial Liabilities	**121.40**	83.27

(v) Financial Instruments Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

a) The fair value of quoted investment is measured at quoted price or NAV.

b) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

c) 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 Amortized Cost						
Trade Receivables	**316.46**	**-**	**-**	238.35	-	-
Cash and Bank Balances	**252.81**	**-**	**-**	214.98	-	-
Deposits	**1,935.44**	**-**	**-**	1,579.99	-	-
Other Financial Assets	**99.97**	**-**	**-**	83.21	-	-
At FVTOCI						
Investments	**0.01**	**0.01**	**-**	0.01	0.01	-
Financial Liabilities						
At Amortized Cost						
Borrowings	**2,553.98**	**-**	**-**	1,224.74	-	-
Trade Payables	**2,937.32**	**-**	**-**	3,424.23	-	-
Other Financial Liabilities	**121.40**	**-**	**-**	83.27	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

33. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(₹ in crore)

Particular	March 31, 2019	March 31, 2018
Gross Debt	**2,657.04**	1,286.41
Trade Payables	**2,937.32**	3,424.23
Other Payables	**1,015.90**	331.34
Less: Cash and Cash Equivalents	**204.91**	175.34
Net Debt	**6,405.35**	**4,866.64**
Equity	**100.52**	100.40
Other Equity	**3,751.43**	2,995.87
Total Capital	**3,851.95**	**3,096.26**
Capital and Net Debt	**10,257.30**	**7,962.90**
Gearing Ratio	**62.45%**	**61.12%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

34. Employee Benefits - Gratuity

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

i Change in Present Value of Defined Benefit Obligation

(₹ in crore)

	2018-19	2017-18
Defined Benefit Obligation at the beginning of the year	**37.63**	33.15
Service Cost	**9.02**	9.01
Interest Expense	**2.77**	2.35
Acquisition	**0.35**	1.80
Remeasurement-Actuarial (gains)	**(6.00)**	(1.82)
Benefits Paid	**(6.01)**	(6.86)
Defined Benefit Obligation at the end of the year	**37.75**	37.63

ii Change in Fair Value of Plan Assets (₹ in crore)

	2018-19	2017-18
Fair Value of Plan Assets at the beginning of the year	**5.73**	5.30
Remeasurement-Return on plan assets excluding amounts included in Interest Income	**0.44**	0.29
Contributions	**(4.94)**	0.00
Actuarial Gain/(Loss) on Plan Assets	**(0.19)**	0.14
Fair Value of Plan Assets at the end of the year	**1.05**	5.73

iii Net Defined Benefit Liability/(Assets) (₹ in crore)

	2018-19	2017-18
Defined Benefit Obligation	**37.75**	37.63
Fair Value of Plan Assets	**1.05**	5.73
Surplus/(Deficit)	**36.70**	31.90
Net Defined Benefit Liability/(Assets)	**36.70**	31.90

iv Total Expenses Recognised in the Statement of Profit and Loss (₹ in crore)

	2018-19	2017-18
Current Service cost	**9.02**	9.01
Net interest on the net defined benefit liability/asset	**2.33**	2.06
Total Expenses Recognised in the Statement of Profit And Loss	**11.35**	11.07

v Remeasurement Effects Recognised in Other Comprehensive Income (OCI) (₹ in crore)

	2018-19	2017-18
Actuarial (Gains)/Losses	**(6.00)**	(1.82)
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit Liability/(Asset)	**0.19**	(0.14)
Total (Gain)/Loss included in OCI	**(5.81)**	(1.96)

vi Reconciliation of Amounts in Balance Sheet (₹ in crore)

	2018-19	2017-18
Defined Benefit Obligation at the beginning of the year	**31.90**	27.85
Acquisitions	**0.35**	0.44
Total expenses recognised in Profit and Loss Account	**11.35**	11.07
Total Remeasurement included in OCI	**(5.81)**	(1.96)
Benefits paid	**1.09**	5.49
Defined Benefit Obligation at the end of the year	**36.70**	31.90

vii Reconciliation of Amounts in Statement of Other Comprehensive Income

(₹ in crore)

	2018-19	2017-18
OCI Income at the beginning of year	**1.01**	2.97
Total Remeasurement included in OCI	**(5.81)**	(1.96)
OCI (Income)/Expense at the end of the year	**(4.80)**	1.01

viii Expected Maturity Profile of Defined benefit Obligation

(₹ in crore)

	2018-19	2017-18
Year 1	**2.30**	3.12
Year 2	**2.98**	2.76
Year 3	**2.97**	2.93
Year 4	**3.50**	3.05
Year 5	**3.68**	3.34
Year 6 - 10	**20.01**	14.60

ix Financial Assumptions

	2018-19	2017-18
Discount Rate	**7.30%**	7.70%
Expected Rate of Salary Increase	**7 % for First 2 Years and 5 % thereafter**	5.00%

x Demographic Assumptions

	2018-19	2017-18
Mortality Rate	**IALM (2006-08) ultimate**	IALM (2006-08) ultimate
Withdrawal Rate	**2 % to 10 %**	2 % to 10 %
Retirement age	**58 Years**	58 Years

xi Sensitivity Analysis

(₹ in crore)

	2018-19	2017-18
Discount Rate		
a. Discount Rate -100 basis point	**42.86**	41.60
b. Discount Rate +100 basis point	**33.52**	34.27
Salary Increase Rate		
a. Rate -100 basis point	**33.76**	34.23
b. Rate +100 basis point	**42.40**	41.57

35. Income Tax Expense

i Reconciliation of Tax Expenses

(₹ in crore)

	2018-19	2017-18
Profit Before Tax	**732.81**	11.31
Applicable tax rate	**34.94%**	34.61%
Computed expected tax expense	**256.07**	3.92
Effect of Non-deductible Expense	**9.69**	217.20
Effect of Additional deduction	**(17.44)**	(9.67)
Carried forward losses utilized	**(248.31)**	(211.44)
Tax expense charged to the Statement of Profit and Loss	-	-

ii Amount for Which Deferred Tax Asset is Not Recognised

(₹ in crore)

	2018-19	2017-18
Unused tax losses/depreciation	**260.78**	451.29
Other items giving rise to temporary differences	**71.46**	61.55
Accelerated depreciation for tax purpose	**(129.58)**	(188.21)
Deferred tax asset/(liability)	**202.66**	324.63

36. Segment Reporting

The Company is primarily engaged in the business of "Retail", which in terms of Ind AS 108 on "Segment Reporting" constitutes a single reporting segment.

37. Related Party Disclosures

Disclosure as required by Ind AS 24 and Companies Act, 2013 "Related Party Disclosures" are given below:

1. List of Related Parties

A Subsidiary Companies

(i) Travel News Services (India) Private Limited (from May 11, 2018)
(ii) TNSI Retail Private Limited (from May 11, 2018)
(iii) Welcome Retail Private Limited (from May 11, 2018)
(iv) SHME Food Brands Private Limited (from Feb 28, 2019)

B Joint Venture Company

(i) Future Retail LLC (JV Company Registered on May 1, 2018 in Sultanate of Oman)

C Enterprises over which Key Managerial Personnel(s) are able to exercise significant influence

(i) Apollo Design Apparel Parks Limited
(ii) Bansi Mall Management Company Private Limited
(iii) Clarks Future Footwear Private Limited
(iv) FLFL Travel Retail Bhubaneswar Private Limited
(v) FLFL Travel Retail Guwahati Private Limited
(vi) FLFL Travel Retail Lucknow Private Limited
(vii) FLFL Travel Retail West Private Limited
(viii) Future E-commerce Infrastructure Limited
(ix) Future Enterprises Limited
(x) Future Generali India Insurance Company Limited
(xi) Future Generali India Life Insurance Company Limited
(xii) Future Human Development Limited
(xiii) Future Ideas Company Limited
(xiv) Future Lifestyle Fashions Limited
(xv) Future Media (India) Limited
(xvi) Future Sharp Skills Limited
(xvii) Future Speciality Retail Limited
(xviii) Future Supply Chain Solutions Limited
(xix) Goldmohur Design & Apparel Park Limited
(xx) Retail Light Techniques India Limited
(xxi) Work Store Limited (formerly known as Staples Future Office Products Limited)

D Entity able to Exercise Significant Influence

(i) Future Corporate Resources Private Limited (formerly known as Suhani Trading and Investment Consultants Private Limited)

E Key Managerial Personnel(s)

(i) Mr. Kishore Biyani
(ii) Mr. Rakesh Biyani
(iii) Mr. C. P. Toshniwal
(iv) Mr. Virendra Samani

F Relatives of Key Managerial Personnel(s)

(i) Mrs. Bhavika Samani

2. Transaction with Related Parties

(₹ in crore)

Nature of Transaction	Subsidiaries	Joint Venture	Key Managerial Personnel Exercise Significant Influence	Entity able to Exercise Significant Influence	Key Managerial Personnel/ Relatives
Sale of Goods and Services	**1.72**	**4.42**	**421.81**	**0.33**	**-**
	(-)	(-)	(4.98)	(0.71)	(-)
Purchase of Goods and Services	**-**	**-**	**4,665.42**	**66.67**	**0.02**
	(-)	(-)	(3,084.73)	(93.89)	(-)
Investments	**34.00**	**4.57**	**-**	**-**	**-**
	(-)	(-)	(-)	(-)	(-)
Managerial Remuneration	**-**	**-**	**-**	**-**	**15.40**
	(-)	(-)	(-)	(-)	(13.44)
Outstanding Balance as on March 31, 2019					
Receivable	**1.36**	**4.42**	**1,120.06**	**152.16**	**-**
	(-)	(-)	(306.59)	(-)	(-)
Payable	**0.43**	**-**	**522.38**	**-**	**-**
	(-)	(-)	(1.61)	(0.02)	(-)

Note: Previous year figures are given in parenthesis.

3. Significant Related Party Transactions

A Sale of Goods and Services includesTravel News Services (India) Private Limited 0.70 crore, TNSI Retail Private Limited 1.02 crore, Future Retail LLC 4.42 crore, Future Lifestyle Fashions Limited ₹378.42 Future Corporate Resources Private Limited (formerly known as Suhani Trading and Investments Private Limited (2018:₹ 0.71 crore),

B Purchases of Goods and Services includes Future Enterprises Limited ₹3838.14 crore (2018: ₹3076.99 crore), Future Supply Chain Solutions Limited ₹557.88 crore.

C Investment includes Travel New Services India (Private) Limited 34.00 crore and Future Retail LLC 4.57 crore.

D Managerial Remuneration includes Mr. Kishore Biyani ₹ 5.89 crore (2018 : ₹ 5.39 crore), Mr. Rakesh Biyani ₹ 5.37 crore (2018 : ₹ 4.62 crore). Key Managerial Personnel Remuneration includes Mr. C. P. Toshniwal ₹ 3.29 crore (2018 : ₹ 3.02 crore), Mr. Virendra Samani ₹ 0.85 crore (2018 : ₹ 0.41 crore)

38. Joint Venture Company Information

S. No.	Name of the Company	Description of Interest	Country of Incorporation	Percentage of Interest as on December 31, 2018
1	Future Retail LLC	Equity	Sultanate of Oman	50.00%

Company's Interest in the Joint Venture

(₹in crore)

S. No.	Name of the Company	As on	Assets	Liabilities	Year ended on	Income	Expenditure
1	Future Retail LLC	December 31, 2018	12.18	8.05	December 31, 2018	-	(0.49)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

39. Earnings Per Share

Statement of Calculation of Basic and Diluted EPS is as under:

	Units	2018-19	2017-18
Profit attributable to equity holders	₹ in crore	**732.81**	11.31
Weighted average number of Equity Shares for Basic EPS	No. in crore	**50.25**	49.40
Weighted average number of Equity Shares for Diluted EPS	No. in crore	**50.25**	49.40
Nominal Value per Equity Share	₹	**2**	2
Earnings Per Equity Share (Basic)	₹	**14.58**	0.23
Earnings Per Equity Share (Diluted)	₹	**14.58**	0.23

40. Employee Stock Option Scheme

The Company had received approval of the Board and Shareholders for issuance of 90,00,000 Equity Shares of ₹2 each for offering to eligible employees of the Company under Employee Stock Option Scheme (FRL ESOP 2016). During the year the Company has granted in aggregate 14,47,298 (2018-Nil) options out of which (i) 52,298 options exercisable at ₹10 each, (ii) 12,70,000 option exercisable at ₹ 392 each, (iii) 1,25,000 options exercisable at ₹ 300 each, plus all applicable taxes as may be levied in this regard. Out of the options granted 92,450 (2018 - 8,392) options were cancelled during the year. The options to be granted, would vest over a maximum period of 3 years or such other period as may be decided by the Nomination and Remuneration Committee or Human Resources Department from the date of grant based on specified criteria.

Stock Option activity during the previous year

(₹ in crore)

	2018-19	2017-18
Outstanding at the beginning of the year	**6,70,117**	8,30,131
Granted during the year	**14,47,298**	-
Forfeited/cancelled during the year	**92,450**	8,392
Exercised during the year	**6,23,285**	1,51,622
Expired during the year	**-**	-
Outstanding at the end of the year	**14,01,680**	6,70,117
Exercisable at the end of the year	**81,680**	3,41,762

Weighted average fair value of options granted

- On December 6, 2016 : ₹ 116.82
- On December 15, 2016 : ₹ 119.02
- On December 15, 2016 : ₹ 119.03
- On July 05, 2018 : ₹ 282.29
- On Feburary 04, 2019 : ₹ 219.24

Method and Assumptions used to estimate the fair value of options granted during the current and previous year:

1.	Date of Grant	February 4, 2019	July 5, 2018	December 15, 2016	December 15, 2016	December 6, 2016
2.	Risk Free Interest Rate	7.20%	7.81%	6.34%	6.30%	6.30%
3.	Expected Life	3.65 Years	3.65 Years	1.50 Years	2.75 Years	2.78 Years
4.	Expected Volatility	38.07%	33.91%	43.00%	43.00%	43.00%
5.	Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%
6.	Price of the underlying share in market at the time of the option grant (₹)	440.43	559.38	127.3	127.3	125.1

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

41. Details of dues to Micro, Small and Medium Enterprises Development as defined under the MSMED Act, 2006

(₹in crore)

	March 31, 2019	March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	**8.12**	5.26
- Interest due on above	**0.21**	0.03
Total	**8.33**	**5.29**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	**0.44**	0.82
The amount of interest accrued and remaining unpaid at the end of each accounting year	**0.66**	0.85
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	**2.86**	2.42

42. Contingent Liabilities

Claims Against the Company Not Acknowledged as Debts, In respect of Value Added Tax ₹ 18.86 crore (2018: ₹ 11.91 crore), Letter of Credit ₹ 445.3 crore (2018 : ₹ 458.65 crore), Others ₹ 45.46 crore (2018: ₹ 88.43 crore) and Other money for which the Company is Contingently Liable, Bank Guarantee Given ₹ 90.88 crore and Corporate Guarantees Given ₹ 3602.63 crore (2018 : ₹ 4467.48 crore)

There are various labour, legal metrology, food adulteration and cases under other miscellaneous acts pending against the Company, the liability of which cannot be ascertained. However, management does not expect significant or material liabilities devolving on the Company.

43. Pursuant to the levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1, 2007 by the Finance Act, 2010, the Company based on legal advice, challenged the levy through Retailers Association of India and its retrospective application. The Hon'ble Supreme Court had passed an interim order dated October 14, 2011. In compliance of this order Company has made an aggregate deposit of ₹ 39.71 crore in respect of the liability for such service tax for the period from June 1, 2007 up to September 30, 2011. From October 1, 2011, the Company is accounting and paying for such service tax regularly as per directives of the Supreme Court. Accordingly the Company has not made provision of ₹ 79.42 crore for the period June 1, 2007 to September 30, 2011 which would be appropriately recognised on final determination.

44. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of M/s. Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni has filed a review petition with Hon'ble Supreme Court which is pending for disposal Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

45. Capital and Other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 42.74 crore (2018 : ₹ Nil)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

46. Payment to the Auditor

(₹ in crore)

	2018-19	2017-18
Statutory Audit Fees	**0.95**	0.95
Certification & Consultation Fees	**0.05**	0.04
Total	**1.00**	**0.99**

47. Expenditure on Corporate Social Responsibilities

As per section 135 of the Companies Act, 2013 read with relevant rules thereon, the Company was required to spend ₹ 6.76 crore on Corporate Social Responsibility (CSR) activities during FY 2018-19. Against it, the Company has during the year under review allocated and transferred an amount of ₹ 6.76 crore towards CSR activities to SKC Foundation. SKC Foundation has already spent ₹ 5.74 crore in the year under review and also identified programs for the balance amount to be spend in the current financial year.

48. Security clause in respect to Secured Borrowings

A Long Term Borrowings

i ₹ 223.33 crore (2018: ₹ 285 crore) are secured by First Pari-Passu charge on moveable Fixed Assets of the Company.

ii ₹ 150 crore (2018: ₹ Nil) are secured by First Pari-Passu charge on all present and future tangible moveable Fixed Assets of the Company.

iii ₹ 107.05 crore (2018: ₹ Nil) are secured by First Pari-Passu charge on tangible moveable Fixed Assets both present and future of the Company and post dated cheques for installments due under term loan.

iv Weighted average rate of interest on Term Loan is 9.38% (2018: 9.31%)

B Short Term Borrowings includes Working Capital Loans and others are secured by (a) First Pari-Passu Charge on Current Assets of the Company (b) Second Pari-Passu Charge on Card Receivables (c) Secured by Corporate Guarantee of Future Enterprises Limited. Average Interest Rate 9.98 % (2018: 11.14%).

49. Pursuant to the Composite Scheme of Arrangement between the Future Retail Limited [now known as Future Enterprises Limited (FEL)] and Bharti Retail Limited [now known as Future Retail Limited (the Company/FRL)] and their respective Shareholders and Creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 2013 (the Scheme), the Shareholders and OCD holders of Bharti Group have agreed to share with the respective companies (i.e. the Company and FEL) an upside on the realization out of the shares of the two companies, subject to certain broad terms and conditions. Further, the said transaction has been partially completed and amount received under this arrangement is shown a part of other Current liabilities.

50. Leases

Operating Lease

The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases payable not later than one year is ₹ 1,071.53 crore (2018: ₹ 949.28 crore), payable later than one year but not later than five year is ₹ 2,551.64 crore (2018: ₹ 3,365.07 crore) and payable later than five years is ₹ 1,406.65 crore (2018: ₹ 1,309.32 crore).

51. Business Combination

The Company has entered into Shareholder agreement with Khimji Ramdas LLC, company incorporated under the law of Sultanate of Oman to establish the Company "Future Retail LLC" to run retail fashion store under the "fbb" Brand name in the territory of oman on May 1, 2018. The Company has subscribed to 50% Equity of Future Retail LLC.

The Company has executed necessary agreement(s) and on May 11, 2018 acquired the entire equity share capital of TNSI from its existing shareholders for cash consideration. Consequent to this, TNSI has become a wholly owned subsidiary of the Company.

The Company has completed acquisition of Retail Business undertaking operated under the brand name "Foodworld" (Foodworld Business) from Foodworld Supermarkets Private Limited in terms of business transfer agreement on May 21, 2018. Under this arrangement company has acquired Assets ₹ 31.43 crore, Other Assets ₹ 20.01 crore and Liabilities ₹ 12.26 crore by paying total Purchase Consideration ₹ 39.18 crore.

During the year under review, the Company has acquired the entire equity share capital of SHME Food Brands Private Limited for cash consideration from its existing shareholders on February 28, 2019.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

52. Particulars of Loans, Guarantee and Investment under Section 186(4) of the Companies Act, 2013

(₹ in crore)

S No.	Name	Purpose of Loan	Amount as at March 31, 2019 (Including Interest Accrued)	Maximum outstanding during the year	Amount as at March 31, 2018 (Including Interest Accrued)	Maximum outstanding during the Previous year
A	**Corporate Guarantee Given**					
I	Future Enterprises Limited for various borrowing facilities.	To secure credit facilities/ loan availed	**3,582.63**	Not Applicable	4,467.48	Not Applicable
II	Travel News Services (India) Private Limited for issuing of Bank Guarantee	To secure credit facilities	**18.00**		-	
III	TNSI Retail Private Limited for issuing of Bank Guarantee		**2.00**		-	
B	**Investments**					
	Refer Note 4 to Notes forming part of the Financial Statements					

53. Details of Miscellaneous Expenses

(₹ in crore)

	2018-19	2017-18
Common Area Maintenance Charges	**136.65**	118.14
Credit Card Charges	**78.99**	74.70
House Keeping Charges	**93.63**	77.14
Legal and Professional Charges	**54.93**	66.85
Security Service Charges	**96.38**	76.43
Travelling and Conveyance Expenses	**49.68**	45.23
Other Expenses	**441.00**	424.74
Total	**951.26**	**883.23**

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2019

For and on behalf of Board of Directors

Kishore Biyani
Chairman & Managing Director

Rakesh Biyani
Jt. Managing Director

Ravindra Dhariwal
Director

Gagan Singh
Director

Shailendra Bhandari
Director

Sridevi Badiga
Director

Rahul Garg
Director

C. P. Toshniwal
Chief Financial Officer

Virendra Samani
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of
FUTURE RETAIL LIMITED

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of FUTURE RETAIL LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	Revenue Recognition Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"	Principal Audit Procedures Assessed the appropriateness of the revenue recognition accounting policies, including those relating to discounts by comparing with new revenue accounting standard. Tested the relevant information technology system's access and change management controls which govern revenue recognition interfaces between different systems and key management controls over revenue recognition to assess the completeness of the revenue entries being recorded in the accounting system. Performed substantive testing by selecting samples of discount transactions recorded during the year and comparing the parameters used in the calculation and discounts with the relevant source documents (including schemes) to assess whether the methodology adopted in the calculation of discounts was in accordance with the terms and conditions defined in the corresponding schemes. Performed analytical procedures for reasonableness of revenues.
2	Valuation of Inventory Identified this matter as key due to the materiality of the value of inventories, and the numerous SKUs and high volume of movement in the inventory	Principal Audit Procedures Assessment of the design, implementation and operational effectiveness of the relevant controls in place in the inventory management and measurement process. Evaluation of the inventory costing methodology and valuation policy established by management, including compliance with the applicable accounting standard. Assessment of the inventory costing methodology and valuation policy maintained and applied in the IT system. Assessing the analysis and assessment made by the management with respect to slow moving and obsolete inventory. Verification of the determination of net realizable value on a representative sample basis

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies and jointly controlled entity which are companies , has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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

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

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

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

Other Matters

We did not audit the financial statements of its subsidiaries whose financial statements reflect total assets (net) of Rs. 14.19 crore as at March 31, 2019, total revenues of Rs. 222.24 crore and net cash inflows amounting to Rs. 1.67 crore for the year ended on that date as considered in the consolidated financial statements. These financial statements and the other financial information have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated results to the extent they have been derived from such financial statements is based solely on the other auditor's report. The consolidated financial statements also include the Group's share of loss after tax of Rs. 0.24 crore for the period ended December 31, 2018, as considered in the consolidated financial statements, in respect of jointly controlled entity, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record

by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India none of the directors of the Group companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

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

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

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

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.

ii. The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. : 119850W

Ashok A. Trivedi
Partner
Membership Number: 042472

Mumbai
May 25, 2019

Annexure – A to the Auditors' Report

Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Art")

In conjunction with our audit of the Consolidated Ind AS financial statement of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of FUTURE RETAIL LIMITED ("the Holding Company") and its subsidiary companies which are companies, incorporated in India , as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of

the Holding Company, its subsidiary companies which are companies incorporated in India,based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become in adequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

Opinion

In our opinion and to the best of our information and according to explanation given and based on the consideration of report of other auditors, as referred to in other matters paragraph, the Holding Company, its subsidiary companies, which are companies incorporated in India , have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies which are companies incorporated in India,.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. : 119850W

Ashok A. Trivedi
Partner
Membership Number: 042472

Mumbai
May 25, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Crore)

	Note No.	As at March 31, 2019
ASSETS		
1. Non-Current Assets		
Property, Plant and Equipment	2	**870.94**
Capital Work-in-Progress	2	**147.90**
Goodwill	2	**75.37**
Other Intangible Assets	2	**578.30**
Intangible Assets Under Development	2	**42.36**
Financial Assets		
Investments	3	**4.34**
Deposits	4	**416.19**
Other Financial Assets	5	**0.13**
Other Non-Current Assets	6	**283.14**
Total Non-Current Assets		**2,418.67**
2. Current Assets		
Inventories	7	**5,084.97**
Financial Assets		
Trade Receivables	8	**322.47**
Cash and Cash Equivalents	9	**207.89**
Bank Balances Other Than The Above	10	**47.93**
Deposits	11	**1,540.70**
Other Financial Assets	12	**108.39**
Other Current Assets	13	**855.78**
Total Current Assets		**8,168.13**
Total Assets		**10,586.80**
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	14	**100.52**
Other Equity	15	**3,746.13**
Total Equity		**3,846.65**
Liabilities		
1. Non-Current Liabilities		
Financial Liabilities		
Borrowings	16	**375.31**
Other Financial Liabilities	17	**9.34**
Provisions	18	**58.66**
Other Non-Current Liabilities	19	**138.10**
Total Non-Current Liabilities		**581.41**
2. Current Liabilities		
Financial Liabilities		
Borrowings	20	**2,178.67**
Trade Payables	21	
Due to Micro and Small Enterprises		**68.73**
Due to Others		**2,910.10**
Other Financial Liabilities	22	**127.36**
Provisions	23	**7.93**
Other Current Liabilities	24	**865.95**
Total Current Liabilities		**6,158.74**
Total Equity and Liabilities		**10,586.80**
The accompanying notes are an integral part of the financial statements.	1-46	

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2019

For and on behalf of Board of Directors

Kishore Biyani
Chairman & Managing Director

Rakesh Biyani
Jt. Managing Director

Ravindra Dhariwal
Director

Gagan Singh
Director

Shailendra Bhandari
Director

Sridevi Badiga
Director

Rahul Garg
Director

C. P. Toshniwal
Chief Financial Officer

Virendra Samani
Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	Note No.	Year Ended March 31, 2019
INCOME		
Revenue From Operations	25	**20,332.58**
Other Income	26	**23.14**
Total Income		**20,355.72**
EXPENSES		
Purchase of Stock-In-Trade		**15,515.90**
Change in Inventories of Stock-in-Trade	27	**(655.39)**
Employee Benefits Expense	28	**1,090.17**
Finance Costs	29	**228.12**
Depreciation and Amortization Expense	2	**104.02**
Other Expenses	30	**3,345.46**
Total Expenses		**19,628.28**
Profit Before Share of Loss from Joint Venture		**727.44**
Share of Loss From Joint Venture		**0.24**
Profit Before Tax		**727.20**
Total Tax Expense		
(1) Current Tax		**0.01**
(2) Deferred Tax		**-**
Profit For The Year		**727.19**
Attributable To :		
Equity Holders of the Parent		**727.03**
Non-Controlling Interest		**0.16**
Other Comprehensive Income For The Year		
Fair Value Changes on Investment		**0.00**
Re-measurement Gains on Defined Benefit Plans		**5.85**
Total Other Comprehensive Income For The Year		**5.85**
Attributable To :		
Equity Holders of The Parent		**5.85**
Total Comprehensive Income For The Year		**733.04**
Earnings Per Equity Share of Face Value of ₹ 2/- each	37	
Basic And Diluted		**14.47**
The accompanying notes are an integral part of the financial statements.	1-46	

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2019

For and on behalf of Board of Directors

Kishore Biyani
Chairman & Managing Director

Rakesh Biyani
Jt. Managing Director

Ravindra Dhariwal
Director

Gagan Singh
Director

Shailendra Bhandari
Director

Sridevi Badiga
Director

Rahul Garg
Director

C. P. Toshniwal
Chief Financial Officer

Virendra Samani
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	As at March 31, 2019
(A) EQUITY SHARE CAPITAL	
Opening Balance	**100.40**
Issue of Equity Shares Under Employee Stock Option Scheme	**0.12**
Closing Balance	**100.52**
Retained Earnings	
Opening Balance	**(112.02)**
Profit For The Year	**727.03**
Other Comphrensive Income for the Year	
Fair Value Changes on Investment	**0.00**
Re-measurement Gains on Defined Benefit Plans	**5.85**
Closing Balance	**620.86**
Capital Reserve	**(124.20)**
Securities Premium Reserve	
Opening Balance	**3,224.69**
Issue of Equity Shares	**7.92**
Closing Balance	**3,232.61**
Share Options Outstanding Account	
Opening Balance	**7.40**
Employee Stock Option Expense	**16.44**
Exercise of Stock Options	**(7.42)**
Closing Balance	**16.42**
Capital Reserve on Consolidation	**0.16**
Non - Controlling Interest	**0.28**
TOTAL OTHER EQUITY	**3,746.13**

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2019

For and on behalf of Board of Directors

Kishore Biyani
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Chief Financial Officer

Virendra Samani
Company Secretary

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

(₹ in Crore)

		Year Ended March 31, 2019
A	**CASH FLOW FROM OPERATING ACTIVITIES**	
	Profit Before Tax	**727.44**
	Adjusted for :	
	Depreciation and Amortization Expense	**104.02**
	Expense on Employee Stock Option Scheme	**16.44**
	Finance Costs	**228.12**
	Loss on Disposal/Discard of Fixed Assets (Net)	**8.53**
	Interest Income	**(19.33)**
	Allowance for Credit Losses	**4.98**
	Operating Profit Before Working Capital Changes	**1,070.20**
	Adjusted for :	
	Trade Receivables	**(57.35)**
	Inventories	**(667.56)**
	Deposits, Other Financial Assets and Other Assets	**(919.01)**
	Trade Payables	**(445.40)**
	Other Financial Liabilities, Other Liabilities and Provisions	**697.10**
	Cash Generated Used In Operations	**(322.01)**
	Share in Loss of Joint Ventures and Associate Company	**0.24**
	Share in Minority Interest	**0.28**
	Taxes Paid	**(18.13)**
	Net Cash Flow Used In Operating Activities	**(340.11)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**	
	Purchase of Property, Plant and Equipment and Intangible Assets	**(775.22)**
	Purchase of Investment	**(4.25)**
	Interest Received	**19.33**
	Net Cash Used In Investing Activities	**(760.13)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**	
	Proceeds From Borrowings	**1,390.23**
	Proceeds From Issue of Shares	**2.43**
	Interest Paid	**(228.12)**
	Net Cash From Financing Activities	**1,164.54**
	Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	**64.31**
	Net Increase/(Decrease) In Cash And Cash Equivalents	**64.31**
	Cash and Cash Equivalents (Opening Balance)	**143.59**
	Cash and Cash Equivalents (Closing Balance)	**207.89**

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2019

For and on behalf of Board of Directors

Kishore Biyani
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Rahul Garg
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C. P. Toshniwal
Chief Financial Officer

Virendra Samani
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.0 Company Overview and Significant Accounting Policies

1.1 Overview

Future Retail Limited ('The Company or Parent') is a public company domiciled in India and incorporated under the provisions of Companies Act,1956 on February 7, 2007. The Company, its Subsidiaries and Joint Venture collectively refer to as a Group.

The Group is engaged in the business of retailing of fashion, household and consumer products through departmental and neighbourhood stores under various formats.

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 25, 2019.

1.2 Basis of Preparation of consolidated financial statements

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

1.3 Basis of Consolidation

The Group consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Group, it controlled its subsidiaries and joint venture.

Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-Group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

Investments in joint ventures are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.

1.4 Use of Estimates

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

1.5 Revenue Recognition

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

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative-catchup transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Sale of Products

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

Rendering of Services

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

Interest Income

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

Dividend Income

Dividend income is recognised when the Group's right to receive such dividend is established.

1.6 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management. The cost of property, plant and equipment acquired in a business combination is recorded at fair value on the date of acquisition.

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

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

Building	: 30 years
Plant and Equipment	: 15 years
Office Equipment*	: 3 to 6 years
Furniture and Fixture	: 10 years
Leasehold Improvement*	: Lease term or 15 years, whichever is lower
Vehicle	: 8 years

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

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

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

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

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

1.7 Intangible Assets

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

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

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

1.8 Goodwill

Goodwill on acquisition of Subsidiaries and Joint Ventures is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

1.9 Business Combinations

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

1.10 Leases

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognised as an expense on a straight line basis in Statement of Profit and Loss over the lease term.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised in finance cost in the statement of profit and loss.

1.11 Current versus Non-Current Classification

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when it is:

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

All other liabilities are classified as non-current.

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

1.12 Measurement of Fair Value

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

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

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

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

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

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

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

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

1.13 Financial Instruments

(i) Initial Recognition and Measurement

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

(ii) Subsequent Measurement

a) Non-Derivative Financial Instruments

(i) Financial Assets Carried at Amortized Cost

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

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

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

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

(iii) Investments in Joint Venture

Investments in Joint Venture are carried at cost.

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

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

(v) Financial Liabilities

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

b) Derivative Financial Instruments

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

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

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

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

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

(ii) Derecognition of Financial Instruments

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

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

1.14 Inventories

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

1.15 Foreign Currency

(i) Functional Currency

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

(ii) Transactions and Translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-

monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

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

1.16 Borrowing Costs

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

1.17 Employee Benefits

Short term employee benefits

All employee benefits payable wholly within twelve months from reporting date are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives and the expected cost of bonus etc. are recognised as an expense at the undiscounted amount in statement of profit and loss for the period in which the related service is rendered.

Post-employment defined contribution benefits

Payment to defined contribution plans such as provident fund, employee state insurance etc. are recognised as expense when employees have rendered services entitling them to such contributions. Company has no further payment obligations once the contributions have been paid.

Post-employment defined benefit benefits

Cost of post-employment benefit plans such as gratuity are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using projected unit credit method, with actuarial valuation techniques at the end of each annual reporting period. Service cost (including current service cost, past service cost) and interest expense are recognised in the statement of profit and loss. Gains and losses through re-measurements of the net defined benefit liability are recognised in other comprehensive income. The effect of any plan amendments are recognised in statement of profit and loss.

1.18 Share-Based Payment

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments/ option at the grant date.

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

1.19 Taxation

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

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

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax

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

1.20 Earnings Per Share

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

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

1.21 Provisions

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

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

1.22 Impairment

(i) Financial Assets

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

(ii) Non-Financial Assets

Intangible Assets and Property, Plant and Equipment

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

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

1.23 Share Capital

Ordinary Shares

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

1.24 Application of new and revised standards

Ind AS 116- Leases:

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules,2019 which is applicable with effect from 1st April,2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in IND AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. Property, Plant And Equipment

(₹ in crore)

	Freehold Land	Leasehold Improvement	Building	Plant and Equipments	Furniture and Fixtures	Office Equipment	Vehicle	Total	Capital Work-in-Progress
Cost :									
As At April 1st, 2018	**7.94**	**111.30**	**12.05**	**112.56**	**241.31**	**18.35**	**0.09**	**503.60**	**24.31**
Additions/Acquisitions	0.13	96.10	-	94.48	252.72	11.39	1.04	455.84	
Disposals/Transfers		6.71			2.60	0.18		9.49	
Less : Asset Held For Sale									
As At March 31, 2019	**8.07**	**200.69**	**12.05**	**207.04**	**491.42**	**29.56**	**1.13**	**949.94**	**147.90**
Accumulated Depreciation :									
As At April 1st, 2018	**-**	**3.06**	**0.19**	**4.38**	**5.26**	**2.08**	**0.01**	**14.98**	
Depreciation Charged For The Year	-	16.85	1.30	9.44	32.37	4.74	0.10	64.81	
Disposals/Transfers	-	0.75	-	-	0.03	0.01	-	0.79	
As At March 31, 2019	**-**	**19.16**	**1.49**	**13.82**	**37.61**	**6.81**	**0.11**	**79.01**	
Net Book Value									
As At March 31, 2019	**8.07**	**181.53**	**10.56**	**193.22**	**453.82**	**22.74**	**1.01**	**870.94**	**147.90**

Intangible Assets

(₹ in crore)

	Computer Software	Brands/ Trademarks	Goodwill	Total	Intangible Assets under Development
Cost					
As At April 1st, 2018	**464.07**	**155.03**	**-**	**619.10**	**9.27**
Additions/Acquisitions	56.07	31.47	75.37	162.91	
As At March 31, 2019	**520.14**	**186.50**	**75.37**	**782.01**	**42.36**
Accumulated Amortization					
As At April 1st, 2018	**89.16**	**-**	**-**	**89.16**	**-**
Amortization For The Year	39.18			39.18	
As At March 31, 2019	**128.34**	**-**	**-**	**128.34**	**-**
Net Book Value					
As At March 31, 2019	**391.80**	**186.50**	**75.37**	**653.67**	**42.36**

(₹ in crore)

		As at March 31, 2019
3	**Non-Current Financial Assets-Investments**	
	Quoted Fully Paid Up Equity Shares	
	100 Equity Shares of Future Supply Chain Solutions Limited of ₹10/- each *	**0.01**
	Joint Venture Company	
	Unquoted Fully Paid Up Equity Shares	
	4,50,000 Equity share of Future Retail LLC of RO 1.00 (One Rials Omani) each	**4.34**
		4.34
	Note:	
	*Investment Carried At Fair Value Through Other Comprehensive Income	
4	**Non-Current Financial Assets - Deposits**	
	Security Deposits	
	Unsecured, Considered Good	**416.19**
		416.19
5	**Non-Current Financial Assets - Others**	
	Bank Balances Other Than Cash and Cash Equivalents	
	Deposit with Banks	**0.13**
		0.13
6	**Other - Non Current Assets**	
	Capital Advances	
	Unsecured, Considered Good	**56.74**
	Others	
	Others Unsecured, Considered Good*	**226.40**
	(*includes balances with statutory authorities)	**283.14**
7	**Inventories**	
	Stock-in-Trade	**5,082.94**
	(includes goods in transit of ₹ 126.18 crore)	
	Packing Materials and Others	**2.03**
		5,084.97
8	**Trade Receivables (Refer Note No. 31)**	
	Unsecured, Considered Good	**322.47**
	Unsecured, Considered Doubtful	**5.69**
	Less: Allowance For Credit Losses	**(5.69)**
		322.47
9	**Cash And Cash Equivalents**	
	Balances with Banks	**134.55**
	Cheques on Hand	**1.37**
	Cash on Hand	**71.97**
		207.89

(₹ in crore)

		As at March 31, 2019
10	**Bank Balance Other Than The Above**	
	Deposit with Banks*	**47.93**
		47.93
	*Held as margin money or security against the borrowings, guarantees and other commitments.	
11	**Current Financial Assets - Deposits**	
	Security Deposits	
	Unsecured, Considered Good	**1,540.70**
	Unsecured, Considered Doubtful	**2.90**
		1,543.60
	Less : Provision for Doubtful	**2.90**
		1,540.70
12	**Current Financial Assets - Others**	
	Others	**108.39**
		108.39
13	**Other Current Assets**	
	Other Advances #	
	Unsecured, Considered Good	**855.78**
	Unsecured, Considered Doubtful	**2.98**
		858.76
	Less : Provision for Doubtful	**2.98**
		855.78
	#Includes advance to suppliers, prepaid expenses, statutory authorities, etc.	

14 Share Capital

	As at March 31, 2019	
	Number	(₹ in Crore)
Authorised		
Equity Shares of ₹ 2/- each	12,50,00,00,000	2,500.00
	12,50,00,00,000	2,500.00
Issued *		
Equity Shares of ₹ 2/- each	50,27,02,810	100.54
	50,27,02,810	100.54
Subscribed and Paid up *		
Equity Shares of ₹ 2/- each	50,25,98,439	100.52
	50,25,98,439	100.52

* Pursuant to the provisions of the Companies Act, 2013, the issue of 104,371 Equity Shares are kept in abeyance corresponding to their status in Future Enterprises Limited

(i) Reconciliation of Number of Equity Shares

Particulars	As at March 31, 2019
	Number of Shares
Opening Balance Equity Shares of ₹ 2/- each	50,19,75,154
Add : Shares Issued Under Employee Stock Option Scheme	6,23,285
Closing Balance (Equity Shares of ₹ 2/- each)	50,25,98,439

(ii) Terms/Rights Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 2/- each at the Balance Sheet Date. Each holder is entitled to one vote per share in case of voting by show of hands and one vote per share held in case of voting by poll/ballot. Each holder of Equity Share is also entitled to normal dividend (including interim dividend, if any) as may declared by the company. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

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

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

Name of Shareholder	As at March 31, 2019	
	No. of Shares held	% of Holding
Equity Shares		
Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited)	23,62,18,516	47.00

Nature and Purpose of Reserves:

a) Securities Premium Reserve

Securities Premium Reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and Company can use this reserve for buy-back of shares.

(₹ in crore)

		As at March 31, 2019
15	**Other Equity**	
	Retained Earnings	
	Opening Balance	**(112.02)**
	Profit For The Year	**727.03**
	Other Comphrensive Income for the Year	
	Fair Value Changes on Investment	**0.00**
	Re-measurement Gains on Defined Benefit Plans	**5.85**
	Closing Balance	**620.86**
	Capital Reserve	**(124.20)**
	Securities Premium Reserve	
	Opening Balance	**3,224.69**
	Issue of Equity Shares	**7.92**
	Closing Balance	**3,232.61**
	Share Options Outstanding Account	
	Opening Balance	**7.40**
	Employee Stock Option Expense	**16.44**
	Exercise of Stock Options	**(7.42)**
	Closing Balance	**16.42**
	Capital Reserve on Consolidation	**0.16**
	Non - Controlling Interest	**0.28**
	TOTAL OTHER EQUITY	**3,746.13**

(₹ in crore)

		As at March 31, 2019
16	**Non-Current Financial Liabilities - Borrowings**	
	Secured	
	Loan From Banks	**375.31**
		375.31
17	**Non-Current - Other Financial Liabilities**	
	Deposit	**9.34**
		9.34
18	**Non-Current Liabilities - Provisions**	
	Provision For Employee Benefits	**58.66**
		58.66
19	**Other Non-Current Liabilities**	
	Lease Equalisation Account	**137.98**
	Other Payables	**0.12**
		138.10
20	**Current Financial Liabilities - Borrowings**	
	Secured	
	Loan From Banks	**50.00**
	Working Capital Loans and Others	**2,128.67**
		2,178.67
21	**Trade Payables**	
	Due to Micro and Small Enterprises	**68.73**
	Due to Others	**2,910.10**
		2,978.83
22	**Current - Other Financial Liabilities**	
	Current Maturities of Long-Term Borrowings	**103.06**
	Security Deposits	**12.33**
	Others	**11.97**
		127.36
23	**Current Provisions**	
	Provision For Employee Benefits	**7.12**
	Warranties	**0.81**
		7.93
24	**Other Current Liabilities**	
	Advance From Customers	**165.76**
	Lease Equalisation Account	**4.11**
	Other Payables	**696.08**
		865.95

(₹ in crore)

		Year Ended March 31, 2019
25	**Revenue From Operations**	
	Sale of Products	**21,427.96**
	Less : GST	**(1,892.05)**
	Other Operating Revenue	**796.67**
		20,332.58
26	**Other Income**	
	Interest Income	**19.33**
	Excess Provisions/Liabilities Written Back	**2.02**
	Miscellaneous Income	**1.79**
		23.14
27	**Changes In Inventories of Stock- In-Trade**	
	Opening Inventories	
	Stock-In-Trade	**4,427.55**
	Closing Inventories	
	Stock-In-Trade	**5,082.94**
		(655.39)
28	**Employee Benefits Expense**	
	Salaries, Wages and Bonus	**981.05**
	Contribution to Provident and Other Funds	**59.92**
	Employee Stock Option Expense	**16.44**
	Staff Welfare Expenses	**32.76**
		1,090.17
29	**Finance Costs**	
	Interest Expense	**219.86**
	Other Borrowing Costs	**8.26**
		228.12
30	**Other Expenses**	
	Power and Fuel	**322.60**
	Repairs and Maintenance	**55.41**
	Insurance	**11.76**
	Rates and Taxes	**43.50**
	Rent including Lease Rentals	**1,493.83**
	Advertisement and Marketing	**380.16**
	Corporate Social Responsibility Expenses	**6.76**
	Allowance For Credit Losses	**4.98**
	Loss on Disposal/Discard of Fixed Assets (Net)	**8.53**
	Exchange Fluctuation Loss/(Gain) (Net)	**4.35**
	Miscellaneous Expenses	**1,013.58**
		3,345.46

31. Financial Risk Management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Group manage market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the interest cost, treasury performs a comprehensive corporate interest rate risk management by balancing the borrowings from commercial paper, short term loan, working capital loan and non fund facilities from banks.

The Group is not exposed to significant interest rate risk as at the respective reporting dates.

(ii) Foreign Currency Risk

The Group are exposed to exchange fluctuation risk for its purchase from overseas suppliers in various foreign currencies.

The Group follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposures to foreign currency risk.

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

(₹ in crore)

	2018-19
Trade Payables	**20.23**
Trade Receivable	**4.42**

(iii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹322.47 crore as of March 31, 2019. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grant credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.

Credit Risk Exposure

Change in the loss allowance measured using life-time expected credit loss model: (₹ in crore)

	2018-19
Opening Balance	**2.90**
Provided During The Year	**4.98**
Amounts Written off	**2.20**
Closing Balance	**5.68**

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due:

(₹ in crore)

	2018-19
Up to 3 Months	**284.37**
3 to 6 Months	**24.92**
More Than Six Months	**13.18**

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

(iv) Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Typically the Group ensure that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations.

(₹ in crore)

	2018-19
Short-Term Borrowings	**2,178.67**
Trade Payables	**2,978.83**
Other Financial Liabilities	**127.36**

(v) Financial Instruments Valuation

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

a) The fair value of quoted investment is measured at quoted price or NAV.

b) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

c) 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		
	Carrying Amount	Level of Input used in	
		Level 1	Level 2
Financial Assets			
At Amortized Cost			
Trade Receivables	**322.47**	-	-
Cash and Bank Balances	**255.82**	-	-
Deposits	**1,956.89**	-	-
Other Financial Assets	**108.52**	-	-
At FVTOCI			
Investments	**0.01**	**0.01**	-
Financial Liabilities			
At Amortized Cost			
Borrowings	**2,553.98**	-	-
Trade Payables	**2,978.83**	-	-
Other Financial Liabilities	**136.70**	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

32. Capital Management

For the purpose of the Group capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(₹ in crore)

Particular	March 31, 2019
Gross Debt	**2,657.04**
Trade Payables	**2,978.83**
Other Payables	**1,028.36**
Less: Cash and Cash Equivalents	**207.89**
Net Debt	**6,456.34**
Equity	**100.52**
Other Equity	**3,746.13**
Total Capital	**3,846.65**
Capital and Net Debt	**10,302.99**
Gearing Ratio	**62.66%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

33. Income Tax Expense

(i) Income Tax Expense charged to Profit and Loss: (₹ in crore)

	March 31, 2019
Profit Before Tax	**727.20**
Tax Expense	
Current Tax	**0.01**
Deferred Tax	**-**
Tax Expense charged to Profit and Loss Account	**0.01**
Profit After Tax	**727.19**

(ii) Amount for Which Deferred Tax Asset is Not Recognised

(₹ in crore)

	March 31, 2019
Unused Tax Losses	**265.60**
Accelerated Depreciation for Tax Purpose	**74.98**
Other items giving rise to temporary differences	**(128.53)**
Deferred tax asset	**212.05**

34. Segment Reporting

The Group is primarily engaged in the business of "Retail", which in terms of Ind AS 108 on "Segment Reporting" constitutes a single reporting segment.

35. Related Party Disclosures

Disclosure as required by Ind AS 24 "Related Party Disclosures" are given below:

1 List of Related Parties

A Subsidiary Companies

(i) Travel News Services (India) Private Limited (from May 11, 2018)
(ii) TNSI Retail Private Limited (from May 11, 2018)
(iii) Welcome Retail Private Limited (from May 11, 2018)
(iv) SHME Food Brands Private Limited (from Feb 28, 2019)

B Joint Venture Group

(i) Future Retail LLC (JV Company Registered on May 1, 2018 in Sultanate of Oman)

C Enterprises over which Key Managerial Personnel(s) are able to exercise significant influence

(i) Apollo Design Apparel Parks Limited
(ii) Bansi Mall Management Company Private Limited
(iii) Clarks Future Footwear Private Limited
(iv) FLFL Travel Retail Bhubaneswar Private Limited
(v) FLFL Travel Retail Guwahati Private Limited
(vi) FLFL Travel Retail Lucknow Private Limited
(vii) FLFL Travel Retail West Private Limited
(viii) Future E-commerce Infrastructure Limited
(ix) Future Enterprises Limited
(x) Future Generali India Insurance Company Limited
(xi) Future Generali India Life Insurance Company Limited
(xii) Future Human Development Limited
(xiii) Future Ideas Company Limited
(xiv) Future Lifestyle Fashions Limited
(xv) Future Media (India) Limited
(xvi) Future Sharp Skills Limited
(xvii) Future Speciality Retail Limited
(xviii) Future Supply Chain Solutions Limited
(xix) Goldmohur Design & Apparel Park Limited
(xx) Retail Light Techniques India Limited
(xxi) Work Store Limited (formerly known as Staples Future Office Products Limited)

D Entity able to Exercise Significant Influence

(i) Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited)

E Key Managerial Personnel(s)

(i) Mr. Kishore Biyani

(ii) Mr. Rakesh Biyani

(iii) Mr. C. P. Toshniwal

(iv) Mr. Virendra Samani

F Relatives of Key Managerial Personnel(s)

(i) Mrs. Bhavika Samani

2 Transaction with Related Parties

(₹ in crore)

Nature of Transaction	Joint Venture	Key Managerial Personnel Exercise Significant Influence	Entity able to Exercise Significant Influence	Key Managerial Personnel/ Relatives
Sale of Goods and Services	**4.42**	**421.81**	**0.33**	**-**
Purchase of Goods and Services	**-**	**4,665.42**	**66.67**	**0.02**
Investments	**4.57**	**-**	**-**	**-**
Managerial Remuneration		**-**		**15.40**
Outstanding Balance as on March 31, 2019				
Receivable	**4.42**	**1,120.06**	**152.16**	**-**
Payable	**-**	**522.38**	**-**	**-**

3 Significant Related Party Transactions

A Sale of Goods and Services includes Future Lifestyle Fashions Limited ₹ 378.42 crore.

B Purchases of Goods and Services includes Future Enterprises Limited ₹ 3838.14 crore, Future Supply Chain Solutions Limited ₹ 557.88 crore.

C Investment includes Future Retail LLC 4.57 crore.

D Managerial Remuneration includes Mr. Kishore Biyani ₹ 5.89 crore, Mr. Rakesh Biyani ₹ 5.37 crore. Key Managerial Personnel Remuneration includes Mr. C. P. Toshniwal ₹ 3.29 crore, Mr. Virendra Samani ₹ 0.85 crore.

36. Interest In Other Entities

Subsidiary Companies :

S. No.	Name of the Group	Description of Interest	Country of Incorporation	Percentage of Interest as on March 31, 2019
1	Travel News Services (India) Private Limited	Equity	India	100%
2	TNSI Retail Private Limited	Equity	India	100%
3	Welcome Retail Private Limited	Equity	India	51%
4	SHME Food Brands Private Limited	Equity	India	100%

Joint Venture Group Information :

S. No.	Name of the Group	Description of Interest	Country of Incorporation	Percentage of Interest as on December 31, 2018
1	Future Retail LLC	Equity	Sultanate of Oman	50%

Group's Interest in the Joint Venture:

(₹ in crore)

Particulars	As At March 31,2019
Assets	**12.18**
Liabilities	**8.05**
Income	**-**
Expenditure	**(0.49)**

37. Earnings Per Share

Statement of Calculation of Basic and Diluted EPS is as under:

(₹ in crore)

	Units	2018-19
Profit attributable to equity holders	₹in crore	**727.03**
Weighted average number of Equity Shares for Basic EPS	No. in crore	**50.25**
Weighted average number of Equity Shares for Diluted EPS	No. in crore	**50.25**
Nominal Value per Equity Share	₹	**2**
Earnings Per Equity Share (Basic)	₹	**14.47**
Earnings Per Equity Share (Diluted)	₹	**14.47**

38. For Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of the Entities in the Group	2018-19							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	(₹ in crore)	As a % of Consolidated Profit	(₹ in crore)	As a % of Consolidated Profit	(₹ in crore)	As a % of Consolidated Profit	(₹ in crore)
Future Retail Limited	100.14%	3,851.95	100.76%	732.54	99.33%	5.81	100.75%	738.36
Subsidiaries								
TNSI News Services (India) Private Limited	0.50%	19.09	0.07%	0.50	1.13%	0.07	0.08%	0.56
TNSI Retail Private Limited	-0.14%	(5.49)	-0.27%	(1.98)	-0.46%	(0.03)	-0.27%	(2.00)
Welcome Retail Private Limited	0.01%	0.30	0.02%	0.18	0.00%	-	0.02%	0.18
SHME Food Brands Private Limited	0.00%	0.03	0.00%	0.02	0.00%	-	0.00%	0.02
Subtotal		**3,865.88**		**731.27**		**5.85**		**737.11**
Intercompany Elimination and Consolidation Adjustments	-0.50%	(19.29)	-0.58%	(4.24)	0.00%	-	-0.58%	(4.23)
Total		**3,846.59**		**727.03**		**5.85**		**732.88**
Non - Controlling Interest		0.28		0.16				0.16
Joint Ventures (Investment as per Equity Method)								
Future Retail LLC		(0.24)				-		-
Grand Total		**3,846.63**		**727.19**		**5.85**		**733.04**

39. Contingent Liabilities

Claims Against the Group Not Acknowledged as Debts, In respect of Value Added Tax ₹ 18.86 crore, Letter of Credit ₹ 445.3 crore, Others ₹ 49.49 crore and Other money for which the Group is Contingently Liable, Bank Guarantee Given ₹ 104.3 and Corporate Guarantees Given ₹ 3,589.97 crore).

There are various labour, legal metrology, food adulteration and cases under other miscellaneous acts pending against the Group, the liability of which cannot be ascertained. However, management does not expect significant or material liability devolving on the Group.

40. Pursuant to the levy of service tax on renting of immovable properties given for commercial use, retrospectively with effect from June 1, 2007 by the Finance Act, 2010, the Group based on legal advice, challenged the levy through Retailers Association of India and its retrospective application. The Hon'ble Supreme Court had passed an interim order dated October 14, 2011. In compliance of this order Group has made an aggregate deposit of ₹ 39.71 crore in respect of the liability for such service tax for the period from June 1, 2007 up to September 30, 2011. From October 1, 2011, the Group is accounting and paying for such service tax regularly as per directives of the Supreme Court. Accordingly the Group has not made provision of ₹79.42 crore for the period June 1, 2007 to September 30, 2011 which would be appropriately recognised on final determination.

41. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of M/s. Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative issues related to the judgement which require clarification. Further Surya Roshni has filed a review petition with hon'ble Supreme Court which is pending for disposal Pending decision on the subject review petition and clarificatory directions from the EPFO, the impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

42. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 42.74 crore.

43. Payment to the Auditor

(₹ in crore)

	2018-19
Statutory Audit Fees	**0.95**
Certification & Consultation Fees	**0.05**
Total	**1.00**

44. Pursuant to the Composite Scheme of Arrangement between the Future Retail Limited (now known as Future Enterprises Limited (FEL)) and Bharti Retail Limited (now known as Future Retail Limited (the Company/FRL) and their respective Shareholders and Creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 2013 (the Scheme), the Shareholders and OCD holders of Bharti Group have agreed to share with the respective companies (i.e. The company and FEL) an upside on the realization out of the shares of the two companies, subject to certain broad terms and conditions. Further, the said transaction has been partially completed and amount received under this arrangement is shown a part of other Current liabilities.

45. Leases

Operating Lease

The Company has entered into operating lease arrangements for fixed assets and premises. The future minimum lease rental obligation under non-cancellable operating leases payable not later than one year is ₹ 1,140.36 crore payable later than one year but not later than five year is ₹ 2,819.91 crore and payable later than five years is ₹ 1,433.90 crore.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

46. Business Combination

The Company has entered into Shareholder agreement with Khimji Ramdas LLC, company incorporated under the law of Sultanate of Oman to establish the Company "Future Retail LLC" to run retail fashion store under the "fbb" Brand name in the territory of oman on May 1, 2018. The Company has subscribed to 50% Equity of Future Retail LLC.

The Group has completed acquistion of Retail Business undertaking operated under the brand name "Foodworld" (Foodworld Business) from Foodworld Supermarkets Private Limited in terms of business transfer agreement on May 21,2018. Under this arrangement companies has acquired Assets ₹ 31.43 crore,Other Assets ₹ 20.01 crore and Liabilities ₹ 12.26 crore by paying total Purchase Consideration ₹ 39.18 crore.

As per our report of even date attached

For NGS & Co. LLP
Chartered Accountants

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2019

For and on behalf of Board of Directors

Kishore Biyani
Chairman & Managing Director

Rakesh Biyani
Jt. Managing Director

Ravindra Dhariwal
Director

Gagan Singh
Director

Shailendra Bhandari
Director

Sridevi Badiga
Director

Rahul Garg
Director

C. P. Toshniwal
Chief Financial Officer

Virendra Samani
Company Secretary

FORM AOC - 1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

[Pursuant to first proviso to subsection (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiary companies

(₹ in crore)

Name of the Subsidiaries	Travel News Services (India) Private Limited (TNSI)	TNSI Retail Private Limited*	Welcome Retail Private Limited*	SHME Food Brands Private Limited
Date of Acquisition / becoming subsidiary	May 11, 2018	May 11, 2018	May 11, 2018	February 28, 2019
Reporting period for the subsidiary	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
Reporting currency	INR	INR	INR	INR
Share Capital	4.14	18.94	0.05	0.01
Reserves & Surplus	14.95	(24.42)	0.53	0.02
Total Assets	66.95	19.55	12.96	0.05
Total Liabilities**	47.86	25.03	12.38	0.02
Investments	2.72#	Nil	Nil	Nil
Turnover	140.57	57.54	21.45	0.02
Profit before Taxation	(3.74)	(1.98)	0.35	0.02
Provision for Taxation	4.24	0.00	0.00	0.00
Profit after Taxation	0.50	(1.98)	0.35	0.01
Proposed Dividend	Nil	Nil	Nil	Nil
% of Shareholding	100	100	51	100

(*) Subsidiaries of TNSI
(**) Excluding Share Capital and Reserves & Surplus
(#) Includes investment made in its subsidiary companies.

Note: The subsidiaries have commenced their operations and no subsidiary is under liquidation or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of Companies Act, 2013 related to Associate & Joint Ventures

(₹ in crore)

Name of Joint Venture	Future Retail LLC
Latest audited Balance Sheet Date	December 31, 2018
Shares of Joint Venture held by the Company on the year end	
• No. of shares	1,25,000
• Amount of investment in Joint Venture	2.31
• Extend of Holding (%)	50
Description of how there is significant influence	Joint Venture / Shareholders Agreement
Reason why the joint venture is not consolidated	Not Applicable
Networth attributable to shareholding as per latest audited Balance Sheet	4.13
Profit/Loss for the year	
• Considered in consolidation	(0.24)
• Not considered in consolidation	(0.24)

Notes:
1. FR LLC was registered on May 1, 2018 in Sultanate of Oman and during the period ended December 31, 2018, it had not commenced its operations. However, it has incurred expenses for setting-up of its business.
2. No associate or joint venture are under liquidation or sold during the year under review.

As per our report of even date attached — For and on behalf of Board of Directors

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W

Ashok A.Trivedi
Partner
Membership No.: 042472

Mumbai
May 25, 2019

Kishore Biyani
Chairman & Managing Director

Gagan Singh
Director

Rahul Garg
Director

Rakesh Biyani
Jt. Managing Director

Shailendra Bhandari
Director

C. P. Toshniwal
Chief Financial Officer

Ravindra Dhariwal
Director

Sridevi Badiga
Director

Virendra Samani
Company Secretary

NOTES

FUTURE RETAIL LIMITED

Information as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2019.

Sl. No., Employee Name, Designation, Age, Date of Joining, Experience (in Yrs), Qualification, Remuneration received (in ₹.), Last Employment.

1. Ajay Chablani, Head, 45, October 31, 2015, 24, B.Tech, 1,71,32,695, Future Enterprises Ltd.; 2. Anand Banvarilal Adukia, CEO-West & Mumbai, Future Group, 48, October 31, 2015, 22, BCA, 1,18,99,598, Future Enterprises Ltd.; 3. Animesh Kumar*, Chief People & Transformation Officer, 51, January 9, 2018, 24, PGD-Human Resources Management, 31,67,098, IDFC Group & IDFC Bank; 4. Ashwin Rajan, Chief of Staff-Chairman's Office, 34, November 1, 2017, 15, Graduate Diploma Legal Practice, 1,44,92,238, Dr. Babasaheb Ambedkar College of Engineering and Research; 5. Behram Kabrajee, Head-Sourcing, Quality Assurance & Technical, 58, October 31, 2015, 32, B.Com, 1,45,64,268, Future Enterprises Ltd.; 6. Bharat Bhihkabhai Manseta, Head, 63, July 18, 2016, 24, B.Tech, 1,05,43,300, Aditya Birla Domestic Textile Ltd.; 7. C. P. Toshniwal, Chief Financial Officer, 53, May 02, 2016, 29, CA & CS, 3,29,33,188, Future Lifestyle Fashions Ltd.; 8. Dhananjay Sengupta, CEO-Small Format, 54, October 31, 2015, 31, MBA, 1,32,11,575, Future Enterprises Ltd.; 9. Gopal R Asthana*, Head-LOB Beauty & Special Projects, 48, January 14, 2019, 21, MBA, 28,61,000, Shoppers Stop Ltd.; 10. Hardeep Singh*, Director-Distribution Strategy & Supply Chain, Food-FMCG, 50, June 1, 2018, 25, Master in Management Studies, 1,74,86,297, Vulcan Express Pvt. Ltd.; 11. Harsha Saksena, Head-Treasury, 48, November 30, 2016, 24, CA, 1,13,05,593, Ladderup Finance Ltd; 12. Jishnu Sen, Head-Marketing, 49, January 16, 2017, 28, B.Com, 1,63,34,407, Essar Group; 13. Kishore Biyani, Managing Director, 58, May 2, 2016, 38, B.Com & PG Diploma in Management, 5,88,57,899#, Future Group CEO; 14. M. Venkateshwar Kumar, CEO-South Future Group, 51, October 31, 2015, 28, MBA, 1,55,10,587, Future Enterprises Ltd.; 15. Mahesh Shah*, CEO-Home Town, 51, August 1, 2018, 27, MMS, 1,02,98,803, Praxis Home Retail Ltd.; 16. Manish Agarwal, CEO-East, Future Group, 49, October 31, 2015, 27, CA, 1,69,16,187, Future Enterprises Ltd.; 17. N Mohan, Director-Footwear, 59, December 1, 2017, 26, B.E. Mechanical, 2,10,12,795, Asrosoles Europe; 18. Purandhar Potineni*, Vice President, 47, April 1, 2016, 24, PGPMM, 78,34,958, Bharti Walmart Pvt. Ltd.; 19. Rajan Malhotra, President-Strategy & Convergence, 50, October 31, 2015, 26, B.SC Chemistry & MBA, 2,72,76,379, Future Enterprises Ltd.; 20. Rajesh Seth, Chief Operating Officer-fbb, 47, April 4, 2016, 21, B.E. Mechanical, 2,05,65,969, Future Enterprises Ltd.; 21. Rakesh Biyani, Jt. Managing Director, 47, May 2, 2016, 23, B.Com, Advance Management Programme (Harvard Business School), 5,36,52,939^, Future Group, 22. Ramesh Menon, Head-Small Formats, 53, January 2, 2018, 20, PGDBA, 2,55,61,252, Hypercity Retail (India) Ltd.; 23. Sadashiv Nayak, CEO-Food Business, Future Group and Interim CEO-Future Consumer Ltd., 48, October 31, 2015, 23, B.E. Electronics & Communications & PGDBM, 3,24,36,141, Future Enterprises Ltd.; 24. Sandeep Sharma, Head, 50, October 31, 2015, 29, Electrical Engineer & Diploma, 1,13,03,087, Future Enterprises Ltd.; 25. Saurabh Vijayvergia*, Head Strategy & Investor Relations, 38, May 1, 2018, 18, CA, 1,05,87,178, Future Corporate Resources Pvt. Ltd.; 26. Swetank Jain, Group Chief People Officer, 39, August 1, 2017, 20, MS, 1,50,27,891, ICICI Bank Ltd.; 27. Vinay Bhatia, CEO-Group Loyalty & Analytics, 50, April 1, 2018, 25, MMS, 1,81,75,694, Shoppers Stop Ltd.; 28. Vineet Jain, CEO-North & NCR, Future Group, 44, October 31, 2015, 24, CA & ICWAI, 1,23,63,993, Future Enterprises Ltd.

"*" denotes employed for part of the year.

"#" Including commission of ₹ 1.50 crore paid during the year 2018-19.

"^" Including commission of ₹ 1.00 crore paid during the year 2018-19.

Notes:

1. Nature of employment is permanent and terminable by Notice on either side except in case of Directors, which is contractual;
2. The above employees are not related to any other Director of the Company;
3. No employee holds by himself/herself or along with spouse and dependent children 2% or more of the equity shares of the Company;
4. Terms and conditions of employment are as per Company's Rules; and
5. The above remuneration is excluding of the ESOP Perquisites.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 25, 2019

Kishore Biyani
Chairman & Managing Director

FUTURE RETAIL

Knowledge House, Shyam Nagar,
Off Jogeshwari-Vikhroli Link Road, Jogeshwari (East),
Mumbai - 400 060. Maharashtra, India
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This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.