

FUTURE CONSUMER ENTERPRISE LIMITED

(formerly known as Future Ventures India Limited)

Corporate Identity Number: L52602MH1996PLC192090

Regd. Office: Knowledge House, Shyam Nagar, Off. Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060
Tel. No.: +91 22 3084 1300 **Fax:** +91 22 6199 5391 **E-mail:** investor.care@futureventures.in **Website:** www.futureconsumer.in.

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Future Consumer Enterprise Limited (formerly known as Future Ventures India Limited) will be held at Rangswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai – 400 021 on 26th August, 2014 at 11.00 a.m to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statements of the Company for the year ended 31st March, 2014 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. Anand (DIN: 02792009), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration Number 117364W), as Statutory Auditors of the Company for a period of 3 (three) years and to fix their remuneration, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) M/s. Deloitte Haskins & Sells, Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) vide registration number 117364W, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (**“AGM”**) till the conclusion of the twenty-first AGM of the Company, subject to ratification of re-appointment of Statutory Auditors at every AGM held after this AGM.

RESOLVED FURTHER THAT the Audit Committee be and is hereby authorised to fix the remuneration of Statutory Auditors appointed herein.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. G. N. Bajpai (DIN: 00946138), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member, proposing the candidature of Mr. G. N. Bajpai for the office of Director be and is hereby appointed as an ‘Independent Director’ of the Company for a period of 5 (Five) years.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Anil Harish (DIN: 00001685), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member, proposing the candidature of Mr. Anil Harish for the office of Director be and is hereby appointed as an ‘Independent Director’ of the Company for a period of 5 (Five) years.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Jagdish Shenoy (DIN: 01754643), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member, proposing the candidature of Mr. Jagdish Shenoy for the office of Director be and is hereby appointed as an ‘Independent Director’ of the Company for a period of 5 (Five) years.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Ms. Vibha Rishi (DIN: 05180796), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member, proposing the candidature of Ms. Vibha Rishi for the office of Director be and is hereby appointed as an ‘Independent Director’ of the Company for a period of 5 (Five) years.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Frederic de Mevius (DIN: 03359921), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member, proposing the candidature of Mr. Frederic de Mevius for the office of Director be and is hereby appointed as an ‘Independent Director’ of the Company for a period of 5 (Five) years.”

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

“RESOLVED THAT in accordance with the provisions of Section 196, 197 and 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof, for the time being in force) and subject to consents and permissions from regulatory authorities as may be necessary and subject to conditions that may be imposed by such authorities while granting such consents, permissions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as **“Board”**, which term shall be deemed to include the **“Nomination and Remuneration/Compensation Committee”** of the Company), consent of the Shareholders of the Company (**“Shareholders”**) be and is hereby accorded for appointment of Mr. Arun Kumar Agarwal (**“Appointee”**) as **“Manager”** of the Company for a period of three years with effect from 5th February, 2014 (**“Term”**).

RESOLVED FURTHER THAT consent of the Shareholders of the Company be and is hereby further accorded to pay remuneration to the Appointee in accordance to the terms of his original employment, which may be revised from time to time, including by way of granting annual increments and other benefits as per the policy of the Company, during his Term as **“Manager”**, which shall, in aggregate, not exceed ₹ 48,00,000/- per annum.

RESOLVED FURTHER THAT in the event of there being no profits or inadequacy of profits in any financial year during the currency of tenure of the Manager, the amount of remuneration fixed as aforesaid shall be the minimum remuneration payable to him in terms of the provisions of Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, for the time being in force.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary the terms and conditions of appointment and /or remuneration payable, which may be acceptable to the Appointee, subject to the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, for the time being in force.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, consider necessary, expedient or desirable, and to settle any questions or doubts that may arise in relation thereto, including to authorise one or more representatives of the Company to execute such further deeds, documents and writings that may be considered necessary and appropriate for the purpose of giving effect to this resolution.”

By Order of the Board of Directors

Manoj Gagvani
Company Secretary & Head-Legal

Place: Mumbai

Date: 19th May, 2014

Registered Office:

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

NOTES:

- 1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the businesses set out in the Notice, wherever applicable, is annexed hereto.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company.

- 3) Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Annual General Meeting.
- 4) Corporate Members intending to send their authorised representative(s) to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
- 5) The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 23rd August, 2014 to Tuesday, 26th August, 2014 (both days inclusive).
- 6) Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio numbers in the attendance slip for attending the meeting to facilitate identification of membership at the Annual General Meeting.
- 7) Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agents of the Company at the following address:

Link Intime India Private Limited

C – 13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai – 400 078
Tel No. +91 22 2594 6970, Fax No. +91 22 2594 6969
Email: rnt.helpdesk@linktime.co.in

- 8) Members desirous of obtaining any information as regards Accounts are requested to write to the Company at least one week before the Annual General Meeting so that the information required will be made available at the Annual General Meeting.
- 9) The Securities and Exchange Board of India (SEBI) has mandated the submission of Income Tax Permanent Account Number

(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.

- 10) Documents in respect of items referred to in the accompanying Notice and the Explanatory Statement are available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting on all working days (except Saturday, Sunday and Public Holiday).
- 11) Members/ Proxies are requested to bring the Attendance Slip(s) duly filled in and copies of the Annual Report at the Annual General Meeting.
- 12) Information as required to be provided pursuant to the requirements of Clause 49 of the Listing Agreement with regards to the Directors seeking appointment and re-appointment at this Annual General Meeting is given as an Annexure to this Notice.
- 13) In accordance to the provisions of Section 108 of the Companies Act, 2013 and Companies (Management & Administration) Rules, 2014, the Company is pleased to offer to its Members facility for voting through electronic means ("**E-voting**") at the Annual General Meeting scheduled to be held on 26th August, 2014 for businesses as set out in this Notice.
- 14) Electronic copy of Annual Report for the financial year 2013-14 and Notice calling the 18th Annual General Meeting of the Company *inter alia* indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is also being sent to all members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copy of Annual Report for the financial year 2013-14 and Notice of the 18th Annual General Meeting of the Company *inter alia* indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 15) Members have an option to either cast their vote in physical form by attending the Annual General Meeting or vote through E-voting facility. Members opting for E-voting, cannot vote in physical mode at the Annual General Meeting. Similarly, Members opting to attend and vote at the Annual General Meeting should not exercise the option for E-voting. However, in case Members cast their vote exercising both the options, i.e through voting at the Annual General Meeting and E-voting, then votes casted at the Annual General Meeting shall only be taken into consideration and votes casted by E-voting shall be treated as invalid.
- 16) The Company has engaged National Securities Depositories Limited ("**NSDL**"), an agency authorized by the Ministry of Corporate Affairs ("**MCA**") for providing E-voting platform.
- 17) Mr. Nilesh Shah, Practising Company Secretary (Membership No. FCS 4554) has been appointed as the Scrutinizer to scrutinize the E-voting process for the Annual General Meeting in a fair and transparent manner.
- 18) E-voting period shall commence from Tuesday, 12th August, 2014 at 9.30 a.m and shall end on Thursday, 14th August, 2014 at 6.00 p.m. The E-voting module shall be disabled for voting by NSDL thereafter. During the E-voting period Members of the Company, holding shares in physical form or in dematerialized form as on the cut-off date - 18th July, 2014 may cast their vote electronically. Once the vote is cast by the Member on a resolution, the Member shall not be allowed to change it subsequently.
- 19) The voting rights with one vote per share shall be reckoned on the paid up value of shares registered in the name of the Shareholders as on 18th July, 2014.
- 20) Instructions for Members for e-voting are as under:
 - (a) In case of Shareholders' receiving e-mail from NSDL:
 - (i) Open e-mail and open PDF file viz; "Future Consumer Enterprise Limited e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and password for E-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (iii) Click on Member – Login
 - (iv) Put User ID and password as initial password noted in step (i) above. Click Login

- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-Voting opens. Click on E-Voting: Active Voting Cycles
 - (vii) Select “EVEN” of Future Consumer Enterprise Limited
 - (viii) Now you are ready for E-Voting as Cast Vote page opens
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail on nilesh@ngshah.com with a copy marked to evoting@nsdl.co.in and investor.care@futureventures.in
- (b) In case of Shareholders receiving physical copy of notice of Annual General Meeting:
- (i) Initial password is provided at the bottom of the Attendance Slip for the Annual General Meeting.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.
- (c) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or contact NSDL at the following Telephone No: 022-24994600
- (d) If you are already registered with NSDL for E-voting, then you can use your existing user ID and password for casting your vote.
- 21) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- 22) The Scrutinizer shall within a period not exceeding three (3) working days from the date of close of E-voting process, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make Scrutinizer’s Report of votes cast in favour of or against, if any forthwith to the Chairman of the Company.
- 23) The results shall be declared on or after the Annual General Meeting. The results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.futureconsumer.in and on the website of NSDL within two (2) days of passing of the resolutions at the Annual General Meeting and shall also be communicated to BSE Limited and the National Stock Exchange of India Limited.
- 24) The Annual Report for the financial year 2013-14, Notice calling the 18th Annual General Meeting and Attendance Slip/Proxy Form will also be available on Company’s website - www.futureconsumer.in. Physical copies of the aforesaid documents will also be available for inspection at the Registered Office of the Company between 11.00 a.m and 1.00 p.m upto the date of the Annual General Meeting on all working days (except Saturday, Sunday and Public Holiday).
- 25) The Company is concerned about the environment and utilizes natural resources in a sustainable way. To support “Green Initiative”, the Members are requested to update their email address, with their concerned Depository Participant to enable us to send you necessary documents /communication via email. Members who hold shares in physical form are requested to register their e-mail address with Link Intime India Private Limited, Registrar and Share Transfer Agents.

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

ITEM NOS. 4 to 8

In terms of provisions of Section 149 of the Companies Act, 2013 which has come into effect from 1st April, 2014, every listed company is required to have at least one-third of its total number of Directors as Independent Directors, who shall not be liable to retire by rotation and who shall hold office for a term of five consecutive years.

The Company has appointed Mr. G. N. Bajpai, Mr. Anil Harish, Mr. Jagdish Shenoy, Ms. Vibha Rishi and Mr. Frederic de Mevius,

as Directors liable to retire by rotation in terms of provisions of the Companies Act, 1956 and these Directors act as Independent Directors of the Company.

In compliance with the provisions of Section 149 of the Companies Act, 2013, appointment of above mentioned Directors as Independent Directors is now placed before the Shareholders for their approval. In terms of the provisions of Section 160 of the Companies Act, 2013, the Company has received individual notices from Member(s) of the Company, signifying their intention to propose the appointment of the said Directors, as 'Independent Director' of the Company.

The Company has received declaration from respective Directors to the effect that they are not disqualified from being appointed as Director in terms of provisions of Section 164 of the Companies Act, 2013. The aforesaid Directors have also confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

A copy of draft letter for appointment setting out broad terms and conditions relating appointment of aforesaid Independent Directors shall be open for inspection at the registered office of the Company between 11.00 am and 1.00 pm upto the date of Annual General Meeting on all working days (except Saturday, Sunday and Public Holiday). Details concerning aforesaid Independent Directors seeking appointment at this Annual General Meeting, pursuant to Clause 49 of the Listing Agreement is attached separately to this Notice.

In the opinion of the Board the aforesaid Independent Directors proposed to be appointed at this Annual General Meeting fulfill the conditions for appointment of Independent Directors as specified in the Companies Act, 2013 and Rules framed thereunder and are independent of the management.

Except the aforesaid Directors being appointee under their respective Resolutions, none of the other Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested in the Resolutions set out under Item No. 4 to Item No. 8 of this Notice.

Your Directors recommend the Resolution(s) proposed at Item No. 4 to Item No. 8 of this Notice for your approval.

ITEM NO. 9

The Board of Directors of the Company (hereinafter referred to as **"Board"**) on the basis of recommendation made by the Nomination and Remuneration / Compensation Committee of the Board (**"the Committee"**) have at their meeting held on 4th February, 2014, subject to approval of the Shareholders of the Company, approved appointment of Mr. Arun Kumar Agarwal (**"Appointee"**) an existing employee, as Manager of the Company in terms of the provisions of the Companies Act, 1956 (as amended /re-enacted from time to time) for a period of three years with effect from 5th February, 2014.

Mr. Arun Kumar Agarwal, aged 42, holds a Bachelors Degree in Commerce and is a qualified Chartered Accountant with about 16 years of professional experience.

The Board had at the said meeting also approved payment of remuneration to Mr. Arun Kumar Agarwal during his tenure as Manager of the Company as per his original terms of appointment with the Company.

STATEMENT AS REQUIRED UNDER CLAUSE (iv) OF PROVISIO TO PARAGRAPH (B) OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013

GENERAL INFORMATION		
1	Nature of Industry	The Company is engaged in operating Food and FMCG sector and undertaking the business of distribution in Urban and Rural areas with its own branded products in addition to the third party brands and products.
2.	Date or expected date of commencement of commercial production	Not Applicable
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable as the Company is an existing company.

4.	Financial Performance based on given indicators	(₹ in lakhs)			
		Particulars	2013-14	2012-13	2011-12
		Total Income	46,386.05	35,803.92	5,531.72
		Profit / (Loss) After Tax	3040.90	(1,144.81)	(1,366.99)
		Equity Share Capital	95,878.60	95,878.60	1,57,624.37
		Reserves & Surplus	(554.74)	(1,617.26)	(1,187.95)
		Basic and Diluted Earnings Per Share	0.19	(0.07)	(0.09)
5.	Foreign investments or collaborations, if any	Nil. There are no foreign collaborators			
II INFORMATION ABOUT THE APPOINTEE					
1.	Background details	Mr. Arun Kumar Agarwal is a commerce graduate and a qualified Chartered Accountant with about 16 years of professional experience. He has previously worked with Mangala Ispat (Jaipur) Limited and H & R Johnson (India) Limited handling different profiles in the Finance and Accounts Department.			
2.	Past remuneration	Prior to appointment of Mr. Arun Kumar Agarwal as Manager of the Company pursuant to the provisions of the Companies Act, 1956 (including statutory amendments and re-enactments from time to time) he has been designated as 'Chief – Operations' and being paid remuneration in terms of his appointment. There is no change in the remuneration proposed to be paid to Mr. Arun Kumar Agarwal in terms of this appointment, save and except the yearly increments and bonus, if any, payable in terms of his original appointment and as per the policy of the Company.			
3.	Recognition or awards	No such specific recognition or awards.			
4.	Job profile and his suitability	Mr. Arun Kumar Agarwal has been associated with Future Group since 2009. He being responsible for operational activities relating business under the brand KB's Fair Price, is considered suitable for the position.			
5.	Remuneration proposed	As mentioned in the text of the resolution in the Notice			
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person, in case of expatriates the relevant details would be w.r.t the country of his origin.	Considering the experience, knowledge and contributions of Mr. Agarwal, towards the business of the Company, the remuneration is considered to be in line with the industry norms, size of the Company and position he occupies and the segment into which the Company carries on its business.			
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	None, save and except the remuneration and other benefits pursuant to the terms of his original employment.			

III	OTHER INFORMATION	
1.	Reasons of loss or inadequate profits	For the period ended 31 st March,2013, the Company diversified into operating activities in terms of which it has incurred loss on standalone basis. However for the period ended 31 st March,2014, the Company has posted profit for the year.
2.	Steps taken or proposed to be taken for improvement	With diversification of business into operational activities and measures taken for improvement of margins, it is expected that the Company shall gradually improve its performance over a period of time.
3.	Expected increase in productivity and profits in measurable terms	Since this would be the first full year of operations for the Company to undertake the business as an operating entity, there is no specific benchmark to measure the productivity / profits. The productivity and profits are expected to gradually increase to depict in measurable terms, over a period of time.
IV	DISCLOSURES	Appropriate disclosures, as applicable, are made in the Board of Directors' Report under the heading 'Corporate Governance' forming part of this Annual Report.

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

Your Directors recommend the Resolution proposed at Item No. 9 of this Notice for your approval.

None of the Directors of the Company and /or their relatives are in any way concerned or interested in the aforesaid Special Resolution. None of the Key Managerial Personnel of the Company, save and except the Appointee seeking appointment under the resolution, and/or their relatives are in any way concerned or interested in the aforesaid Special Resolution.

By Order of the Board of Directors

Manoj Gagvani
Company Secretary & Head-Legal

Place: Mumbai

Date: 19th May, 2014

Registered Office:

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

Information pursuant to Clause 49 of the Listing Agreement executed with the Stock Exchange(s), in respect of individuals proposed to be appointed / re-appointed as Directors.

Name of Director	B. Anand	G. N. Bajpai	Anil Harish	Jagdish Shenoy	Vibha Rishi	Frederic de Mevius
Date of Birth	12.03.1964	06.07.1942	19.03.1954	12.10.1966	19.06.1960	26.11.1958
Date of Appointment	16.07.2009	20.02.2008	20.02.2008	10.08.2010	14.02.2012	09.11.2012
Qualifications	Bachelor of Commerce and Chartered Accountant.	Master of Commerce from University of Agra and Bachelor of Laws from University of Indore.	Bachelor's degree in Arts (honours) and Bachelor's degree in Law from University of Mumbai and Master's degree in Law from University of Miami, USA.	Bachelor of Commerce from the University of Mumbai and Chartered Accountant	Master's degree in Business Administration from the Faculty of Management Studies, University of Delhi.	BA degree in Finance and Economics from the University of Louvain-la-Neuve.
Expertise in Specific Functional Area	Over 20 years of experience in Corporate Finance.	Was the Chairman of SEBI, Life Insurance Corporation of India and the Corporate Governance Task Force of International Organisation of Securities Commission and the Chairperson of the Insurance Institute of India. He has also been a member of the Board of Directors of General Insurance Corporation of India, ICICI Bank, Unit Trust of India, Axis Bank and Indian Railway Finance Corporation. Mr. Bajpai is on the Board of Advisors of Indian Army Group Insurance Fund and National Insurance Academy (University). Earlier he has served on the Governing Board of the Indian Institute of Management, Lucknow. He has delivered lectures at the London School of Economics, Harvard University and the Massachusetts Institute of Technology. He has also addressed the seminars organised by Organisation of Economic Co-operation and Development (OECD) and International Monetary Fund (IMF).	He is a partner of D.M. Harish & Co., Advocates and specialises in corporate laws, income tax and property matters.	Over 20 years of experience in systems documentation, training, internal and operational audits and business advisory. He has been associated with RSM & Company, Chartered Accountants.	Was associated with Future Group as Group Strategy and Consumer Director and was responsible for marketing, communication and customer strategy of the group companies. She has previously worked with Tata Administrative Services and PepsiCo.	Investment and Private Equity

Directorships held in other companies (As on March 31, 2014)	<ol style="list-style-type: none"> Just Dial Limited Nagarjuna Oil Corporation Limited Trafigura India Private Limited LYKOS India Private Limited 	<ol style="list-style-type: none"> Future Generali India Insurance Company Limited Future Generali India Life Insurance Company Limited Mandhana Industries Limited Nitesh Estates Limited Shriram New Horizons Ltd. PNB Housing Finance Limited Usha Martin Limited Micromax Informatics Limited Walchandnagar Industries Limited Dalmia Cement (Bharat) Limited United Spirits Limited Intuit Consulting Private Limited Invent Assets Securitisation & Reconstruction Company Private Limited IDE India Invent ARC Private Limited Institute of Insurance and Risk Management 	<ol style="list-style-type: none"> Ador Welding Limited Advani Hotels and Resorts (India) Limited Ashok Leyland Limited Hinduja Global Solutions Limited Hinduja Ventures Limited Hotel Leelaventure Limited Hinduja Leyland Finance Limited Mahindra Lifespace Developers Limited Mukta Arts Limited Oberoi Realty Limited Future Retail Limited Unitech Limited Valecha Engineering Limited Astoria Maritime Private Limited Cenmar Maritime Agencies (India) Private Limited Freight Connection (India) Private Limited Helpyoungo.com (India) Private Limited Mordril Properties (India) Private Limited Oasis Preprint Services Private Limited Trans Atlantic Consultant Private Limited 	<ol style="list-style-type: none"> Arsha Advisory Services Private Limited BRX India Private Limited Aadhaar Wholesale Trading and Distribution Limited Indus-League Clothing Limited Future Agrovet Limited 	1. Entertainment Network (India) Limited	Nil
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Chairmanships/ Memberships of the Committees of the Board of Directors of other companies (As on March 31, 2014)	Just Dial Limited • Audit Committee - Chairman Nagarjuna Oil Corporation Limited • Audit Committee - Member	Dalmia Cement (Bharat) Limited • Audit Committee – Member Future Generali India Insurance Company Limited • Audit Committee – Chairman • Shareholders Grievance Committee –Chairman Future Generali India Life Insurance Company Limited • Audit Committee – Chairman • Shareholders Grievance Committee –Chairman Mandhana Industries Limited • Audit Committee – Member Nitesh Estates Ltd. • Audit Committee – Member United Spirits Ltd. • Audit Committee – Member • Shareholders Grievance Committee - Member	Hotel Leelaventure Limited • Audit Committee – Member Hinduja Ventures Limited • Audit Committee – Chairman Hinduja Global Solutions Limited • Audit Committee – Chairman Ador Welding Limited • Audit Committee – Chairman Ashok Leyland Limited • Audit Committee – Chairman Mahindra Lifespace Developers Limited • Audit Committee – Member Oberoi Realty Limited • Audit Committee – Member Unitech Limited • Audit Committee – Member Valecha Engineering Limited • Audit Committee - Member	Indus-League Clothing Limited • Audit Committee – Member Aadhaar Wholesale Trading and Distribution Limited • Audit Committee – Member Future Agrovet Limited • Audit Committee – Member	Nil	Nil
Shareholding of Directors	Nil	Nil	Nil	Nil	Nil	Nil
Relationship between Directors inter-se	None	None	None	None	None	None

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SHARING THE JOY OF FOOD

ANNUAL REPORT
2013-14



FUTURE
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ENTERPRISE
LIMITED

an integrated food & FMCG company



SHARING

Sharing lies at the heart of food in India. It starts at the farms where neighbours, kith and kin join hands in tilling, sowing and harvesting of crops. Women get together to further process and prepare food. Recipes are passed down as heirlooms, shared by friends and neighbours and now on television by celebrity chefs.

In its largest sense, sharing of food is about sharing the abundance and prosperity bestowed upon us by God, with his people. So whether it is at *langars at Gurudwaras*, at *dastarkhans* or *dharamshalas*, sharing of food is considered to be the virtue of the wise.

At FCEL, we believe in the virtue of sharing. As India's first sourcing-to-supermarkets food company, we share the bounty of our efforts with all our stakeholders throughout our value chain. Whether it is in sourcing, processing or retailing, our belief in sharing propels us to be fair, caring and responsible towards our consumers, associates, partners and our society at large.

This report captures our beliefs and businesses and how these positively impact the lives of everyone involved.

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FORWARD LOOKING STATEMENT

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.



Corporate Information

BOARD OF DIRECTORS

Chairman

G.N. Bajpai

Vice Chairman

Kishore Biyani

Directors

Anil Harish

B. Anand

Frederic de Mevius

Jagdish Shenoy

Vibha Rishi

CHIEF EXECUTIVE OFFICER

Krishan Kant Rathi

CHIEF FINANCIAL OFFICER

Gopal Bihani

COMPANY SECRETARY & HEAD-LEGAL

Manoj Gagvani

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells

BANKERS

Kotak Mahindra Bank Ltd.

Axis Bank Ltd.

Allahabad Bank

REGISTERED OFFICE

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

Tel: 91 22 3084 1300

Fax: 91 22 6644 2201

CORPORATE OFFICE

247 Park, Tower 'C'
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083

Tel: 91 22 6119 0000

Fax: 91 22 6199 5391

Email ID: investor.care@futureventures.in

REGISTRAR AND SHARE TRANSFER AGENTS

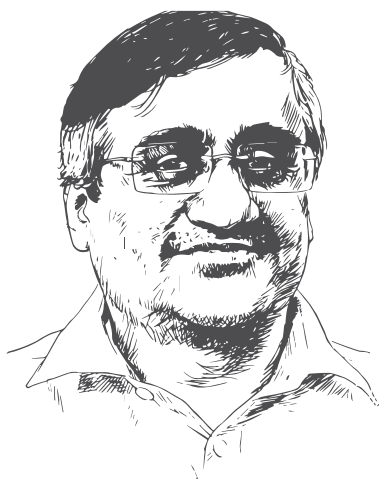
Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai - 400 078

Tel: 91 22 2594 6970

Fax: 91 22 2594 6969

www.futureconsumer.in





Letter from the vice-chairman

Dear Shareholders,

We are pleased to share with you the annual report of Future Consumer Enterprise Limited for the financial year 2013-14. It has been a year of transformation and fresh beginning for your Company. The change of the name is but only a small indication of the change. We have moved from being an investment arm of the Future Group to an operational entity that has a fully integrated business for the food-led FMCG segment in the Country.

Food is the largest consumption category and yet among the most under-branded segments in the Indian consumer space. Indian consumers spent around \$321 billion on food, beverages and tobacco during this year. And yet less than 10% of this was captured through branded and packaged food and FMCG companies in the Country. In modern retail we are witness to the customers' eagerness for branded and processed food products that assures them of high quality standards. But this demand often doesn't match with the packaged products that are available in the market. Regional tastes and the diversity in our food habits, our culture and beliefs around food are seldom reflected in the brands that are available for customers. These, coupled with the fragmented production and supply chain for processed food products in India make it difficult for food brands to emerge in the Country.



Manufacturing Facilities at IFP

Branded & Packaged Fruits & Vegetables:

Grading, Sorting and Pre-cooling capacity of 100 tons per day (TPD)

All possible fresh produce to be graded, sorted and packaged for B2B and B2C requirement

Branded & Packaged Banana:

- Banana Ripening, Grading, Sorting, Packaging and Branded capacity of 20 TPD

- Tie-up for bulk procurement from a banana grower in Chamrajnagar, Karnataka

The two fundamental pillars on which we are building FCEL is our ability to gather and act upon superior consumer insights on food preferences in India and an integrated play that spans across the entire value chain of food consumption – from sourcing of agro-commodities to the selling of it through modern supermarkets and wholesale clubs.

At Future Group, our fashion business benefits from the fully integrated presence across the value-chain of the category. Our presence across sourcing, manufacturing, design, brands, distribution and retailing provides a high degree of agility and ability to act on consumer needs, to capture more value for stakeholders and build dominance in the market. During this year, we have now put together all the ingredients to be present across the value chain in food.

An important step towards this direction was the amalgamation of the Future Group's agro-sourcing company, Future Agroviet Limited into FCEL which was among the key corporate actions during the year. With it, one of the Country's largest agro-sourcing businesses involved in almost all key agro-commodities is now part of FCEL.

Mango Ripening and Dry Fruit Storage:

Use Mango Ripening chambers for 3 months of the year for 50 TPD

Balance period of the year utilize it for dry fruit storage

Fruit and Vegetable Pulp:

Bulk processing of mango and tomato for B2B applications
Process niche products like Tamarind, papaya, goose berry and guava

individually Quick Frozen (IQF) line:

To be used for peas, carrot, mango dices, sweetNcorn, papaya, okra, pineapple and coconut

Spiral Freezer:

- To be used to introduce frozen foods line focusing on snacks like french fries, onion rings, potato wedges, nuggets, samosas etc

- Gala sheds for dry fruit roasting, branded spice pulverizing and packaging unit, savorys unit and canola oil bottling plant

- Standalone Facilities for Atta and flour milling, Rice milling, chocolate processing and pasta making

Packaging and Storage Facilities at IFP:

Staple Packhouse: Cleaning, grading, sorting of staples, spices and dry fruits for bulk and consumer packs

Warehouse: For finished goods - 57,250 square feet (9000 pelletes) and for raw materials, 38,413 square feet

Grain Storage Silos: 15000 MT for Wheat or Paddy and 2500 MT for pulses. Fully stainless, bottom discharge, PLC controlled.

The business has a pan-India presence across all key activities including sourcing, processing and distribution. More importantly, it is the first wide-spectrum commodity player to have established brands for selling packaged agro-produce. These brands compliment the set of brands that your Company has developed over the past few years in processed food, home and personal care segment.

Distribution will continue to be a key enabler for growing the Company's FMCG business. The Company-owned urban convenience store chains, KB Fairprice, Big Apple and Aadhaar are focusing on increasing their penetration in Delhi, Mumbai and Bangalore. In addition, the Company is actively seeking out opportunities for acquisition of established convenience store chains in the Country. Our unique rural distribution model, Aadhaar is now present in two districts in Gujarat and one in Punjab and with all the learnings in place we are poised to add more districts and increase our presence in these two states. More importantly, with the growing brands business, the Company is actively working towards developing its own distribution network that caters to the general trade as well.

However the biggest game changer for this year will be the commissioning of the Company's integrated food park. The food park in Tumkur is a one-stop destination for sourcing, manufacturing, packaging and distribution of food products. We are working with some of the leading companies in food and food processing machinery from India and abroad to set up the best of line facilities for fruits and vegetables at this facility. This will allow us to explore opportunities in developing entirely new categories in food production that is currently not undertaken in India.

For example, packaged and branded fruits and vegetables that promise customers consistency in quality and highest standards of health and hygiene are hardly available in India. The food park with its dedicated facilities for grading, sorting, ripening and packaging facilities for agriculture produce will allow us to offer branded fruits and vegetables for the first time in the Country. The fruit and vegetable pulp lines will allow bulk processing of mango and tomato as well as process niche products like tamarind, papaya, goose berry and guava.

The market for frozen foods is just opening up in India. The individually quick frozen (IQF) line for agri-produce and the spiral freezers for frozen food lines will enable the Company's foray into frozen foods. There are further manufacturing facilities for flour, oil, rice milling, chocolate and for making pasta and noodles that will add further might to the Company's brands in the processed foods space.



This Aadhaar cash-and-carry store in Kalol, 150 kms from Ahmedabad is among the three in the Country. This store supports 10 franchisee stores in neighbouring villages, along with selling to local industrial canteens, temple trusts, caterers, other retailers and walk-in customers.

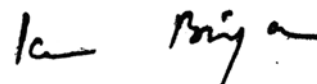
In effect the food park will substantially strengthen the Company's existing line of brands in the commodity and value added space as well as lead the foray into new categories in food – from canola and rice bran oils, to frozen foods to various processed food products currently not produced in India. It can also open up opportunities for us to partner with key global and domestic manufacturers and suppliers to create new products for the Indian market and also explore the export market for Indian food products.

During this year, we will also be launching our first global brand, Sunkist, acquired through a licensing arrangement with the California-based company that has 45 licensees in 60 countries offering over 700 products and generating a global sale of over USD 1.4 billion. We are quite hopeful of developing a strong presence in the highly competitive beverages space through the Sunkist brand. The Company is also exploring similar possibilities to tie up with more global brands as well as setting up an international manufacturing and sourcing strategy for some fast growing segments like oats and breakfast cereals.

The market for beauty and personal care is evolving rapidly in India and the Company has the ability to leverage the group's retail and distribution network for introducing such products in the Indian market. We are therefore also exploring an alliance with a noted global manufacturer that can provide critical support in research and development and manufacturing of key ingredients for the Company's foray in beauty and personal care.

With each of these pieces now in place, we believe that Future Consumer Enterprise Limited has the potential to emerge as an Indian FMCG company that can take on multinationals in India on an equal footing. The scope and potential for developing a large branded play in the food sector in India is huge and we believe that we have in place the key ingredients and the right recipe to serve the Indian market. We look forward to your continued feedback, support and encouragement in making our dream a reality.

Rewrite Rules, Retain Values.



(Kishore Biyani)

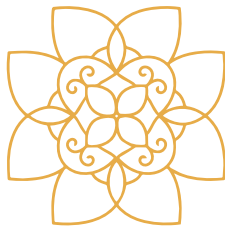
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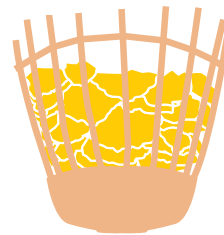
Food in India

The diversity of India finds its reflections in food. Understanding food is understanding the rhythms of India. In India, food is a combination of tradition and evolution, color and simplicity, fasting and feasting, purity and pollution, celebration and expression and of giving and sharing. Indians spend USD 321 billion on food, beverages and tobacco, but only \$ 31 billion is captured through brands in packaged food and personal care products of FMCG companies. Food is among the most unbranded segments in the Indian economy.

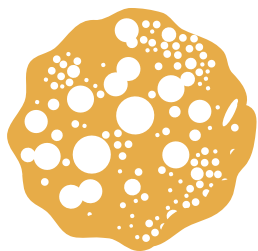
For to build brands in India, brands need to empathize, respect and respond to the diversity surrounding the origin, beliefs, rituals and customs around food in India. Here's a vignette of what the Company is exploring:



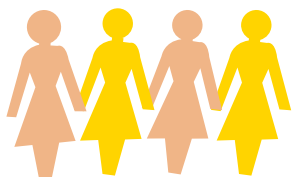
CREAM OF WHEAT: While in Southern India, rawa is consumed in the form of upma, a breakfast item, Lapsi rawa or a mix of rawa and jaggery is part of the offering in rituals and poojas associated with house warming and warding off the evil.



PAPAD: With a little tweaking, papad can be made a part of four square meals in almost all parts of the Country. It takes in various shapes, sizes and ingredients. In Andhra it is appadam, in Tamil Nadu, Appalam, in Karnataka, Happala and in Konkan Happolu. More than 55,000 tonnes of papad is made every year in commercial space alone and much more within homes and communities - almost all of it in non-branded and unorganized sector.



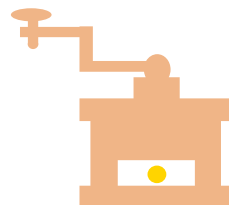
FLAT RICE: What Maharashtrians call poha, Tamils call aval or avalakki. Amongst Tamils, aval is used as prasadam or offering to Gods as well as mixed with dosa batter. In Maharashtra's Konkan and Varadi cuisine, poha jalebi and poha papad is a delicacy



FLOUR: From Sabzi and Kadhi, Halwa to Papad, Dahi Vada to Sheera, there is a bit of flour in almost all Indian dishes. Atta, as it is called is at the heart of every Indian plate and forms a ₹15,000 crore market in India. Any flour ageing more than 15 to 30 days is not considered as fresh. While chakki atta - freshly grounded connotes freshness and has rich semiotics around warmth and healthy, growing popularity of packaged atta symbolizes how today the Indian woman is outsourcing the negative labor to the brand or retailer. Buying ready made atta by a housewife is an expression of freedom while the working women expresses her contribution towards the well being of the family.



GRAM FLOUR: In West it could be a part of a vegetable curry, in Gujarat or Bengal, it is the covering over snacks and savories, in Bihar and UP, it is a staple ingredient in many meals. And across the Country, besan is also part of the traditional home remedy to remove tan and acquire a clear, glowing skin.



SPICES: Quite expectedly, India is the largest producer, consumer and exporter of spices. With more than 40 main varieties grown in the Country, every region have their own preferences when it comes to both selling and consuming. While in Kolkata, hunt for the panch phoron, a mix of five different spices and in Mumbai head to Lalbaug where lines of shops will be roasting chillies and grinding and mixing other spices in front of consumers before they are wrapped in paper bags and dabbas and sold.

Sourcing to supermarkets

Over 100,000 tons of rice, wheat, sugar, spices, pulses and dry fruits are sourced from 51 sourcing hubs located across the Country.

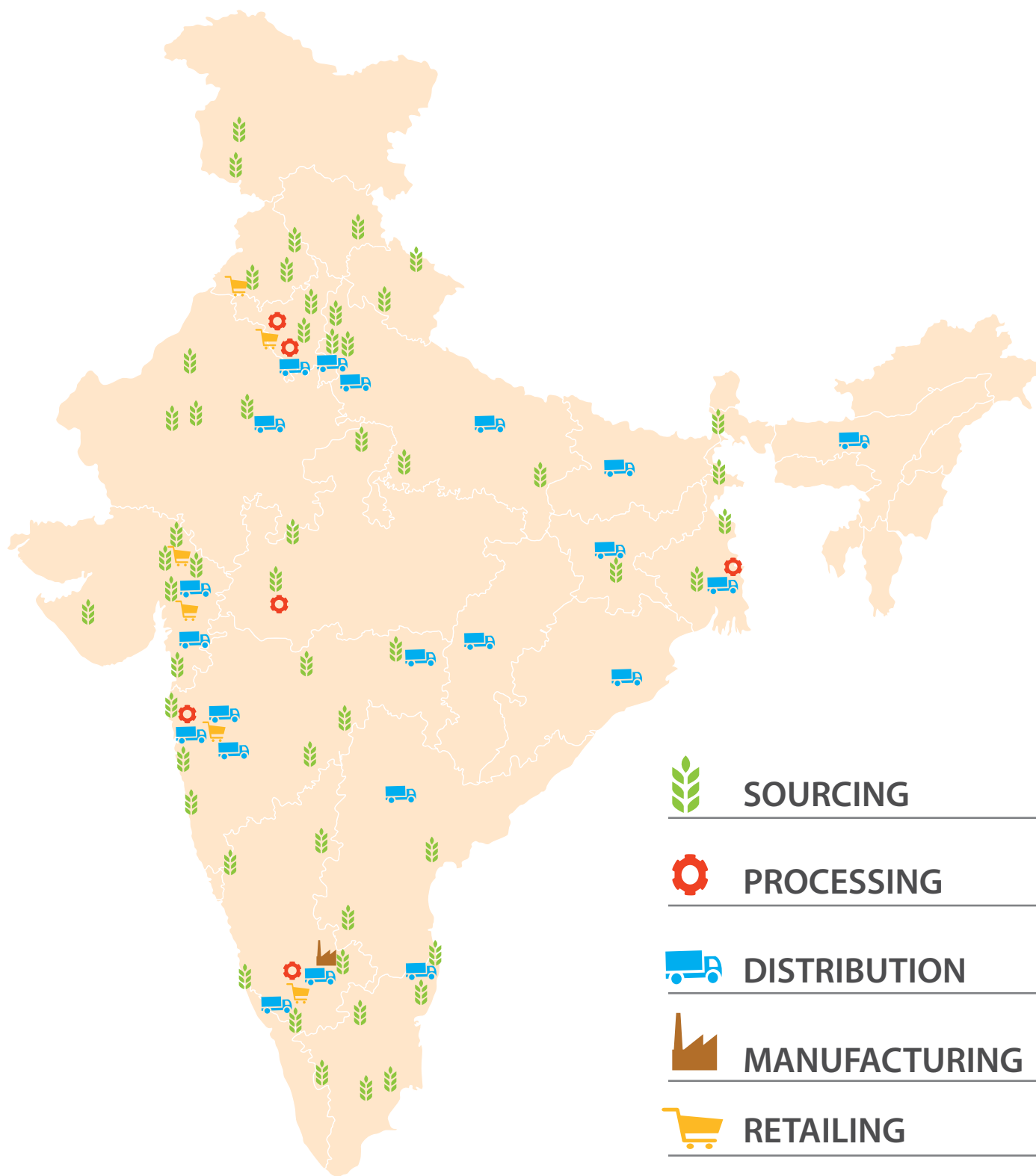
These then move to 6 major processing centers for grading, sorting, quality control and packaging.

20 Distribution Centers across the Country then delivers the products to modern and general retail stores in almost 100 cities.

India awaits a revolution in food processing with the technologically advanced integrated food park going on-stream in Tumkur in 2014.

The Company's urban convenience store network is present in Delhi, Bangalore and Mumbai and the rural distribution network distributes products from 3 locations in Punjab and Gujarat.





An Integrated Food & FMCG Company



SOURCING

The Company now has one of the leading agro-sourcing operations in the Country. The golden harvest of Indian farmers – rice, sugar, wheat, oil seeds, pulses, dry fruits and spices and much more are sourced through 51 centers across the Country for further grading, quality checks, processing, packaging and distribution.

These are then further processed at 6 mechanized centers, for example, pulses in Indore, wheat at Nimrani in Madhya Pradesh, north-based spices in Sonapat, Haryana and south-based spices at Bangalore. Over 50,000 tons of rice and pulses each, around 40,000 tons of wheat and flours, over 3000 tons of spices and 1000 tons of dry fruits are processed at these locations.

Full quality compliance processes including, third party audits, Agmark certification, FSSAI compliance, batch level traceability are adhered and distributed across 16 delivery centers to cater to modern and traditional retail requirements. A dedicated team of 200 people including entrepreneurs with generations of experience and 25 buyers lead various functions.



MANUFACTURING

India awaits a revolution in food processing out of Tumkur as the Indian Food Park comes on-stream and tapping into the produce around the region. Spread over 110 acres, the food park will create, manufacturing, processing, packaging, storing facilities for food companies.

Set up in partnership with the Ministry of Food Processing Industries, Government of India and the state government of Karnataka, the food park now has end-to-end facilities for sourcing, storage, processing, packaging and distribution of food products.

The food park is expected to strengthen the Company's existing line of brands in the commodity and value added space through better packaging, sorting and distribution. Its best of the line facilities will also help the Company foray into new categories in food – from branded fruits and vegetables, canola and rice bran oils, to frozen foods to various processed food products currently not produced in India. It also throws up new opportunities to partner with key global and domestic manufacturers and suppliers to create new products for the Indian market and explore export opportunities for Indian food products.





BRANDS

The Company has developed some of the leading brands in the agro-commodity space that spans across different categories including basic necessities like flour, rice, spices, pulses. While Golden Harvest, Premium Harvest and Ektaa spans across various regional needs and variants and price points for packaged staple products in the food category, consumer goods brands are being built in under segments like Indian ethnic food, snacks, home and personal care with deep insights gathered from millions of consumer experiences and insights, coupled with innovation in product development and packaging.

Brands such as Tasty Treat, present in snacks and beverages, Fresh & Pure present in basic foods such as ghee, edible oil, tea and honey and home care and personal care brands CareMate and CleanMate are at inflection points in terms of growth and mindshare.

The Company's brands are being built in categories that either have no national brands (ethnic foods, snacks, staples, spices etc), or new, evolving categories (hand wash, body wash, home care etc) or there exists price gaps in the market. There are more than 40 experienced professionals leading this function and while a strong focus on in-store activations and sampling, the team is also working on exploring new distribution channels outside the Future Group network.



RETAIL AND DISTRIBUTION

The Company is building its own retail network through KBFP and Aadhaar to reach out to customers in rural and urban India who have so far been untouched by modern retail.

KB's Fairprice is a neighbourhood convenience store with a robust assortment for daily needs. It operates as a closely knit network to create dominance in neighbourhood grocery shopping and lower supply chain costs. There are currently, 99 stores in Delhi, 40 stores in Mumbai and 30 stores in Bangalore with a total square feet of 165,000.

Rural distribution is led through Aadhaar that operates 4 cash-and-carry stores in Gujarat and Punjab and another 38 smaller format retail stores that are either operated by the Company or through franchisees. The next phase of growth for these retail formats will be through a franchisee led model that will allow a rapid scale up on a low asset base.

Brands

The Company's brand strategy is based on creating and catalyzing the growth of new products and categories that are finding space in the modern Indian household. The brands are developed keeping in mind the need to form new habits around these products and build aspirations for branded products in India. Whether it is introducing new household cleaners or liquid handwash or reinventing Indian savories and ethnic food with the promise of hygiene, choice and quality that our brands offer, the Company's brands are present in over 60 categories with 400+ SKUs. The focus is on leveraging strong insights into the consumption habits of Indian consumers coupled with innovations in packaging, in-store activations, sampling and combo offers.

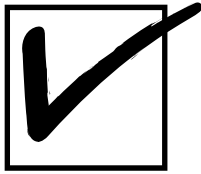


Tasty Treat: Amongst the most popular brands in the Company's portfolio, Tasty Treat offers popular and value-added, processed 'on-the-go' snacks that spans every kind of taste and is focussed on impulse buying. The brand's unique tie-up with Disney and Marvel helps increase consumption in an untapped kids category through popular cartoon characters by driving pester power.

Categories:

Breakfast cereals, pasta, vermicelli, soups, namkeens, chips, papads, cookies, ketchups, pickles, jams, wafer rolls and instant pasta





**FRESH
& PURE**

Fresh & Pure: The brand offers nature's bounty in its most original form by promising a range of products that retains the natural intactness. The brand promises minimal processing and stands for rejuvenating simplicity over seductive embellishments.

Categories:

Ghee, tea, powdered spices, refined oil, honey, besan, sooji



Premium
harvest 

Premium Harvest offers a range of the finest commodities in the Country and target consumers who never compromise quality over price. Every product is centrally sourced and packed to maintain high levels of quality, consistency and authenticity for the entire range.

Categories: Pulses and Spices



**GOLDEN
HARVEST**

Golden Harvest is the leading brand in the staples space in India offering a wide range of products targeted at upgrading consumers from loose to packaged. The brand matches the most competitive prices in the market and also promises the goodness of hygienically sorted and packaged products.

Categories: Wheat flour, maida, besan, spices, rice, daliya, sooji, pulses, sugar and dry fruits





Ektaa celebrates the diverse and authentic community foods of India and gives consumers the choice of having the native products far away from the native lands. It is built on gathering strong insights on tastes and variants consumed by distinct ethnic and regional communities in India.

Categories: Regional rice variants like sona masoori, red matta, gobindo bhog, ambe mohar, regional speciality flours like rajgira and metkut, regional pulse variants like desi masoor and kabuli chana, jaggery, Ujjaini poha, kasundi, pickles, savouries and blended spices.



Home care categories are underleveraged by national brands and have more unorganized local players. Cleanmate leverages this gap through consistent quality and performance that has won the consumer confidence. The brand aims at category ownership through a comprehensive portfolio presence in all domains related to household cleaning and offering consumers 'complete cleaning solutions' and value through bundling of cleaning aids

Categories: Toilet & Floor Cleaners, Utensil Cleaners, Kitchen Aides, Detergent powder & bar



CareMate is present in the personal hygiene care through product introductions in relevant sub categories where new products are getting introduced in Indian homes or there exists a strong price or brand gap.

Categories: Tissues & Foil, Wipes, Liquid Hand soap, Sanitary Pads, Diapers



Sunkist

During the financial year 2014-15, the Company will be launching the iconic Sunkist brand in India. Sunkist has a rich history dating back to 1893 and was the first brand created out of a pure product of Mother Nature. The brand is owned by over 6500 farmer-growers and has 45 licensees in 60 countries offering over 700 products and generating a global sale of over USD 1.4 billion.

The Company joins noted companies like Dr. Pepper Snapple, Nestle and General Mills in Americas and As Watson, Frasier & Neave, Morinaga Milk, Haitai Beverages in Asia among the licensees of the brand. To begin with the Sunkist brand in India will offer 100% orange, grape, red grape juice in tetrapack, a 40% orange beverage and a mango beverage in PET bottle. The planned launches for the forthcoming year include a wider range of juice, beverages and confectionaries.



SachTM

BY SACHIN TENDULKAR

Sach a unique brand co-created in association with the iconic cricketer Sachin Tendulkar establishes an emotional connect with young consumers and inspires them to create history the way Sachin always does. The core idea around the brand is consistent performance and honesty which is personified in the product range led by juices with the tag line, "Ab Din ki Shururuat Sach Se." This comes from Indian cultural belief that in the morning is associated with purity and everyone wishes to do good.

Categories: Oral care, liquid hand wash, kids' soaps and juices



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 18th Annual Report and the Audited Accounts of Future Consumer Enterprise Limited (formerly known as Future Ventures India Limited) ["**Company**"], for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

The summarized financial performance (Standalone and Consolidated) of the Company for 2013-14 and 2012-13 is given below:

(₹ in Lakhs)

	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Total Income	46,386.05	35,803.92	93,675.35	96,020.79
Profit / (Loss) before Tax & Exceptional Items	3,040.90	(1,104.99)	(1,590.47)	(7,173.08)
Less: Exceptional Items	-	-	-	-
Profit / (Loss) before Tax	3,040.90	(1,104.99)	(1,590.47)	(7,173.08)
Profit / (Loss) After Tax	3,040.90	(1,144.81)	(1,531.75)	(7,655.52)
Profit / (Loss) After Share of Associates and Minority Interest	NA	NA	(694.95)	(5,571.55)

BUSINESS OPERATIONS

Having re-aligned the business during the last year, the Company is now focused predominantly on Food and FMCG business. Within the Food and FMCG category the Company has been positioning itself in brand building and distribution within Rural and Urban India. It has, over a period, developed own brands in the Food and FMCG portfolio comprising of products like cookies, jam, chips, corn flakes, namkeens and others and in the home & personal care products like cleaning range, aluminum foil, tissues and diapers to name a few. Company's brands like Tasty Treat, Fresh & Pure, Clean Mate, Care Mate, Premium Harvest, SACH, John Miller, DJ&C, Disney, Ektaa have been establishing its foot-print and are spreading its market share for the last 5 to 7 years providing a strong portfolio of own brands.

During the year under review, the Company consolidated its business by acquiring 100% equity holding in Future Agrovet Limited, a company specialising in procurement, processing, grading and packaging of agri produce such as grains, pulses, spices, dry fruits etc. This will help the Company in expanding its presence in the Food and FMCG business.

The Company has during the year under review, entered into an agreement with California-based Sunkist Growers, Inc., a leading international licensor and the widely recognized name in the citrus category, to manufacture, market and sell fruit juice, fruit juice drinks, sparkling beverages and a range of other food products under the world-famous Sunkist brand in India. During the same period, the Company divested its stake in Capital Foods Private Limited.

The Company continues to focus on driving distribution, alongside building salience for its brands. The Company has recorded total income of ₹ 463.86 crore and EBITDA profit of ₹ 56.36 crore as against a total income of ₹ 358.04 crore and EBITDA profit of ₹ 6.72 crore in the previous year.

FUTURE OUTLOOK

The domestic market for Food and FMCG continues to be robust and expand though continued elevated level of inflation has impacted even the non discretionary spending on Food articles. We believe that with bottoming out of the economy, the period of low growth is over and we shall see a renewed spending cycle. The Company's initiative in Mega Food Park being set up at Tumkur, Karnataka is nearing its completion and is expected to be operational soon. As reported earlier this will be a huge step forward for achieving the Company's objective of creating an integrated supply chain for food processing, branding and distribution.

The Company's focus on new and fast growing products and brands in the processed and packaged food segment as well as home care and personal care segment is expected to position the Company on equal footing with multinationals in India. The Company's Mega Food Park on being operationalised, will strengthen supply side capabilities and will capture the entire value chain from sourcing from farmers in vicinity to processing and packaging of food products and distribution to retailers.

With the new Central Government in place having strong majority and a promise to deliver growth, we expect a gradual but strong reversal in a declining economy. The new Government is expected to take much needed reform measures and new decisions to bring the economy to faster growth path over next few years.

Consumption of FMCG products are expected to grow, however, inflation and competitive intensity continue to pose challenges. While the near term conditions pose a challenge for the economy, the medium to longer term trends, based on renewed economic growth, rising incomes and increasing consumer aspirations are positive and are considered as an opportunity for the FMCG sector, in general and for your Company, to grow faster.

INITIAL PUBLIC OFFER (“IPO”)

In terms of the provisions of Clause 5A of the Listing Agreement, details about unclaimed shares in suspense account as on 31st March, 2014 is as under:

Description	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account as on 1 st April, 2013	4	25,200
Aggregate number of shareholders who approached the Company for transfer from suspense account upto 31 st March, 2014	1	3,600
Number of shareholders to whom shares were transferred from suspense account upto 31 st March, 2014	1	3,600
Aggregate number of shareholders and outstanding shares in the suspense account as on 31 st March, 2014	3	21,600

The Company has opened separate suspense accounts with National Securities Depository Limited and Central Depository Services (India) Limited and has credited the said unclaimed shares to the suspense accounts in compliance with requirements of the Listing Agreement.

The voting rights in respect of shares maintained under the suspense account shall remain frozen till the rightful owner of such shares claim the shares.

Pursuant to the Composite Scheme of Arrangement and Amalgamation, 1 equity share of Future Lifestyle Fashions Limited (“FLFL”) has been allotted to shareholders of Future Consumer Enterprise Limited for every 31 shares held by them. Accordingly, 696 shares of FLFL, arising out of 21,600 unclaimed shares, have also been credited to the suspense account.

DIVIDEND

Your Directors have not recommended any dividend on equity shares for the financial year under review, considering the funds required for future growth plans.

SUBSIDIARY COMPANIES

During the year under review, your Company had following subsidiaries:

- i) Aadhaar Wholesale Trading and Distribution Limited
- ii) Future Food and Products Limited
- iii) Future Consumer Products Limited
- iv) Star and Sitara Wellness Limited
- v) Express Retail Services Private Limited
- vi) Future Agrovit Limited (*with effect from 12th November, 2013*)
- vii) Amar Chitra Katha Private Limited and step-down subsidiaries
 - ACK Edutainment Limited
 - Ack Media Direct Limited

- IBH Books & Magazines Distributors Limited
- Ideas Box Entertainment Limited
- Karadi Tales Company Private Limited
- ACK Eaglemoss Collectibles Publishing Private Limited

The Ministry of Corporate Affairs (“MCA”), Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively read with General Circular No. 08/2014 dated 4th April, 2014, has granted general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.

The documents/information prescribed thereunder, in respect of the respective subsidiary companies can be made available upon a request made to the Company by the Shareholders interested in obtaining the same. The documents/information in respect of aforesaid subsidiary companies are also available for inspection at the registered office of the Company on any working day during business hours. As directed by MCA, the financial data of subsidiaries has been furnished under ‘Financial Information on Subsidiary Companies’ at page 98 which forms part of this Annual Report.

RBI REGULATIONS

Consequent to the Composite Scheme of Arrangement and Amalgamation undertaken by the Company, which had become effective from 29th May, 2013, your Company has ceased to satisfy the norms required to be a Non-Banking Finance Company. Your Company has accordingly made an application to Reserve Bank of India (“RBI”) seeking de-registration as Non-Banking Finance Company, approval of which is awaited.

Pending cancellation of the Certificate of Registration as a Non-Banking Finance Company, the Company being categorized as a Non-Deposit Accepting or Holding Systemically Important Non-Banking Finance Company (“SI-ND-NBFC”) has complied with the regulations prescribed by the RBI to the extent applicable in respect of making necessary filings with RBI.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public during the year under review and shall not accept any deposits without obtaining necessary approvals, as may be required.

DIRECTORS

During the year under review, Mr. Krishan Kant Rathi resigned as the Whole Time Director of the Company with effect from 5th February, 2014. However, he continues to be the Chief Executive Officer of the Company. Mr. Gaurav Burman also resigned from the Board of Directors of the Company to come into effect from 26th May, 2014. The Board of Directors wish to place on record the contributions made by Mr. Krishan Kant Rathi and Mr. Gaurav Burman during their tenure as a member of the Board of Directors of the Company.

In terms of the provisions of the Companies Act, 2013 Mr. B. Anand retires from the Board of Directors of the Company by rotation and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting. None of the Directors are disqualified for appointment / re-appointment

under Section 164 of the Companies Act, 2013.

In terms of provisions of Companies Act, 2013, the Independent Directors of the Company viz. Mr. G N Bajpai, Mr. Anil Harish, Mr. Jagdish Shenoy, Mr. Frederic de Mevius and Ms. Vibha Rishi are proposed to be appointed at the forthcoming Annual General Meeting as Independent Directors of the Company for a period of five years. The Notice convening the forthcoming Annual General Meeting include the proposals for appointment / re-appointment of aforesaid Directors. A brief resume of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting and other details as required to be disclosed in terms of Clause 49 of the Listing Agreement forms part of the Notice of the forthcoming Annual General Meeting. None of the Directors are related *inter-se* to each other.

CORPORATE GOVERNANCE

A report on Corporate Governance together with Auditors' Certificate as required under Clause 49 of the Listing Agreement forms part of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report as required under Clause 49 of the Listing Agreement is presented separately and forms part of this Report.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard.

AUDITORS AND AUDITORS' REPORT

M/s Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company hold office until conclusion of the forthcoming Annual General Meeting. M/s Deloitte Haskins & Sells, have been acting as statutory auditors of the Company since 2007. In terms of the provisions of Companies Act, 2013, and Rules framed thereunder, M/s Deloitte Haskins & Sells, Chartered Accountants, are now entitled to be appointed as Statutory Auditors for a period of three consecutive years.

It is proposed to appoint M/s Deloitte Haskins & Sells, Chartered Accountants, as statutory auditors of the Company for a period of three years, subject to approval of the Members at the forthcoming Annual General Meeting.

M/s Deloitte Haskins & Sells, Chartered Accountants, Mumbai, have granted their consent for appointment as statutory auditors and have also confirmed their eligibility for being appointed as statutory auditors of the Company in terms of requirements prescribed under Companies Act, 2013.

The notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments and explanations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement it is hereby confirmed:

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit or loss of the Company on that date;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2014, on a going concern basis.

PARTICULARS OF EMPLOYEES AND EMPLOYEE STOCK OPTION PLAN-2011

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of certain employees are required to be set out in an Annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report excluding the aforesaid information is being sent to all the Shareholders of the Company and others entitled thereto. Shareholders who are interested in obtaining such particulars may write to the Company at its Registered Office.

The disclosures as required under the Securities and Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 are annexed and forms part of this Report (Annexure 1).

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, EXPENDITURE ON RESEARCH AND DEVELOPMENT, FOREIGN EXCHANGE INFLOW/OUTFLOW ETC

In view of the nature of activities carried on by the Company, the requirements for disclosure in respect of Conservation of Energy, Technology Absorption, in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company. However the Company takes all possible efforts towards energy conservation.

The details in respect of Foreign Exchange earnings/ outgo during the year under review, is provided in Note 33 in Notes to Accounts.

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

G. N. Bajpai
Chairman

Date: 19th May, 2014
Place: Mumbai

Annexure 1 to Directors' Report

Disclosures as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

FVIL Employees Stock Option Plan-2011

Sr. No	Particulars	Grant I (Pre-listing)	Grant II	Grant III
(a)	Options granted	13,280,000	2,055,000	4,200,000
(b)	Pricing Formula	₹ 10/- per equity share*	₹ 10/- per equity share*	₹ 10/- per equity share*
(c)	Options Vested	12,530,000	483,000	735,000
(d)	Options exercised	Nil	Nil	Nil
(e)	The total number of shares arising as a result of exercise of Option	Nil	Nil	Nil
(f)	Options lapsed /cancelled	750,000	1,250,000	1,750,000
(g)	Variation of terms of Options	Nil	Nil	Nil
(h)	Money realized by exercise of Options	Nil	Nil	Nil
(i)	Total number of Options in force	12,530,000	805,000	2,450,000
(j)	Employee wise details of options granted to:			
	(i) Senior Managerial Personnel (Directors and Key Managerial Personnel)	Refer Note 1	Refer Note 1	Refer Note 1
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil	Nil	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 from the time of grant.	Nil	Nil	Nil
(k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	0.19 for the financial year ended March 31, 2014		
(l)	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation that shall have been recognised if it had used the fair value of options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Had the Company followed the fair value method of stock option compensation, income would have been higher by ₹ 160.70 lakhs with consequent higher profits. On account of the same the diluted EPS of the Company would have been higher by ₹ 0.01 per share.		
(m)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average price of option is ₹ 6 each and fair value option is ₹ 1.15 each	Weighted average price of option is ₹ 6 each and fair value option is ₹ 1.51 each	Weighted average price of option is ₹ 6 each and fair value option is ₹ 1.77 each
(n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information: (i) risk free interest rate; (ii) expected life; (iii) expected volatility; (iv) expected dividend; and (v) the price of the underlying share in market at the time of option grant	Refer Note 2 below		

*Reduced to ₹ 6/- per equity share consequent to reduction in face value of equity shares.

Note 1: Details of Options granted and in force to Directors and/or Other Managerial Personnel of the Company and its Subsidiaries are as under:

Sr. No.	Name of the Option Grantee(s)	No. of Options Granted		
		Grant I	Grant II	Grant III
A	Directors			
1	Mr. G.N.Bajpai	250,000	Nil	Nil
2	Mr. B.Anand	1,000,000	Nil	Nil
B.	Other Managerial Personnel			
1	Mr. K K. Rathi	8,200,000	Nil	Nil
2	Mr. C.P Toshniwal	1,000,000	Nil	Nil
3	Mr. Arun Gupta	Nil	750,000	1,000,000
4	Mr. Praveen Dwivedi	500,000	Nil	Nil
5	Mr. Devendra Chawla	500,000	Nil	500,000
6	Mr. Raminder Singh Rekhi	500,000	Nil	500,000
7	Mr. Manoj Gagvani	250,000	Nil	200,000
8	Mr. Gopal Bihani	250,000	Nil	200,000

Note 2: Description of the method and significant assumptions used during the year to estimate the fair values of Options, including the following weighted average information:

FVIL Employee Stock Option Scheme 2011				
		Grant I	Grant II	Grant III
1	Fair Value Methodology	The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent valuer.	The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent valuer.	The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent valuer.
2	Risk free interest rate	8.61%	8.74%	8.81%
3	Expected life (in years)	2.09	2.97	3.71
4	Expected volatility	47.15%	47.15%	47.15%
5	Expected dividend	0%	0%	0%
6	Price of the underlying share in market at the time of option grant	₹ 10.00	₹ 8.75	₹ 9.90

MANAGEMENT DISCUSSION AND ANALYSIS

The purpose of this discussion is to provide an understanding of financial statements and a composite summary of performance of our businesses and the ecosystem in which these are rendered.

Management Discussions and Analysis is structured as follows:

- Economy Overview
- Business and Operational Overview
- Competitive Landscape
- Risks and Threats
- Internal Controls and their adequacy
- Review of Financial Performance

Some statements in this discussion may be forward looking. Future performance may however, differ from those stated in the management discussion and analysis on account of various factors such as changes in Government regulations, tax regimes, impact of competition, competing products and their pricing, product demand and supply constraints.

ECONOMY OVERVIEW

It is heartening to note that there has been perceptible improvement over last one year in general economic conditions around the world. The developed economies in particular, have shown resilience to overcome the crippling slowdown of the last few years. The US and European economies have started showing positive growth and Chinese growth continues to be around 7% still performing far better than any other economy in the world.

Still the year has been disappointing for the Indian economy with GDP growth plummeting to 4.5%, inflation continuing at above 8% and interest rates remaining at elevated levels with RBI continuing to curb inflationary expectation by hiking the benchmark rates. The inability of the Central Government to take bold policy measures and kick start the economy complicated the worsening scenario. The just concluded national elections brought everything to a standstill for almost 4-5 months further slowing down the economy. However, with a new Government in place having strong majority, it is expected that the Country may soon see a resurgent economy and a sustained period of growth.

BUSINESS AND PERFORMANCE OVERVIEW

Post the realignment of its businesses last year, the Company is now focused on Food and FMCG business. During the year the Company consolidated its business by acquiring 100% equity holding in Future Agrovat Limited, a company specialising in procurement, processing, grading and packaging of agri produce such as grains, pulses, spices, dry fruits etc. This will help the Company in expanding its presence in the Food and FMCG business.

The domestic market for Food and FMCG continues to be robust and expand though continued elevated level of inflation has impacted even the non discretionary spending on Food articles. We believe that with booming out of the economy the period of low growth is over and we shall see a renewed spending cycle.

The Mega Food Park, an initiative of the Company, is nearing its completion and is expected to be operational soon. This will be a huge step forward for achieving the Company's objective of creating an integrated supply chain for food processing. During the year the Company divested its stake in Capital Foods Private Limited.

The Company is developing new and fast growing products and brands in the processed and packaged food segment as well as home care and personal care segment that are retailed through 'KB's Fairprice' and 'Big Apple', its urban convenience stores, 'Aadhaar', its rural distribution network, 'Food Bazaar' and 'Big Bazaar', its associated modern retail chain.

The Company has recorded a gross turnover of ₹ 342.86 crore and profit before tax and exceptional items of ₹ 30.41 crore as against a gross turnover of ₹ 309.12 crore and loss before tax and exceptional items of ₹ 11.05 crore in the previous year.

Performance of subsidiary companies:

1. Future Agrovat Limited ("FAL")

FAL is engaged in the business of procuring, processing and supplying of agricultural commodities in loose and packaged form under various private brands of the company. FAL also deals into other branded / non-branded products. Besides making supplies to the companies 'KB's Fair Price' and 'Big Apple' formats. FAL also helps in strengthening the Company's existing sourcing capabilities to achieve its integrated food model. It has 35 distribution centers at 24 locations across 17 states.

FAL has registered sales of ₹ 657.08 crore and EBITDA profit of ₹ 4.74 crore during the year under review.

2. Aadhaar Wholesale Trading and Distribution Limited ("Aadhaar")

Aadhaar is in the business of rural and semi-urban retail, Wholesale and Distribution of fast moving consumer products and general merchandise. It is actively pursuing wholesale distribution, cash & carry and franchisee models in this segment. It currently operates 13 retail stores and 4 cash and carry stores. Aadhaar has opened two wholesale stores during the year under review at Nadiad and Junagarh in Gujarat. It will continue to expand through opening of more such stores in the current year. The cash and carry stores attracted keen interest from local shopkeepers and entrepreneurs to acquire franchise of retail stores. Aadhaar currently has 25 such franchises.

Rural markets are expected to fuel the next level of consumption growth in India. With capital inflows expected in backend infrastructure, linkages with rural markets are expected to be stronger.

Aadhaar has registered sales of ₹131.96 crore and EBITDA loss of ₹ 10.25 crore during the year under review.

Other Investments

In addition to Food and FMCG being our main business, we have also invested in the following companies:

- (i) Amar Chitra Katha Private Limited
- (ii) Star and Sitara Wellness Limited

1. **Amar Chitra Katha Private Limited (“ACK”)**

ACK is a subsidiary of the Company, which is predominant for holding oldest content brands. Within its ambit ACK owns the flagship brands ‘Amar Chitra Katha’, ‘Tinkle’ and ‘Brainwave’, and also has a strategic investment in a children’s audio book brand ‘Karadi Tales’. It has basket of 400+ titles and over 100 proprietary characters. It is an established leader in the under- 15 age group with diverse product offerings in various formats that are compatible to new media platforms. ACK also operates India Book House (IBH), the largest distributor of books and magazines in India.

ACK has also entered into a licensing arrangement with National Geographic Society, US for publishing ‘National Geographic Magazine’ and ‘National Geographic Traveller’ in India. Both these magazines are well received in the Indian market.

During the year under review, some of the initiatives of ACK are as under:

ACK has sought to diversify its product offering to digital media platforms including films, TV, online, mobile and other new media platforms. ACK’s focus areas include creating new content and merchandise and expanding e-commerce (direct to consumer and indirect channels). ACK has digitised the majority of its content and the digital applications are already launched. Further, e-commerce sales have been growing significantly and ACK is taking various initiatives to grow this part of the business exponentially.

Within the publishing business, ACK focusses to rationalize the number of titles, grow in regional languages and improve the product pricing. In the offline distribution business (IBH), the Company’s management is focused on distribution of ACK products, improving cost efficiency and only working with preferred non-ACK publishers to improve the return on capital. In some cases, ACK was also successful in charging a fixed establishment/ carriage fee from publishers for distributing their products through IBH.

During the fiscal year 2014, ACK has reported consolidated sales of ₹ 70.44 crore and EBITDA loss of ₹ 0.71 crore.

2. **Star and Sitara Wellness Limited (“Star and Sitara”)**

Star and Sitara is a chain of unisex salon providing quality services and supply salon products in hair and skin segment.

During the year under review, Star and Sitara consolidated its business by discontinuing some of the non-profitable stores. It presently operates unisex salon chain with 19 stores, spread across 9 cities in India.

During the fiscal year 2014, Star and Sitara has reported sales of ₹ 6.83 crore and EBITDA loss of ₹ 9.84 crore.

COMPETITIVE LANDSCAPE

The FMCG market is dominated by MNCs who have strong distribution network. Some of the Indian players are also now well entrenched. Still a large part of consumption is serviced by regional and small domestic players and highly fragmented unorganized players. Unbranded products still constitute a large share of the market. With the evolution of the customers in terms of their rising income and preferences, there is huge scope for new brands with innovative products.

Sustained investments behind our products, innovation and brands with increasing own channel of distribution in urban and rural areas will be the key growth enablers for the years to come. We believe that we are well placed to satisfy the changing consumer preferences and demands, which will help us in this competitive scenario.

RISKS AND THREATS

Food and FMCG segment is largely affected by the diverse consumer preferences, increasing competition, rising logistics & procurement costs. Rural demand is cyclical in nature and also depends upon monsoon.

Our results of operations and financial condition will also continue to be influenced by the macro-economic, market and other conditions and developments in India. These factors include per capita GDP which affect the customer’s disposable income. Rising inflation, higher interest costs, currency exchange rates pose a threat to input cost and margins. A slow down of the Indian economy may adversely affect our businesses, including its ability to implement its strategy.

These would be mitigated by a thorough continuous monitoring of performance and factors impacting it. Monitoring of costs and working capital management would be the focus to create efficiencies and margin expansion.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Audit Committee comprising of Independent Directors regularly reviews financial and risk management policies, monitors control procedures in the Businesses and investee companies, key audit findings and recommends measures to improvise the risk assurance processes.

The Internal Auditors review the processes and transactions on periodic basis, discusses with the operating management and finalises their findings and recommendations which are submitted to the Audit Committee. In addition, the Management Assurance team carries out quarterly reviews to assess the internal control environment of Businesses and their adequacy. We review their internal audit reports and monitor implementation of key recommendations. The broader systems of internal controls and external audits have been defined and deployed in the various businesses to effect continuous improvements and protect our Businesses and Shareholders from potential risks.

REVIEW OF FINANCIAL PERFORMANCE

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (“**Indian GAAP**”) to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 and the

relevant provisions of the Companies Act, 1956 (as amended/ re-enacted), as applicable.

The financial performance of the Company for the year under review is not comparable to the previous financial year on account of demerger of the fashion business of the Company with effect from 1st January, 2013 and acquisition of a new subsidiary, Future Agroviet Limited with effect from 12th November, 2013.

Total Income

The Company has recorded consolidated total income of ₹ 93,675 lakhs in the fiscal 2013-14 as against ₹ 96,021 lakhs in last fiscal. Our total income primarily consists of income from sale of products by the Company and our subsidiaries, income from investing activities, other operating income and other income.

Cost of Goods Sold

Our cost of goods sold primarily includes costs in relation to purchases of finished goods and raw materials and other cost. Our cost of goods sold accounted for 77% and 70% of our total income for the fiscal 2013-14 and fiscal 2012-13, respectively.

Employee Costs

Our employee cost include salaries and bonuses to our

employees, contributions to provident funds and other funds as well as staff welfare expenses. Our staff costs accounted for 7% and 9% of our total income for fiscal 2013-14 and fiscal 2012-13, respectively.

Administrative and Other Expenses

Our administrative and other expenses primarily include expenses towards payment of rent, power, water and fuel, advertisement, publicity and selling expenses, travelling expenses, legal and professional charges etc. Our administrative and other expenses accounted for 13% and 22% of our total income for fiscal 2013-14 and fiscal 2012-13, respectively.

Interest and Financing Charges

Our interest and financing primarily consists of interest on working capital loans, fixed loans and term loans. Our interest and financing charges accounted for 1% and 2% of our total income for fiscal 2013-14 and fiscal 2012-13, respectively.

Depreciation & Amortization

Depreciation expenses primarily consists of depreciation on our fixed assets. Depreciation also includes amortization of intangible assets such as trademarks, brands, license fees etc. Depreciation accounted for 4% of our total income for both fiscal 2013-14 and fiscal 2012-13.

CORPORATE GOVERNANCE REPORT

In terms of Clause 49 of the Listing Agreement with BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), the report containing details of corporate governance systems and processes at Future Consumer Enterprise Limited is as under:

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company has established procedures and systems to ensure regular dissemination of information to the Board of Directors to ensure effective oversight of the Company's business and activities. Corporate Governance indicates fairness, transparency, accountability and integrity of the Management. Based on the Corporate Governance practices, the Company has always worked towards building trust with the shareholders and employees of the Company. Your Company, through its Board and Committees, endeavours to strike and deliver the highest governing standards for the benefit of its stakeholders.

BOARD OF DIRECTORS

The Board of Directors of the Company ("**Board**") has optimum

combination of Non-Executive and Independent Directors, more than fifty percent being Non-Executive Directors and more than one-third being Independent Directors.

Mr. G. N. Bajpai acts as the Non-Executive Chairman of the Board. Mr. Kishore Biyani has been designated as the Vice Chairman of the Board.

As on 31st March, 2014 none of the Directors hold directorship in more than 15 public limited companies nor is a member of more than 10 committees or chairman of more than 5 Committees across all the public limited companies in which they are Directors.

During the financial year 2013 - 2014, four meetings of the Board of Directors were held on the following dates:

30th May, 2013, 13th August, 2013, 13th November, 2013, and 4th February, 2014.

The details as required under Annexure I A of Clause 49 of the Listing Agreement (to the extent applicable), is placed before the Board of Directors at their meetings.

The details of Directorship and Membership/Chairmanship of the Committees of the Board held by the Directors as on 31st March, 2014 and their attendance at the meetings during the year are as follows:

Name of the Director	Category in terms of Clause 49 of Listing Agreement	No. of Board Meetings held during the financial year 2013-14	No. of Board Meetings attended by the Director during the financial year 2013-14	Attendance at the last AGM	No. of Directorship in other public limited companies#	No. of Committee position held including the company*	
						Chairman of the Committee	Member
Mr. G. N. Bajpai	Chairman, Independent & Non Executive Director	4	4	Yes	11	5	5
Mr. Kishore Biyani	Promoter and Vice-Chairman	4	3	Yes	7	1	3
Mr. Anil Harish	Independent & Non-Executive Director	4	3	Yes	13	4	6
Mr. B. Anand	Independent & Non-Executive Director	4	0	No	2	1	1
Mr. Jagdish Shenoy	Independent & Non-Executive Director	4	4	Yes	3	0	5
Mr. Gaurav Burman**	Non-Executive Director	4	0	No	5	0	0
Ms. Vibha Rishi	Independent & Non-Executive Director	4	2	No	1	0	1
Mr. Frederic de Mevius	Independent & Non-Executive Director	4	1	No	0	0	0

excludes directorship in foreign companies and Section 25 companies

* Membership/Chairman of only Audit Committee and Stakeholders' Relationship and Share Transfer Committee in public limited companies have been considered.

** Resigned as Director with effect from 26th May, 2014

Mr. K K K Rathi was appointed as a Whole Time Director of the Company with effect from 31st May, 2013 and has ceased to be so with effect from 5th February, 2014.

AUDIT COMMITTEE

Terms of Reference

The terms of reference of Audit Committee, *inter alia* includes the following:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- To approve transactions and subsequent modification(s) to the transactions of the company with related parties;
- To scrutinize inter-corporate loans and investments of the Company;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the provisions of Companies Act, 2013 and Rules thereto and that of the Listing Agreement.

The Audit Committee from time to time invites Statutory Auditors, Internal Auditors and other executives, as it considers appropriate to be present at the meeting.

Composition and Attendance at Meetings:

As on 31st March, 2014, the composition of the Audit Committee has been as under:

- Mr. G.N.Bajpai
- Mr. Anil Harish
- Mr. Jagdish Shenoy
- Ms. Vibha Rishi

During the financial year 2013-14, four meetings of Audit Committee were held on the following dates: 30th May, 2013, 13th August, 2013, 13th November, 2013, 4th February, 2014.

Attendance of the Directors at the Audit Committee Meetings held during the financial year is as under:

Name of Directors	Category	No. of Meeting(s) Attended
Mr. G. N. Bajpai	Chairman (Independent & Non- Executive Director)	4
Mr. Anil Harish	Member (Independent & Non-Executive Director)	3
Mr. Jagdish Shenoy	Member (Independent & Non-Executive Director)	4
Mr. B. Anand*	Member (Independent & Non-Executive Director)	Nil
Ms. Vibha Rishi**	Member (Independent & Non-Executive Director)	2

*Ceased to be Member with effect from 10th August, 2013

**Appointed with effect from 10th August, 2013

Mr. G. N. Bajpai, Chairman of the Audit Committee was present at the last Annual General Meeting held on 23rd September, 2013.

NOMINATION AND REMUNERATION /COMPENSATION COMMITTEE

Terms of Reference

The terms of reference of Nomination and Remuneration / Compensation Committee *inter alia* includes the following:

- To undertake a process of due diligence to determine the 'fit and proper' status of existing Directors, if required;
- To undertake a process of due diligence to determine the 'fit and proper' status of the person proposed to be elected as a Director of the Company;
- To decide on the contents and obtain declarations from the Directors as may be required under the Companies Act, 1956, and/or other statutory provisions and update on the same to the Board of Directors from time to time;
- To recommend the suitable change(s), if required to the Board of Directors of the Company;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995;
- Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment;
- Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), in particular, those stated in Clause 5 of the ESOP Guidelines;
- Formulating criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board and also criteria for evaluation of performance of the Independent Directors;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- To carry out evaluation of every Director's performance;
- Such other matters as may be delegated by the Board of Directors of the Company.

Composition and Attendance at Meetings:

As on 31st March, 2014, the composition of Nomination and Remuneration/Compensation Committee has been as under:

- Mr. G.N.Bajpai
- Mr. Anil Harish

- c) Mr. Kishore Biyani
d) Mr. Jagdish Shenoy

During the financial year 2013-14, three meetings of Nomination and Remuneration /Compensation Committee were held on the following dates: 30th May, 2013, 13th August, 2013 and 4th February, 2014.

Attendance of the Directors at the Nomination and Remuneration /Compensation Committee meetings held during the financial year is as under:

Name of Directors	Category	No. of Meeting(s) Attended
Mr. G. N. Bajpai [@]	Chairman/Member	3
Mr. Anil Harish	Member	2
Mr. Jagdish Shenoy [#]	Chairman	3
Mr. B. Anand [*]	Member	Nil
Mr. Kishore Biyani ^{**}	Member	1

^{*}Ceased to be Member with effect from 10th August, 2013

^{**}Appointed with effect from 10th August, 2013

[@]Ceased to be Chairman with effect from 19th May, 2014

[#]Appointed as Chairman with effect from 19th May, 2014

Remuneration Policy:

Details of remuneration paid to the Directors during the Financial Year 2013-14

Name of Directors	Sitting Fees (₹) *	Gross Remuneration (₹)	Total (₹)	No. of Stock options held
Mr. Kishore Biyani	1,60,000	8,81,549 ^{**}	10,41,549	-
Mr. G. N. Bajpai	2,80,000	-	2,80,000	2,50,000
Mr. Anil Harish	1,60,000	-	1,60,000	-
Mr. B. Anand	Nil	-	Nil	10,00,000
Mr. Jagdish Shenoy	2,20,000	-	2,20,000	-
Mr. Gaurav Burman	Nil	-	Nil	-
Ms. Vibha Rishi	80,000	-	80,000	-
Mr. Frederic de Mevius	20,000	-	20,000	-
Mr. K K Rath	Nil	1,07,42,899 [@]	1,07,42,899	82,00,000

^{*}includes fees paid for board and committee meetings.

^{**}Remuneration paid to Mr. Kishore Biyani upto 30th May, 2013

[@]Remuneration paid to Mr. K K Rath as Whole Time Director of the Company for the period 31st May, 2013 upto 4th February, 2014

Non-Executive Directors

The Non-Executive Directors of the Company are not paid any remuneration except by way of sitting fees for attending meetings of Board of Directors and its Committee(s). The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the financial year 2013-2014. None of the Non-Executive Directors hold any equity shares in the Company as on 31st March, 2014.

STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE

Terms of Reference

The terms of reference of Stakeholders' Relationship and Share Transfer Committee includes the following:

- To approve Transfer / Transmission / Dematerialisation of Equity Shares of the Company;
- To approve issue of Duplicate/Consolidated/Split Share Certificate(s);
- To do all necessary acts, deeds and things, as may be required, including authorizing any person(s) to endorse the Share Certificate(s), affixing Common Seal of the Company on Share Certificate(s) as per Article of Association of the Company, etc;
- To do all acts, deeds and things as may be required from admission of Equity Shares of the Company with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL];
- To decide and approve matters relating to Equity Shares and /or any other securities issued by the Company and any other matters as may be specifically authorized by the Board of Directors;
- To oversee and resolve grievances of shareholders and other security holders of the Company;
- To do all acts, deeds and things as may be required to be undertaken in terms of the provisions of Companies Act, 2013 and rules made there under.

Composition and Attendance at Meeting

As on 31st March, 2014, the composition of Stakeholders' Relationship and Share Transfer Committee has been as under:

- Mr. Kishore Biyani
- Mr. Jagdish Shenoy

During the financial year 2013-14, two meeting(s) of the Stakeholders' Relationship and Share Transfer Committee were held on the following dates:

29th August, 2013 and 30th December, 2013.

Attendance of the Directors at the Stakeholders' Relationship and Share Transfer Committee meetings held during the financial year is as under:

Name of Directors	Category	No. of Meeting(s) Attended
Mr. Kishore Biyani [*]	Chairman	2
Mr. K K Rath ^{**}	Member	2
Mr. Jagdish Shenoy [@]	Member	Nil
Mr. B. Anand [#]	Chairman/Member	Nil

^{*}Appointed as Chairman with effect from 10th August, 2013

^{**}Appointed with effect from 10th August, 2013 and ceased to be Member with effect from 5th February, 2014

[@]Appointed with effect from 5th February, 2014

[#]Ceased to be Chairman/Member with effect from 10th August, 2013

During the year under review, 3 (three) complaints/ correspondences were received by the Company and Link

Intime India Private Limited, Registrar and Share Transfer Agents. The Shareholder's complaints / correspondences were resolved and there were no pending complaints or un-attended correspondences as on 31st March, 2014.

Name, Designation and address of Compliance Officer

Mr. Manoj Gagvani - Company Secretary & Head-Legal
Future Consumer Enterprise Limited
Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai – 400 060.

General Body Meetings

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

Year	Day, Date and Time	Venue
2010-11	Friday, 23 rd September, 2011 at 11.00 a.m.	Rangaswar Hall, 4 th Floor, Y.B. Chavan Centre, Gen. Jagannathrao Bhonsle Marg, Opp Mantralaya, Mumbai - 400 021
2011-12	Wednesday, 5 th September, 2012 at 11.00 a.m.	Rangaswar Hall, 4 th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai - 400 021
2012-13	Monday, 23 rd September, 2013 at 10.30 a.m	Cultural Hall, 4 th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp Mantralaya, Mumbai - 400 021

Special Resolution(s) passed at the last three Annual General Meetings ("AGM")

AGM	AGM Date	Special Resolutions passed
15 th	23 rd September, 2011	None
16 th	5 th September, 2012	None
17 th	23 rd September, 2013	a) Appointment and payment of remuneration to Mr. Krishan Kant Rathi as Whole Time Director of the Company designated as 'Executive Director and Chief Executive Officer'. b) Change in name of the Company.

Extra Ordinary General Meeting

During the year under review, no Extra Ordinary General Meeting of the Members of the Company was held.

Special Resolution passed through Postal Ballot

During the year under review, the Company has not passed any Special Resolution through Postal Ballot.

DISCLOSURES

Related Party Transactions

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the Company and related parties are given for information under Note 32 of the Balance Sheet as at 31st March, 2014.

Statutory Compliance, Penalties and Strictures

The Company has complied with requirements of Stock Exchange/ SEBI and other statutory authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Accounting Standards) Rules, 2006 (as amended) ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Proceeds from the Initial Public Offer of the Company.

The details of utilization of the proceeds raised through Initial Public Offer of equity shares of the Company are disclosed to the Audit Committee. The Company has not utilized these funds for purposes other than those mentioned in the Prospectus of the Company, except re-structuring pursuant to approval of Shareholders by way of allocation of ₹ 604.26 lakhs for "Issue Related Expenses" in the Prospectus towards the object "to create, build invest or acquire and operate Business Ventures".

Code of Conduct

The Company has framed and adopted the Code of Conduct for all its Board Members and Senior Management personnel. The Code of Conduct for the employees as well as the Board Members is posted on the website of the Company - www.futureconsumer.in

The Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2013-14. A declaration to this effect in terms of Clause 49 of the Listing Agreement forms part of the Annual Report.

The Company's code for Prevention of Insider Trading *inter alia* prohibits purchase/sale of securities of the Company by the designated person therein, while in possession of un-published price sensitive information.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report and include discussion on various matters specified under Clause 49(IV) (F) of the Listing Agreement.

Means of Communication and Shareholder Information

The financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and published in one English and one regional language newspaper. The financial results are also uploaded on the website of the Company - www.futureconsumer.in

The official news, release, presentation that may be made to the Shareholders at the Annual General Meeting and the presentation as may be done to the analysts will be posted on the website of the Company - www.futureconsumer.in

General Shareholder Information

Annual General Meeting

Date and Time	26 th August, 2014 at 11.00 a.m.
Venue	Rangswar Hall, 4 th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp Mantralaya, Mumbai – 400 021
Financial Year	The financial year of the Company is from April 1 to March 31 of the following year
First Quarter Results	By second week of August, 2014
Second Quarter Results	By second week of November, 2014
Third Quarter Results	By second week of February, 2015
Fourth Quarter / Annual Results	By end of May, 2015
Date of Book Closure	Saturday, 23 rd August, 2014 to Tuesday, 26 th August, 2014 (both days inclusive)
Dividend Payment Date	Not Applicable

Listing on Stock Exchange : The Company's Equity Shares are listed on the following Stock Exchanges:

1. BSE Limited ("BSE") - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
2. The National Stock Exchange of India Limited ("NSE") - Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai - 400 051

Stock Code:

BSE Limited : 533400

The National Stock Exchange of India Limited : FCEL

International Securities Identification Number ("ISIN") : INE220J01025

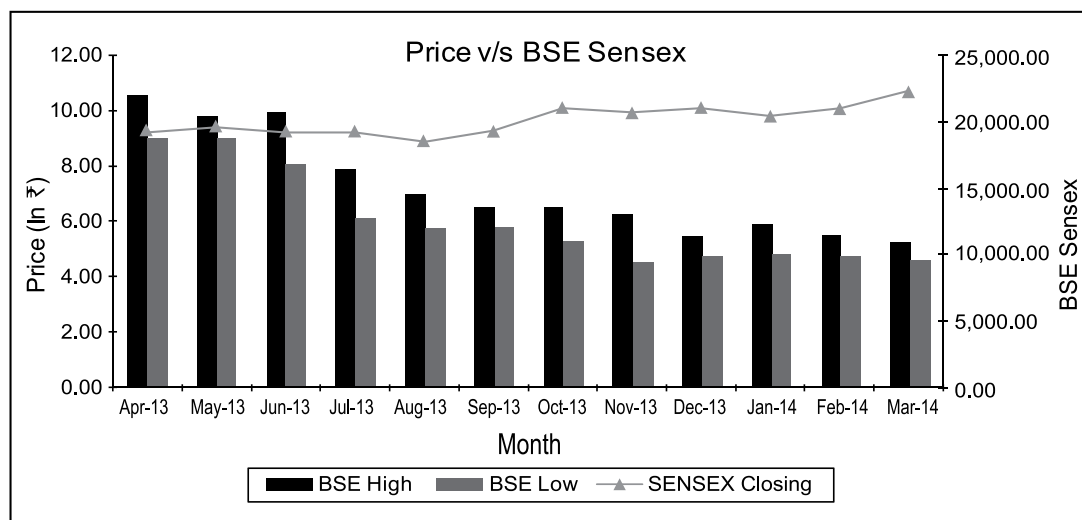
Listing Fees

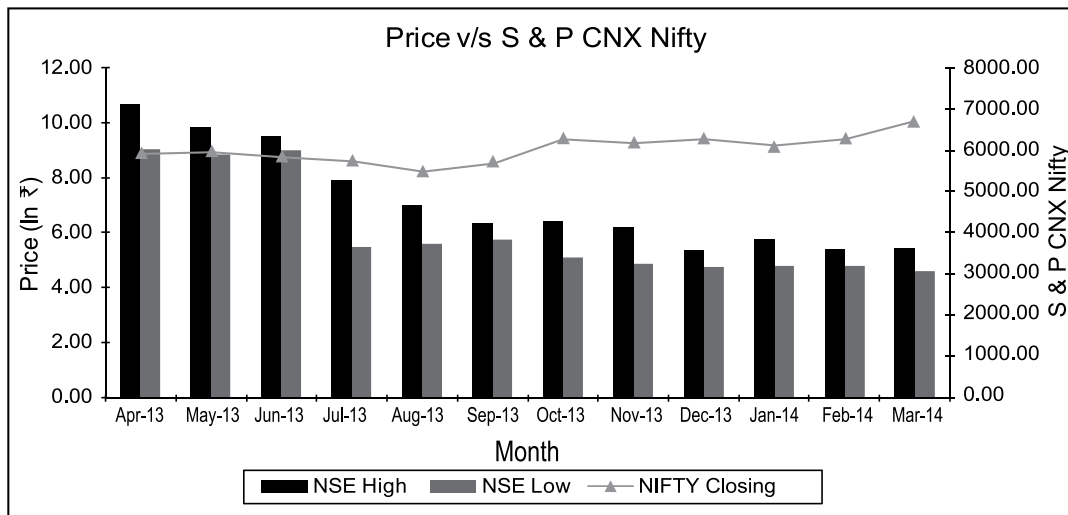
Listing fees for both the Stock Exchanges for the financial year 2013-14 has been paid.

Market Price Data during Financial year 2013-14:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2013	10.55	9.01	10.70	9.05
May, 2013	9.80	9.00	9.85	8.85
June, 2013	9.95	8.05	9.55	9.00
July, 2013	7.89	6.13	7.95	5.50
August, 2013	6.97	5.77	7.00	5.60
September, 2013	6.50	5.80	6.35	5.75
October, 2013	6.50	5.30	6.45	5.10
November, 2013	6.25	4.51	6.20	4.85
December, 2013	5.48	4.75	5.35	4.75
January, 2014	5.90	4.82	5.80	4.80
February, 2014	5.50	4.75	5.40	4.80
March, 2014	5.25	4.60	5.45	4.60

Performance of share price in comparison with the broad-based indices viz. BSE Sensex and NSE Nifty:





Registrar and Share Transfer Agents

LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400078.

Tel: + 91 22 2594 6970 Fax: +91 22 2594 6969

E mail: rnt.helpdesk@linkintime.co.in

Share Transfer System

Shares held in physical form are processed by the Registrar and Share Transfer Agents in the prescribed manner and if the documents are complete in all respects, are transferred within the timeframe under the applicable provisions of law.

Distribution of Shareholdings as on 31st March, 2014

Share holding (Number of Shares)	Number of Shareholders	% to total	No. of Shares	% to total
1 - 500	6,022	25.21	13,09,527	0.08
501 - 1000	6,853	28.68	48,66,774	0.30
1001 - 2000	4,912	20.56	71,31,797	0.45
2001 - 3000	1,667	6.98	44,27,541	0.28
3001 - 4000	446	1.87	16,25,685	0.10
4001 - 5000	833	3.49	39,15,529	0.25
5001 - 10000	1,521	6.37	1,20,80,853	0.76
10001 and above	1,635	6.84	1,56,26,18,965	97.78
Total	23,889	100.00	1,59,79,76,671	100.00

Categories of Shareholding as on March 31, 2014

Category	No. of Shares	Shareholding %
Promoters and their relatives / Promoter Group Companies	65,73,42,763	41.14
Foreign Institutional Investors	31,59,07,119	19.77
Non Residents Indians	19,69,237	0.12
Non Residents Indians (Non Repatriable)	32,81,136	0.21
Indian Companies	46,72,84,196	29.24
Indian Public	15,06,94,497	9.43
Clearing Members	14,97,723	0.09
Total	1,59,79,76,671	100.00

Dematerialization of Shares and Liquidity

As on 31st March, 2014, a total of 1,59,37,76,391 equity shares aggregating to 99.74 % of the total issued, subscribed and paid-up equity share capital of the Company are in dematerialised form.

The Company's Equity Shares are regularly traded on BSE Limited and on National Stock Exchange of India Limited.

**Outstanding GDRs/ ADRs/ Warrants
or any Convertible Instruments** : NIL

Plant Location : Not Applicable

**Address for Correspondence
Registrar and Share Transfer Agents** :

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400078 Maharashtra
Tel: + 91 22 2594 6970
Fax: +91 22 2594 6969
E mail: rnt.helpdesk@linkintime.co.in

Company

Future Consumer Enterprise Limited

Registered Office:

Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East),
Mumbai- 400 060
Tel: +91 22 3084 1300
Fax: + 91 22 6644 2201

Corporate Office:

247 Park, Tower C,
LBS Marg, Vikhroli (West),
Mumbai – 400 083
Tel.: +91 22 6119 0000
Fax: +91 22 6199 5391
Website: www.futureconsumer.in

Designated email id : investor.care@futureventures.in

Non Mandatory Requirements

The status of compliance with the non-mandatory requirements is as under:

1. Chairman of the Board

No separate office for the Chairman is maintained, and hence no reimbursement of expenses is made towards the same.

The criteria for appointment of Independent Director and their tenure is decided by the Board of Directors keeping in to mind that the appointee contributes effectively to the Company in his capacity as Independent Director.

2. Remuneration Committee

Details regarding Remuneration Committee are provided and forms part of this report.

3. Shareholders' Rights

Quarterly and Half Yearly financial results are furnished to the Stock Exchanges and published in prescribed newspaper and also uploaded on website of the Company. The same are not separately send to each household of the Shareholders. Significant events are posted on Company's website from time to time.

4. Audit Qualification

There are no audit qualifications in the financial statements for the year 2013-14. Standard practices and procedures are followed to ensure unqualified financial statements.

5. Training of Board Members

The Board is equipped to perform its role through inputs from various sources from time to time. Directors are fully briefed on all matters concerning the business and operations of the Company and they regularly interact with the management in a free and open manner in order to obtain any information that they may require.

6. Mechanism for evaluating Non-Executive Board Members

The Board of Directors provide necessary direction to ensure that the Company is managed in a manner that fulfills aspiration of Stakeholders and society at large. Formal evaluation mechanism for appointment of non-executive Board Members will be adopted in due course of time.

7. Whistle Blower Policy

The Company has framed a Code of Conduct for Directors and Senior Management and is in the process of formalizing Whistle Blower Policy in accordance to applicable requirements.

DECLARATION

I, Arun Kumar Agarwal, Manager of Future Consumer Enterprise Limited hereby declare that all the members of the Board of Directors of the Company and the Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Clause 49(1)(D) (ii) of the Listing Agreement entered into with the Stock Exchange for the year ended March 31, 2014.

For **Future Consumer Enterprise Limited**

Arun Kumar Agarwal
Manager

Place: Mumbai

Date: 19th May, 2014

AUDITOR'S CERTIFICATE AS PER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members of
Future Consumer Enterprise Limited

We have examined the compliance of conditions of Corporate Governance by Future Consumer Enterprise Limited (formerly known as Future Ventures India Limited) ("**the Company**") for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clause. 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 by the directors and the management and read with the paragraph above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

Ketan Vora
Partner
(Membership No. 100459)

MUMBAI, May 19, 2014

STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUTURE CONSUMER ENTERPRISE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **FUTURE CONSUMER ENTERPRISE LIMITED** (formerly known as Future Ventures India Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274 (1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 117364W)

Ketan Vora

Partner

MUMBAI, May 19, 2014

(Membership No. 100459)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on account of Future Consumer Enterprise Limited for the year ended 31st March, 2014)

- (i) Having regard to the nature of the Company's business/activities/result, clauses (viii), (xii), (xiii), (xiv), (xvi) and (xix) of paragraph 4 of the Order are not applicable to the Company
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the Company were physically verified by the management in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. The Company is in the process of reconciling the book records with the physical verification records and discrepancies, if any, will be adjusted on completion of such reconciliation.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of ₹5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
- (viii) In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (in ₹)
Income Tax Act, 1961	Income Taxes	Commissioner of Income Tax Appeal	2009-10	262,128
Income Tax Act, 1961	Income Taxes	Commissioner of Income Tax Appeal	2010-11	3,383,280

- (x) The accumulated losses of the Company at the end of the financial year are not more than fifty per cent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.
- (xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xiv) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xv) The Management has disclosed the end use of money raised by public issues in the notes to the financial statements and we have verified the same.
- (xvi) 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.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 117364W)

Ketan Vora

Partner

(Membership No. 100459)

MUMBAI, May 19, 2014

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Equity and Liabilities			
Shareholders' Funds			
(a) Share Capital	3	95,878.60	95,878.60
(b) Reserves and Surplus	4	(554.74)	(1,617.26)
		95,323.86	94,261.34
Non Current Liabilities			
(a) Long Term Provisions	5	160.04	46.60
Current Liabilities			
(a) Short Term Borrowings	6	1,036.56	76.98
(b) Trade Payables	7	4,737.69	4,834.23
(c) Other Current Liabilities	8	224.32	1,735.53
(d) Short Term Provisions	9	198.41	233.82
		6,196.98	6,880.56
Total		101,680.88	101,188.50
Assets			
Non Current Assets			
(a) Fixed Assets (Net Block)			
(i) Tangible Assets	10	3,024.07	1,979.06
(ii) Intangible Assets	10	25,576.61	24,181.47
		28,600.68	26,160.53
(iii) Capital Work-in-progress		-	4.81
		28,600.68	26,165.34
(b) Non Current Investments	11	33,273.42	40,674.57
(c) Deferred Tax Assets (net)	12	-	-
(d) Long Term Loans and Advances	13	1,415.93	1,083.28
		63,290.03	67,923.19
Current Assets			
(a) Current Investments	14	12,384.16	10,401.43
(b) Inventories	15	2,604.18	2,957.99
(c) Trade Receivables	16	2,494.48	1,371.70
(d) Cash and Cash Equivalents	17	514.55	343.09
(e) Short-term Loans and Advances	18	19,552.80	17,807.44
(f) Other Current Assets	19	840.68	383.66
		38,390.85	33,265.31
Total		101,680.88	101,188.50
See accompanying Notes forming part of the financial statements	1-44		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place : Mumbai

Date : 19th May 2014

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors
Future Consumer Enterprise Limited

G.N.Bajpai
Chairman

Kishore Biyani
Vice Chairman

K. K. Rathi
Chief Executive Officer

Manoj Gagvani
Company Secretary
& Head - Legal

Gopal Bihani
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
Revenue			
(a) Revenue from operations	20	34,285.68	30,911.55
(b) Other income	21	12,100.37	4,892.37
Total revenue		46,386.05	35,803.92
Expenses			
(a) Cost of materials consumed	22	-	1,186.58
(b) Purchases of stock-in-trade (traded goods)		28,957.00	27,121.39
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	928.71	(2,499.52)
(d) Employee benefits expense	24	3,941.15	2,899.32
(e) Finance costs	25	64.03	200.96
(f) Depreciation and amortisation expense	10	2,531.33	1,575.80
(g) Other expenses	26	6,922.93	6,424.38
Total expenses		43,345.15	36,908.91
Profit / (Loss) before tax		3,040.90	(1,104.99)
Tax expense			
Deferred tax		-	39.82
Profit / (Loss) after Tax		3,040.90	(1,144.81)
Basic and Diluted Earnings per Share(Face Value ₹ 6/- each)	30	0.19	(0.07)
See accompanying Notes forming part of the financial statements	1 - 44		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place : Mumbai

Date : 19th May 2014

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors
Future Consumer Enterprise Limited

G.N.Bajpai
Chairman

Manoj Gagvani
Company Secretary
& Head - Legal

Kishore Biyani
Vice Chairman

Gopal Bihani
Chief Financial Officer

K. K. Rathi
Chief Executive Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
A. Cash Flow From Operating Activities		
(Loss)/ Profit before tax as per Statement of Profit and Loss	3,040.90	(1,104.99)
Adjustments for :		
Depreciation and Amortisation	2,531.33	1,575.80
Interest & Financial Charges	64.03	200.96
Interest Income	(2,804.57)	(4,592.75)
Interest on Income Tax Refund	(1.07)	(5.97)
Dividend Income	(128.68)	(268.92)
Loss on Sale of Fixed Assets	164.45	52.21
Profit on Sale of Long Term Investments	(8,907.30)	-
Profit on Sale of Current Investments	(212.35)	(3.29)
	(9,294.16)	(3,041.96)
Operating Profit before Working Capital changes	(6,253.26)	(4,146.95)
Adjusted for Working Capital changes :		
(Increase) / Decrease in Trade Receivable	(1,064.00)	(570.00)
(Increase) / Decrease in Inventories	928.71	(2,268.10)
(Increase) / Decrease in Loans and Advances	73.40	(1,361.11)
Increase / (Decrease) in Liabilities and Provisions	(3,253.01)	5,327.73
	(3,314.90)	1,128.52
	(9,568.16)	(3,018.43)
Income Taxes Refund (Paid)	(207.93)	(514.78)
Net Cash flow from /(used in) operating activities (A)	(9,776.09)	(3,533.21)
B. Cash Flow From Investing Activities		
Sale of Fixed Assets	21.78	7.88
Purchase of Fixed Assets including capital advances	(306.87)	(14,108.16)
Purchase of Long Term Investments	(8,343.42)	(9,140.28)
Proceeds from sale of Long Term Investments	18,507.37	2,500.00
Purchase of Current Investments	(63,190.80)	(40,519.17)
Proceeds from sale of Current Investments	61,420.43	56,976.33
Inter Corporate Deposit given (Net)	(1,842.70)	3,600.00
Interest Received	2,521.15	4,711.17
Dividend Income	128.68	268.92
Net Cash flow from / (used in) Investing Activities (B)	8,915.62	4,296.69

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
C. Cash Flow From Financing Activities		
Interest & Finance Charges Paid	(64.03)	(200.96)
Proceeds/(Repayment) of Borrowings	959.58	(235.48)
Net Cash flow from / (used in) Financing Activities (C)	895.55	(436.44)
Net Increase in Cash and Cash Equivalents (A+B+C)	35.08	327.04
Cash and Cash Equivalents as at the beginning of the year	343.09	106.56
Adjustment pursuant to the composite scheme of Amalgamation and Arrangement (Refer Note 37 & 38)	129.23	(90.51)
Cash and Cash Equivalents as at the end of the year	507.40	343.09
Reconciliation of Cash and Cash equivalent with Balance Sheet:		
Add: In Earmarked Accounts - Margin Money Deposit Accounts	7.15	-
Cash and Cash Equivalents as per Balance Sheet (Note 17)	514.55	343.09

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place : Mumbai
Date : 19th May 2014

For and on behalf of the Board of Directors
Future Consumer Enterprise Limited

G.N.Bajpai
Chairman

Manoj Gagvani
Company Secretary
& Head - Legal

Kishore Biyani
Vice Chairman

Gopal Bihani
Chief Financial Officer

K. K. Rath
Chief Executive Officer

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

Notes forming part of the Financial Statements

1. Corporate Information

The Company was incorporated on July 10, 1996, as a Private Limited Company under the name "Subhikshith Finance and Investments Limited". The name of the Company was changed to "Future Ventures India Private Limited" with effect from 9th August, 2007 and became a Public Limited Company with effect from September 7, 2007 as "Future Ventures India Limited".

The shares of the Company are listed on the National Stock Exchange Limited and Bombay Stock Exchange Limited since May 10, 2011. Pursuant to the composite scheme of Amalgamation and Arrangement coming into effect during the financial year 2012-13, the Company has become operating entity from being a Non-Banking Finance Company "NBFC" as it no longer satisfies the prescribed norms of assets / income pattern as required under the Reserve Bank of India regulations. In view of the same, the Company has made an application to Reserve Bank of India ("RBI") seeking de-registration as NBFC on May 30, 2013.

In the current financial year, the name of the Company has been changed to Future Consumer Enterprise Limited w.e.f. September 30, 2013. Consequent to the aforesaid, the Company is now engaged in the business of Sourcing, Branding, Marketing and Distribution of FMCG, Food and Processed Food Products in Urban and Rural India.

2. Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Accounting Standards) Rules, 2006 (as amended) ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

c) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories, computed on weighted average basis, comprises all costs of purchase and other costs incurred in bringing the inventories to their present condition and location.

d) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

f) Fixed Assets (Tangible / Intangible) and Depreciation / Amortization

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprise purchase price, all direct expenses relating to the acquisition and installation and any attributable cost of bringing the asset to its working condition for the intended use.

Depreciation is calculated on a straight-line basis at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except leasehold improvement, which are amortized over the lease period.

License rights for use of brands and Trademarks are amortized over a period of 25 years and 20 years respectively, which is based on the terms of the license rights acquired and the economic benefits that are expected to accrue to the Company over such period.

Acquired Brand and goodwill are amortized over ten years based on the estimated useful life.

Assets individually costing ₹ 5000/- or less are depreciated @ 100%.

g) Revenue Recognition

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with delivery, and are recorded net of VAT.

Fee for services rendered and royalty income is recognized at the specific rates as per the terms of contract.

h) Other Income

Realized gain or loss on investments, which is the difference between the sale consideration and the carrying cost, is recognized in the Statement of Profit and Loss on the date of recognition of sale. In determining the realized gain or loss on sale of a security, the cost of such security is arrived on First in First out basis.

Interest income is accounted on accrual basis. Dividend income is recognized when the right to receive the same is established.

i) Investments

Investments maturing within twelve months from the date of investment and investments made with the specific intention to dispose of within twelve months from the date of investment are classified as current investments. Other investments are classified as long-term investments.

Cost of investment includes acquisition charges such as brokerage, fees and duties. Long-Term Investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments. Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme as at the Balance Sheet date.

j) Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Defined Contribution Plans

The Company's contributions to Provident Fund and Employee State Insurance Scheme is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

Gratuity liability determined by an actuarial valuation performed in accordance with the projected unit credit method, as at the balance sheet date is provided for. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Compensated Absences

Liability for short-term compensated absences is recognised as expense based on the estimated cost of eligible leave to the credit of the employees as at the balance sheet date on undiscounted basis. These benefits include compensated absences, which are expected to occur within twelve months after the end of the period in which the employee renders the related services. Liability for long-term compensated absences is determined on the basis of actuarial valuation as on the balance sheet date.

Other short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and similar benefits which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

k) Employee Share based payments

The Company has formulated Employee Stock Option Scheme (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

l) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions, which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

m) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss as per contractual terms.

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average no of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

o) Taxes on income

Current tax is determined on the income for the year chargeable to tax in accordance with the provisions of Income tax Act, 1961.

Deferred tax resulting from “timing differences” between taxable and accounting income is accounted for using the tax rates and tax laws that are enacted or substantially enacted as on the balance sheet date. Where the Company has unabsorbed business loss/depreciation, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

p) Impairment of assets

The carrying amounts of assets/cash generating units are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which the asset is impaired and the impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

q) Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

r) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Share Capital

a)

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Authorised		
5,550,000,000 (Previous year - 5,550,000,000) Equity Shares of ₹ 6/- each	333,000.00	333,000.00
1,670,000,000 (Previous year - 1,670,000,000) Unclassified Shares of ₹ 10/- each	167,000.00	167,000.00
Total	500,000.00	500,000.00
Issued, Subscribed and Fully Paid-up Capital		
1,597,976,671 (Previous year - 1,576,243,700) Equity Shares of ₹ 6/- each	95,878.60	94,574.62
Shares Pending Allotment		
NIL (Previous Year – 21,732,971) Equity Shares of ₹ 6/- each	-	1,303.98
Total	95,878.60	95,878.60

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2014		As at 31st March 2013	
	No of Shares	₹ in lakhs	No of Shares	₹ in lakhs
No. of Equity shares at the beginning of the year	1,597,976,671	95,878.60	1,576,243,700	157,624.37
Add : Shares to be issued pursuant to the Scheme of Amalgamation and Arrangement (Refer Note 38)	-	-	21,732,971	2,173.30
No. of Equity shares at the end of the year	1,597,976,671	95,878.60	1,597,976,671	159,797.67
Reduction in share capital consequent to reduction in face value of shares from ₹ 10/- to ₹ 6/- per share pursuant to the Composite Scheme of Amalgamation and Arrangement given effect on 24th June 2013, being the record date as fixed by the Board in the meeting held on 30th May, 2013. (Refer Note 38)	-	-	-	(63,919.07)
Total	1,597,976,671	95,878.60	1,597,976,671	95,878.60

c) Details of Shareholders holding more than 5% shares in the Company.

Particulars	As at 31st March 2014		As at 31st March 2013	
	No of Shares	% of Holding	No of Shares	% of Holding
Arisaig Partners (Asia) Pte. Limited. A/c. Arisaig India Fund Limited	152,043,000	9.51	142,043,000	9.01
Future Retail Limited (Formerly Pantaloon Retail (India) Limited)	150,000,000	9.39	150,000,000	9.52
BNP Paribas Arbitrage	140,753,144	8.81	140,753,144	8.93
Gargi Developers Private Limited	128,878,666	8.07	127,889,984	8.11
PIL Industries Limited	124,877,845	7.81	122,000,000	7.74
Bennett, Coleman and Company Limited	121,641,615	7.61	100,000,000	6.34
Central Departmental Stores Private Limited	95,838,700	6.00	95,838,700	6.08
Future Capital Investment Private Limited	84,106,029	5.26	84,106,029	5.34
Aaradhak Commercial Ventures Private Limited	81,548,254	5.10	-	-

d) Terms/Rights attached to Equity Shares:

The Company has only one class of equity shares having a face value of ₹ 6 per share. Each holder of equity shares is entitled to one vote per share.

In the event of repayment of capital of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

e) As at 31st March, 2014 in terms of FVIL Employees Stock Option Plan 2011 equity shares aggregating to 15,785,000 (Previous Year- 18,785,000 equity shares) were reserved for issuance towards outstanding Employee Stock Options granted. (Refer Note 28).

4. Reserves and Surplus

Particulars		As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Capital Redemption Reserve			
As Per last Balance Sheet	A	5.20	5.20
Statutory Reserve under section 45(IC) of RBI Act, 1934			
Opening Balance		754.88	338.58
Add: Transfer during the year		608.18	416.30
	B	1,363.06	754.88
General Reserve			
As Per last Balance Sheet	C	0.59	0.59
Business Restructuring Reserve			
Arising on reduction in share capital consequent to reduction in face value of shares from ₹ 10/- to ₹ 6/- per share pursuant to the Composite Scheme of Amalgamation and Arrangement (Refer Note 38)		-	63,919.07
Less : Adjustment of Goodwill arising in the books of the Company pursuant to the Composite Scheme of Amalgamation and Arrangement (Refer Note 38)		-	(63,203.56)
		-	715.51
Less: Transfer to Capital Reserve		-	(715.51)
	D	-	-
Capital Reserve			
Opening Balance		715.51	-
Less: Adjustment pursuant to the Composite Scheme of Amalgamation and Arrangement (Refer note 37)		(715.51)	-
Transfer from Business Restructuring Reserve pursuant to the composite Scheme of Amalgamation and Arrangement (Refer Note 38)		-	715.51
	E	-	715.51
Surplus/(Deficit) in Profit and Loss Account			
Opening Balance		(3,093.43)	(1,532.32)
Add: Adjustment pursuant to the Composite Scheme of Amalgamation and Arrangement (Refer note 37)		(1,262.88)	-
Add: Current Profit/(Loss)		3,040.90	(1,144.81)
Less : Transfer to Statutory Reserve as per RBI Section 45 (IC)		(608.18)	(416.30)
	F	(1,923.59)	(3,093.43)
Total	(A to F)	(554.74)	(1,617.26)

5. Long Term Provisions

Particulars		As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Provision for Gratuity (Refer Note 27)		94.24	46.60
Provision for Compensated Absences		65.80	-
Total		160.04	46.60

6. Short Term Borrowings

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Secured Loans Repayable on demand		
Over Draft facility from Banks	-	76.98
Working Capital Loan from Banks	1,036.56	-
Total	1,036.56	76.98

Working Capital loan of ₹ 1036.56 lakhs (Previous year ₹ 76.98 lakhs) is secured by exclusive charge on entire present and future current asset of the Company. Rate of interest 10.50 % to 12.50%.

7. Trade Payables

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Others		
- Due to Micro Enterprises and Small Enterprises (Refer note 42)	423.86	-
- Dues others	4,313.83	4,834.23
Total	4,737.69	4,834.23

8. Other Current Liabilities

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Security and Other Deposits Received	14.30	13.70
Statutory Remittances		
- Vat Payable	37.54	38.57
- TDS Payable	64.73	31.56
- PF Payable	25.84	14.61
- Service Tax Payable	8.14	7.60
- Other Statutory Payable	7.67	6.61
Sundry Creditors for Capital Goods	63.03	50.38
Consideration payable on acquisition of investment	-	1,572.50
Advance received from Customers	3.07	-
Total	224.32	1,735.53

9. Short Term Provisions

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Employee Benefits		
Provision for Compensated Absences	21.93	76.10
Provision for Gratuity (Refer Note 27)	10.47	5.18
Provision for Bonus	116.82	94.67
Others		
Provision for Standard Assets	49.19	57.87
Total	198.41	233.82

Note 10
Fixed Assets

₹ In Lakhs

Description of Assets	Gross Block					Depreciation					Net Block	
	As at 1st April 2013	Acquisition through Business Combination #	Additions	Deletions	As at 31st March 2014	As at 1st April 2013	Acquisition through Business Combination #	For the Period	Deletions	As at 31st March 2014	As at 31st March 2014	
A. Tangible Assets												
Office Equipments	121.04	67.68	30.76	7.12	212.36	6.17	20.16	12.24	1.74	36.83	175.53	
Computers	256.39	163.73	18.98	12.54	426.56	38.76	136.41	50.59	5.98	219.78	206.78	
Furniture & Fixtures	1,474.60	331.11	212.69	36.06	1,982.34	86.95	112.82	145.25	7.72	337.30	1,645.04	
Vehicles	5.04	20.04	1.34	2.71	23.71	4.52	7.63	2.23	0.44	13.94	9.77	
Plant & Machinery	262.54	737.36	40.76	66.50	974.16	8.63	209.73	47.13	14.71	250.78	723.38	
Leasehold improvement	14.24	672.53	5.94	147.08	545.63	9.76	280.41	47.07	55.18	282.06	263.57	
Total	2,133.85	1,992.45	310.47	272.01	4,164.76	154.79	767.16	304.51	85.77	1,140.69	3,024.07	
B. Intangible Assets - Acquired												
TradeMark & Brand Usage Rights	20,199.04	6.17	-	-	20,205.21	2,628.02	3.01	1,084.92	-	3,715.95	16,489.26	
Software	0.38	112.25	-	-	112.63	0.38	54.39	38.49	-	93.26	19.37	
Goodwill	7,082.63	3,957.24	-	-	11,039.87	472.18	396.30	1,103.41	-	1,971.89	9,067.98	
Total	27,282.05	4,075.66	-	-	31,357.71	3,100.58	453.70	2,226.82	-	5,781.10	25,576.61	
Grand Total	29,415.90	6,068.11	310.47	272.01	35,522.47	3,255.37	1,220.86	2,531.33	85.77	6,921.79	28,600.68	

Refer Note 37

Fixed Assets (Previous Year)

₹ In Lakhs

Description of Assets	Gross Block					Depreciation					Net Block		
	As at 1st April 2012	Acquisition through Business Combination #	Additions	Deletions	Deletions through Business Combination #	As at 31st March 2013	As at 1st April 2012	Acquisition through Business Combination #	For the Period	Deletions	Deletions through Business Combination #	As at 31st March 2013	As at 31st March 2013
A. Tangible Assets													
Land	-	2.04	-	-	2.04	-	-	-	-	-	-	-	-
Office Equipments	15.54	64.78	107.33	8.89	57.72	121.04	6.77	21.11	3.66	4.53	20.84	6.17	114.87
Computers	25.03	475.89	227.27	17.03	454.77	256.39	21.25	379.19	27.83	14.07	375.44	38.76	217.63
Furniture & Fixtures	0.72	989.96	1,316.59	33.45	799.22	1,474.60	0.29	187.10	69.51	0.09	169.86	86.95	1,387.65
Vehicles	-	-	5.04	-	-	5.04	-	-	4.52	-	-	4.52	0.52
Plant & Machinery	-	475.97	275.07	10.85	477.65	262.54	-	140.35	10.53	0.73	141.52	8.63	253.91
Leasehold Improvement	-	48.53	14.24	-	48.53	14.24	-	45.13	10.15	-	45.52	9.76	4.48
Shop Interior	-	4,105.72	7.82	19.26	4,094.28	-	-	1,988.78	37.67	9.96	1,996.49	-	-
Total	41.29	6,162.89	1,953.36	89.48	5,934.21	2,133.85	28.31	2,741.66	163.87	29.38	2,749.67	154.79	1,979.06
B. Intangible Assets - Acquired													
TradeMark & Brand Usage Rights	-	20,442.50	5,067.37	-	5,310.83	20,199.04	-	2,173.14	939.34	-	484.46	2,628.02	17,571.02
Software	0.38	36.52	-	-	36.52	0.38	0.38	27.73	0.41	-	28.14	0.38	-
Goodwill	-	7,082.63	-	-	-	7,082.63	-	-	472.18	-	-	472.18	6,610.45
Total	0.38	20,479.02	12,150.00	-	5,347.35	27,282.05	0.38	2,200.87	1,411.93	-	512.60	3,100.58	24,181.47
Grand Total	41.67	26,641.91	14,103.36	89.48	11,281.56	29,415.90	28.69	4,942.53	1,575.80	29.38	3,262.27	3,255.37	26,160.53

Refer Note 38

11. Non Current Investments

Particulars	Nominal Value ₹ / Unit	Number of Units		Amount (₹ In Lakhs)	
		As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Unquoted					
i) Subsidiaries - Trade					
- In Fully paid up Equity Shares					
Aadhaar Wholesale Trading and Distribution Limited (formerly known as Aadhaar Retailing Limited)	10	25,480,000	24,080,000	12,257.52	11,557.52
Future Agrovet Limited	10	36,500,000	-	6,200.00	-
Future Consumer Products Limited	10	900,000	900,000	2,000.00	2,000.00
Future Food & Products Limited (formerly known as Future Consumer Enterprises Limited)	1	11,300,000	11,300,000	223.67	223.67
Amar Chitra Katha Private Limited	1	369,940	264,057	9,141.44	8,198.02
Star and Sitara Wellness Limited (formerly known as Star and Sitara Wellness Private Limited)	10	1,809,000	1,809,000	1,800.00	1,800.00
Express Retail Services Private Limited	10	50,000	93,400,000	5.79	6,150.29
- In Fully paid up Preference Shares					
Future Consumer Products Limited	100	145,000	145,000	145.00	145.00
ii) Associates - Trade					
- In Fully paid up Equity Shares					
Capital Foods Private Limited (formerly known as Capital Foods Exportts Private Limited)	10	-	1,420,892	-	8,100.07
iii) Others - Trade					
- In 0% Optional Convertible Debentures					
Capital Foods Private Limited (formerly known as Capital Foods Exportts Private Limited)	100	1,500,000	2,500,000	1,500.00	2,500.00
Total		78,053,940	135,818,949	33,273.42	40,674.57

12. Deferred Tax Asset (Net)

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Deferred tax (liabilities) / assets		
<u>Tax effect of items constituting deferred tax liabilities</u>		
On difference between book balance and tax balance of fixed assets	4,031.97	2,759.00
Provision for Standard asset	2.95	2.73
Tax effect of items constituting deferred tax liabilities	4,034.92	2,761.73
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	105.12	52.26
Disallowances under Section 40(a)(i) of the Income Tax Act, 1961	112.35	74.87
Unabsorbed depreciation carried forward	3,817.45	2,634.60
Tax effect of items constituting deferred tax assets	4,034.92	2,761.73
Deferred tax (liabilities) / assets (net)	-	-

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax net off of other balances constituting deferred tax asset.

13. Long Term Loans and Advances

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Unsecured Considered Good		
Advance Income Tax	934.58	725.58
(Net of Provision ₹ 735.21 lakhs (Previous year - ₹ 735.21 lakhs))		
Security Deposits	420.16	279.72
Other Deposits	0.48	0.48
Capital Advance	1.21	-
Other Loans and advances	59.50	77.50
Total	1,415.93	1,083.28

14. Current Investments

Particulars	Nominal Value ₹ / Unit	Number of Units		Amount (₹ In Lakhs)	
		As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Unquoted - Non Trade					
i) Mutual Funds					
Birla Sun life Floating Rate Fund-STP-Direct plan -DDR	100	-	1,080	-	1.08
Daiwa Liquid Fund - Regular Plan - DDR	1000	-	86	-	0.86
Edelweiss Short Term Income Fund - Dividend Reinvest	10	-	759,354	-	88.23
Kotak Floater Short Term - Direct Plan DDR	1000	-	10,025	-	101.41
Kotak Banking & PSU Debt Fund Direct - Growth	10	3,545,031	-	1,011.76	-
Peerless Liquid Fund - Direct Plan DDR	10	-	2,047,019	-	204.79
Pramerica Liquid Fund - Direct plan Growth	1000	2,854	-	39.08	-
Reliance Liquid Fund - Treasury Plan Direct DDR	1500	-	88	-	1.35
Reliance Money Manager Fund - Direct Growth plan	1000	42,434	-	748.95	-
Religare Invesco Liquid Fund - Direct Plan DDR	1000	-	139	-	1.39
Religare Invesco Liquid Fund - Direct Plan Growth	1000	4,585	-	80.91	-
Religare Invesco Ultra Short Term Fund - Direct plan Growth	1000	28,309	-	503.46	-
Taurus Liquid Fund - Existing plan - Super Inst. DDR	1000	-	232	-	2.32
Sub - Total		3,623,213	2,818,023	2,384.16	401.43
ii) Certificate of Deposits					
Sicom Limited		-	-	10,000.00	10,000.00
Total		3,623,213	2,818,023	12,384.16	10,401.43

15. Inventories

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Stock - In - Trade	2,604.18	2,957.99
Total	2,604.18	2,957.99

16. Trade Receivables

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Unsecured		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	65.58	-
Considered Doubtful	-	-
	65.58	-
Other Trade Receivables	2,428.90	1,371.70
Total	2,494.48	1,371.70

17. Cash and Cash Equivalents

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Cash on Hand	278.95	146.19
Cheques on Hand	-	0.20
Balance with Scheduled Banks		
- In Current Account	228.45	189.20
In Earmarked Accounts:		
- In Margin Money Deposit Accounts #	7.15	7.50
Total	514.55	343.09

The Margin money deposits with remaining maturity of more than 12 months is ₹ NIL. Of the above balances which meets the definition of cash and cash equivalent as per AS3 Cash Flow statement is ₹ 507.40 Lakhs (Prev. Year ₹ 335.59 Lakhs)

18. Short Term Loan and Advances

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Unsecured - Considered Good		
Loans and advances to employees	3.96	1.56
Loans and advances to Related Party	2,249.77	16,744.00
Inter-Corporate Deposits	17,081.70	1,000.00
Balances with excise & custom & other Govt. authorities	28.27	11.97
Other Loan and Advances	189.10	49.91
Total	19,552.80	17,807.44

19. Other Current Assets

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Interest Accrued on Deposits	622.74	339.32
Unbilled Revenue	43.26	44.34
Insurance Claim Receivable	174.68	-
Total	840.68	383.66

20. Revenue from Operations

Particulars	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
Sale of Products	33,626.10	30,447.99
Less : Excise Duty	-	(70.14)
	33,626.10	30,377.85
Other Operating Income	659.58	533.70
Total	34,285.68	30,911.55

21. Other Income

Particulars	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
Lease Rental Income	2.83	1.58
Interest on Income tax Refund	1.07	5.97
Gain on Sale of Investment - Non Current	8,907.30	-
Gain on Sale of Investment - Current	212.35	3.29
Interest Income		
- On Bank Deposits	3.88	0.15
- On other Deposits	1,200.00	1,810.47
- Inter Corporate Deposit	1,600.70	2,782.14
Dividend Income		
- On Current Investments	83.12	218.92
- On Non Current Investments	45.56	49.99
Provision for Standard Assets written back	8.68	8.83
Miscellaneous Income	34.88	11.03
Total	12,100.37	4,892.37

22. Cost of Material Consumed

Particulars	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
Opening Stock of Raw Materials	-	-
Add: Transfer into the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	-	5,331.88
Add: Purchases	-	1,954.69
Less: Transfer from the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	-	(6,099.99)
Closing Stock of Raw Materials	-	-
Total	-	1,186.58

23. Changes in Inventories of finished Goods, work in progress and stock in trade

Particulars	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
Opening Stock of Work In Progress	-	-
Add: Transfer into the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	-	952.34
Less: Transfer from the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	-	(1,230.93)
	-	(278.59)
Opening Stock of Finished Goods	-	-
Add: Transfer into the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	-	5,909.18
Less: Transfer from the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	-	(5,972.12)
	-	(62.94)
Opening Stock of Traded Goods	2,957.99	-
Add: Transfer into the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 37 & 38)	574.90	1,131.14
Less: Transfer from Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	-	(331.14)
Closing Stock of Traded Goods	(2,604.18)	(2,957.99)
	928.71	(2,157.99)
Total	928.71	(2,499.52)

24. Employee Benefits Expenses

Particulars	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
Salaries Wages & Bonus	3,513.01	2,663.61
Contribution to Provident and Other Funds	229.71	136.62
Staff Welfare Expenses	198.43	99.09
Total	3,941.15	2,899.32

25. Finance Cost

Particulars	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
Interest on		
- Working Capital Loans	2.70	182.24
- Others		
Bill Discounting charges	55.53	-
Interest Others	5.80	18.72
Total	64.03	200.96

26. Other Expenses

Particulars	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
Rent	2,092.46	1,206.78
Warehousing and Distribution Expenses	1,741.36	1,275.94
Manufacturing Expenses	-	246.65
Electricity expenses	314.27	132.73
Advertisement, Publicity & Selling expenses	399.27	309.27
Repairs & Maintenance others	99.45	41.46
Legal and Professional Charges	497.30	1,709.67
Rates and Taxes	55.75	30.69
Insurance	16.54	8.09
Auditor's Remuneration (Refer Note 26A)	75.98	37.74
Directors Sitting Fees	9.20	7.81
Loss on Sale/Retirement of Fixed Assets	164.45	52.21
Brand Royalty	508.03	720.77
Miscellaneous Expenses	948.87	644.57
Total	6,922.93	6,424.38

26A. Auditor's Remuneration included in "Other Expenses"

Particulars	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
Audit Fees	29.21	10.11
Tax Audit	28.09	1.12
Other Services	12.92	20.46
Out of Pocket Expenses	5.76	6.05
Total	75.98	37.74

27. Employee Benefits

- A. The Company's obligation towards Gratuity is a Defined Benefit plan and is not funded. The details of actuarial valuation as on 31st March, 2014 are given below:

Particulars	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
Net Employee benefit expenses (recognized in Employee cost)		
Current Service Cost	37.44	47.98
Interest cost on benefit obligation	7.15	3.45
Benefits Settled	-	(10.95)
Actuarial (Gain)/Loss	0.92	(7.18)
Net benefit Expenses	45.51	33.30
Amounts recognised in Balance sheet		
Closing Defined Benefit obligation	(104.71)	(51.78)
Closing Fair Value of Plan Assets	-	-
Unfunded Net assets/(Liability) recognised in the Balance Sheet	(104.71)	(51.78)

Particulars	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
Change in the present value of the defined benefit obligation are as follows:		
Obligation at period beginning	51.78	13.40
Add : Adjustments on Merger (Refer Note 37)	27.67	5.08
Current service cost	37.44	47.98
Interest on defined Obligation	7.15	3.45
Benefits paid	(20.25)	(10.95)
Actuarial (Gain)/ Losses on obligation	0.92	(7.18)
Obligation at year end	104.71	51.78
Assumptions		
Discount Rate	9% p.a.	8% p.a.
Salary Increase	5% p.a.	5% p.a.
Attrition Rate	20% to 2% p.a.	1% p.a.
Retirement Age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2006-08)Ult	L.I.C. (1994-96) ULTIMATE

Experience adjustments	₹ In Lakhs				
Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Present value of Defined benefit obligation	104.71	51.78	13.40	6.83	2.73
Fair value of Plan Assets	NA	NA	NA	NA	NA
Funded Status	NA	NA	NA	NA	NA
Experience gain/(loss) adjustments on Plan Liabilities	0.92	(7.18)	(0.61)	(1.42)	(2.46)
Experience adjustments on Plan Assets	NA	NA	NA	NA	NA

The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors. The disclosure requirement with regard to composition of investments in the Fair Value of Plan assets is not applicable, as the liability is not funded.

- B. The Company has recognised an amount of ₹ 54.82 lakhs (Previous Year ₹ 33.04 lakhs) for long-term compensated absences. Actuarial Assumption for long-term compensated absences are:

Particulars	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
Discount Rate	9.00%	8.00%
Salary Increase	5.00%	5.00%
Attrition Rate	20% to 2% p.a.	1%
Retirement Age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2006-08) Ult	L.I.C. (1994-96) Ultimate

- C. The Company has recognised an amount of ₹ 163.53 lakhs (Previous Year ₹ 102.48 lakhs) for Provident Fund contributions and ₹ 65.84 lakhs (Previous Year ₹ 33.99 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

28. Employee Stock Option Plan

The Board at its meeting held on July 12, 2010, has approved issue of Stock Options up to a maximum of 50,000,000 Equity Shares, with a ceiling of upto 1% of the paid-up equity share capital in any financial year subject to the approval of the shareholders under Section 81 (1A) of the Companies Act, 1956. The options allotted under ESOP are convertible into equal number of equity shares. The Shareholders of the Company at the Annual General Meeting held on August 10, 2010 approved the afore-said issue of 50,000,000 Equity Shares of the Company under one or more Employee Stock Option Scheme(s). Post listing of the Company, the Shareholders have ratified the pre-IPO scheme. The Compensation and Nomination Committee has approved the following grants to certain directors and employees of the Company and some of its Subsidiaries in accordance with the FVIL Employees Stock Option Plan 2011 (ESOP Scheme):

Particulars	Grant 1	Grant 2	Grant 3
Date of Grant	27th March'11	14th Feb'12	9th Nov'12
Exercise Price	₹ 6 per Option	₹ 6 per Option	₹ 6 per Option
Vesting Commences on	27th March'12	14th Feb'13	9th Nov'13
Options outstanding at the beginning of the year			
- Vested	78,18,000	4,66,500	NIL
- Yet to Vest	52,12,000	10,88,500	42,00,000
During the year			
Options Vested	52,12,000	2,41,500	7,35,000
Options Granted	NIL	NIL	NIL
Options Exercised	NIL	NIL	NIL
Options Forfeited/Lapsed	5,00,000	7,50,000	17,50,000
Options outstanding at the end of the year			
- Vested	1,25,30,000	4,83,000	7,35,000
- Yet to Vest	0	3,22,000	17,15,000

Stock Compensation Expense:

The employee compensation cost has been calculated using the intrinsic value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The employee compensation cost as per the intrinsic value method for the financial year 2013-14 is Nil.

Fair Value Methodology

The fair value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model by an independent valuer.

The key assumptions used in the Black-Scholes model for calculating the fair value as on the date of the grants are:

Particulars	Grant 1	Grant 2	Grant 3
Vesting Date	Options vest over a period of 3 years in the ratio of 30%,30%,40%	Options vest over a period of 3 years in the ratio of 30%,30%,40%	Options vest over a period of 3 years in the ratio of 30%,30%,40%
Risk-Free Interest Rate (Average)	8.61%	8.74%	8.81%
Expected Life (Years)	2.09	2.97	3.71
Expected volatility of Share Price (%)	47.15%	47.15%	47.15%
Dividend Yield (%)	0%	0%	0%
Price of the underlying share at the time of option grant	₹ 10.00	₹ 8.75	₹ 9.90
Fair Value of the Option	₹ 1.15 each	₹ 1.51 each	₹ 1.77 each

Had compensation cost for the Stock Options granted under the Scheme been determined based on fair value approach, the Company's net profit and earnings per share would have been as per the pro forma amounts indicated below:

Impact on Net Profit

Particulars	2013-14 ₹ In Lakhs	2012-13 ₹ In Lakhs
Net Profit/(Loss) (As reported)	3,040.90	(1,144.81)
Add: Stock based employee compensation expense included in net profit	-	-
Add: Stock based compensation expense determined under fair value based method (Proforma) (credit to Statement of Profit and Loss)	160.70	(150.74)
Net Profit/(Loss) (Proforma)	3,201.60	(1,295.55)

Impact on Earnings per Share:

Particulars	2013-14 ₹ per share	2012-13 ₹ per share
Basic and Diluted Earnings per Share (As reported)	0.19	(0.07)
Basic and Diluted Earnings per Share (Proforma)	0.20	(0.08)

29. Segment Reporting

The Company was in the process of reorganizing its business, since the previous year, to become an entity engaged in Branding, Selling and Distribution of "Consumer products" which in terms of Accounting Standard 17 "Segment Reporting" constitute a single reporting segment. Consequently, on all the schemes becoming effective, investment activities are no longer considered a separate business segment by the management and thus reporting of "Investment" as a separate segment has been discontinued. Hence, there is no separate reportable segment under Accounting Standard 17 "Segment Reporting".

30. Earnings per Share

The Company has only one class of equity share, hence the Profit after Tax is used for computation of earnings per share without any adjustment.

Particulars	As at 31st March 2014	As at 31st March 2013
Profit / (Loss) for the year (In Lakhs)	3,040.90	(1,144.81)
No of equity shares at the beginning of the year	1,59,79,76,671	1,57,62,43,700
No of equity shares at the end of the year	1,59,79,76,671	1,59,79,76,671
Weighted Average number of shares outstanding during the year	1,59,79,76,671	1,58,34,48,329
Basic and diluted Earnings per share	0.19	(0.07)

The Company has issued employee stock options, which on exercise, will result into issuance of equity shares. However, exercise price is higher than the average fair value of the shares. Therefore, these potential shares have been considered anti-dilutive and the basic and diluted earnings per share remain same.

31. Utilisation of IPO Funds

Particulars	Amount as per Prospectus	Revised Amount*	Amount Utilized As at 31st March 2014
	₹ in lakhs	₹ in lakhs	₹ in lakhs
(a) To create, build, invest in or acquire, and operate Business Ventures	53,135.56	53,739.82	53,739.82
(b) For General corporate purpose	17,711.85	17,711.85	17,711.85
(c) Issue Related Expenses	4,152.59	3,548.33	3,548.33
Total	75,000.00	75,000.00	75,000.00

* The un-utilised Fund of "Issue Related Expenses" amounting to ₹ 604.26 Lakhs has been allotted towards the object "To create, build, invest in or acquire, and operate Business Ventures" as disclosed in prospectus vide resolution passed by the Shareholders at the Extra Ordinary Meeting held on March 4, 2013.

32. Related Party Disclosures

A. Names of Related Parties and Nature of Relationship for Financial Year 2013-14

1. Subsidiary Companies

- Aadhaar Wholesale Trading and Distribution Limited (formerly known as Aadhaar Retailing Limited)
- Future Agrovat Limited (w.e.f. 12th November 2013)
- Future Consumer Products Limited
- Future Food and Products Limited (formerly known as Future Consumer Enterprises Limited)
- Star and Sitara Wellness Limited (Formerly known as Star and Sitara Wellness Private Limited)
- Amar Chitra Katha Private Limited and its subsidiaries:
 - IBH Books and Magazines Distributors Limited (Formerly known as IBH Books and Magazines Distributors Private Limited)
 - ACK Edutainment Limited (Formerly known as ACK Edutainment Private Limited)
 - ACK Eaglemoss Collectibles Publishing Private Limited
 - ACK Media Direct Limited (Formerly known as ACK Media Direct Private Limited)
 - Karadi Tales Company Private Limited
 - Ideas Box Entertainment Limited (Formerly known as Ideas Box Entertainment Private Limited)
- Express Retail Services Private Limited

2. Associates

- a. Capital Foods Private Limited (Formerly known as Capital Foods Exportts Private Limited (upto 11th December 2013) and its subsidiary:
 - i. Integrated Food Park Private Limited (upto 11th December 2013)
- b. Karadi Path Education Company Private Limited (Upto 31st August 2013) (Associate of Amar Chitra Katha Private Limited).

3. Key Management Personnel (KMP)

- a. Mr. Kishore Biyani - Managing Director (upto 30th May, 2013)
- b. Mr. K.K. Rathi - Executive Director and CEO (From 31st May 2013 upto 4th February 2014)
- c. Arun Kumar Agarwal - Manager (w.e.f. 5th February 2014)

4. Enterprises over which key management personnel can exercise control / significant influence (KMP has significant influence)

- a. Future Ideas Company Limited (upto 30th May, 2013)
- b. Vayuputra Realty Private Limited (upto 30th May, 2013)
- c. Future Retail Limited (formerly known as Pantaloon Retail (India) Limited) (upto 30th May, 2013)

B. Names of Related Parties and Nature of Relationship for Financial Year 2012-13

1. Subsidiary Companies

- a. Aadhaar Wholesale Trading and Distribution Limited (formerly Aadhaar Retailing Limited)
- b. Indus League Clothing Limited (Upto 31st December,2012)
- c. Lee Cooper (India) Limited (Up to 30th November,2012)
- d. Indus Tree Crafts Private Limited (Up to 31st December,2012)
- e. Indus Tree Producer Transform Private Limited (Up to 31st December,2012)
- f. Future Consumer Products Limited
- g. Amar Chitra Katha Private Limited and its subsidiaries:
 - i. IBH Books and Magazines Distributors Limited (Formerly known as IBH Books and Magazines Distributors Private Limited)
 - ii. ACK Edutainment Limited (Formerly known as ACK Edutainment Private Limited)
 - iii. ACK Eaglemoss Collectibles Publishing Private Limited
 - iv. ACK Media Direct Limited (Formerly ACK Media Direct Private Limited)
 - v. Karadi Tales Company Private Limited
 - vi. Ideas Box Entertainment Limited (Formerly known as Ideas Box Entertainment Private Limited)
- h. Express Retail Services Private Limited (With effect From 15th September,2012)
- i. Think Fresh International Private Limited (With effect from 15th September,2012)
- j. Star and Sitara Wellness Limited (Formerly known as Star and Sitara Wellness Private Limited) (With effect From 12th September,2012)
- k. Future Food and Products Limited (Formerly known as Future Consumer Enterprises Limited)

2. Associates

- a. And Designs India Limited (Up to 31st December,2012)
- b. Capital Food Private Limited (Formerly known as Capital Foods Exportts Private Limited) and its subsidiary:
 - i. Integrated Food Park Private Limited
- c. Turtle Limited (Up to 31st December,2012) (Associate of Indus League Clothing Limited)
- d. Biba Apparels Private Limited (Up to 31st December,2012)
- e. Karadi Path Education Company Private Limited (Associate of Amar Chitra Katha Private Limited)

3. Joint Ventures

- a. Holii Accessories Private Limited (Up to 31st December,2012)
- b. Celio Future Fashion Limited (Joint Venture of Indus League Clothing Limited) (Up to 31st December,2012)
- c. Clarks Future Footwear Limited (Up to 31st December,2012)

4. Key Management Personnel (KMP)

- a. Mr. Kishore Biyani - Managing Director

5. Enterprises over which key management personnel can exercise control/significant influence

- i. Akar Estate Finance Private Limited
- ii. Anchor Residency Private Limited (Formerly known as “Anchor Malls Private Limited”)
- iii. Asian Retail Lighting Limited
- iv. Bansi Mall Management Co Private Limited
- v. DMA Yellow Works Limited
- vi. ESES Commercial Private Limited
- vii. Fashion Global Retail Limited
- viii. FSC Brand Distribution Services Limited
- ix. Future Agrovet Limited
- x. Future Brands Limited
- xi. Future Corporate Resources Limited
- xii. Future E Commerce Infrastructure Limited
- xiii. Future Venture Employee Welfare Trust
- xiv. Future Human Development Limited
- xv. Future Ideas Company Limited
- xvi. Future Ideas Realtors India Limited
- xvii. Future Knowledge Services Limited
- xviii. Future Lifestyle Fashion Limited
- xix. Future Outdoor Media Solutions Limited
- xx. Future Retail Limited (formerly Pantaloon Retail (India) Limited)
- xxi. Future Supply Chain Solutions Limited
- xxii. Future Value Retail Limited
- xxiii. Idiom Design and Consulting Limited
- xxiv. Manz Retail Private Limited
- xxv. Nufuture Digital (India) Limited
- xxvi. nuFuture Haribhakti Business Services Limited
- xxvii. PRTL Enterprises Limited
- xxviii. Staples Future Office Products Private Limited
- xxix. Suhani Trading and Investment Consultants Private Limited
- xxx. Vayuputra Realty Private Limited
- xxxi. Weavette Textstyles Limited

5. Transactions with Related Parties

₹ In Lakhs

Nature of transactions	Subsidiary	Associates	Joint Venture	KMP has significant influence	KMP
Purchase of Investments* (Equity Shares)	1,643.42 (2,639.00)	- -	- (350.00)	- -	- -
Purchase of Investments (Optional Convertible Debentures)	- (2,500.00)	- -	- -	- -	- -
Sale of Investments (Equity Shares)	- (44,508.26)	- (4,822.38)	- (2,954.55)	- -	- -
Redemption of Investments (Optional Convertible Debentures)	- (2,500.00)	1,000.00 -	- -	- -	- -
Inter Corporate Deposits Given	10,560.00 (23,725.00)	2,962.20 (15,494.00)	- (500.00)	- (12,285.00)	- -
Inter Corporate Deposits Repaid	9,660.00 (20,860.00)	4,687.00 (17,232.00)	- (530.00)	- (20,637.00)	- -
Loans and Advances Given	21.07 -	- -	- -	- -	- -
Net Transfer of Assets and Liabilities into the Company pursuant to the Scheme of Amalgamation and Arrangement (Refer Note 37&38)	1,472.75 (33,868.60)	- -	- -	- -	- -
Net Transfer of Assets and Liabilities from the Company pursuant to the Scheme of Amalgamation and Arrangement (Refer Note 38)	- -	- -	- -	- (61,399.75)	- -
Interest Income	340.53 (628.01)	222.49 (518.51)	- (17.02)	- (1,274.06)	- -
Rent Income	- -	- -	- (2.46)	- -	- -
Royalty Income	- -	- -	- -	11.39 (147.96)	- -
Sales	587.17 (2,573.65)	- -	- -	- (11,427.43)	- -
Dividend Income	- -	- (49.99)	- -	- -	- -
Purchase of traded goods	2,166.91 (244.70)	- (32.68)	- -	- (8,686.64)	- -
Managerial Remuneration	- -	- -	- -	- -	121.04# (53.76)
Warehousing and Transportation Expenses	- -	- -	- -	- (857.42)	- -
Reimbursement of Expenses and Other Expenses	8.72 -	- -	- -	- (3.62)	- -
Rent Expenses	- -	- -	- -	30.53 (56.67)	- -
Mentoring and Advisory Fees	- -	- -	- -	- (1,125.00)	- -
Royalty Expenses	56.36 (143.06)	- -	- -	36.52 (453.48)	- -

₹ In Lakhs

Nature of transactions	Subsidiary	Associates	Joint Venture	KMP has significant influence	KMP
Legal and Professional Fees	-	-	-	-	-
	-	-	-	(99.31)	-
Advertisement Expenses	-	-	-	-	-
	-	-	-	(124.38)	-
Purchase of Fixed Assets	-	-	-	-	-
	(0.31)	-	-	(0.68)	-
Interest Receivable	101.44	-	-	-	-
	(83.76)	(53.22)	-	(232.14)	-
Trade Receivable	446.62	-	-	-	-
	(705.33)	-	-	-	-
Other Receivables	54.77	-	-	-	-
	-	-	-	(694.24)	-
ICDs Outstanding	2,195.00	-	-	-	-
	(3,335.00)	(2,774.00)	-	(9,185.00)	-
Trade Payables	571.06	-	-	-	-
	(22.29)	(17.58)	-	-	-
Other Payables	-	-	-	-	-
	-	-	-	(1,889.18)	-
Loans and Advances Outstanding	21.07	-	-	-	-
	-	-	-	(310.00)	-

* Includes Inter-Corporate Deposit including Interest amounting to ₹ 1,385.05 Lakhs converted into Equity Shares.

#includes ₹ 4.80 Lakhs (Previous year - ₹ Nil) attributable to remuneration of manager which is subject to approval by the Company in General Meeting.

Figures in bracket represent previous year's figures.

6. Disclosure in respect of Material Transactions with Related Parties

₹ In Lakhs

Type of Transactions	Particulars	31st March 2014	31st March 2013
Purchase of Investments (Equity Shares)	Aadhaar Wholesale Trading and Distribution Limited	700.00	840.00
	Amar Chitra Katha Private Limited	943.42	-
	Star and Sitara Wellness Limited	-	1,799.00
Purchase of Investments (Optional Convertible Debentures)	Indus League Clothing Limited	-	2,500.00
Sale of Investments (Equity Shares)	Indus League Clothing Limited	-	43,013.37
Sale of Investments (Optional Convertible Debentures)	Capital Foods Private Limited	1,000.00	-
	Indus League Clothing Limited	-	2,500.00
Loans and Advances Given	Express Retail Services Private Limited	21.07	-
Inter Corporate Deposits Given	Capital Foods Private Limited	1,390.00	-
	Aadhaar Wholesale Trading and Distribution Limited	2,520.00	-
	Future Agrovet Limited	6,500.00	-
	Indus League Clothing Limited	-	12,860.00
	Integrated Food Park Private Limited	1,572.20	5,379.00

Type of Transactions	Particulars	31st March 2014	31st March 2013
Inter Corporate Deposits Received Back	Capital Foods Private Limited	2,355.00	-
	Aadhaar Wholesale Trading and Distribution Limited	2,010.00	-
	Future Agrovet Limited	6,500.00	-
	Indus League Clothing Limited	-	11,360.00
	Integrated Food Park Private Limited	2,332.00	-
Net Transfer of Assets and Liabilities into the Company pursuant to the Scheme of Amalgamation and Arrangement	Express Retail Services Private Limited	1,534.42	-
	Future Food and Products Limited	-	15,977.52
	Indus League Clothing Limited	-	12,181.11
	Lee Cooper (India) Limited	-	5,709.97
Net Transfer of Assets and Liabilities from the Company pursuant to the Scheme of Amalgamation and Arrangement	Future Lifestyle Fashion Limited	-	61,399.75
Dividend Income	And Design India Limited	-	22.06
	Biba Apparels Private Limited	-	27.93
Interest Income	Capital Foods Private Limited	82.83	-
	Aadhaar Wholesale Trading and Distribution Limited	166.76	-
	Future Agrovet Limited	92.37	-
	Integrated Food Park Private Limited	139.67	-
Royalty Income	Future Retail Limited	11.39	69.29
	Future Value Retail Limited	-	78.67
Rent Income	Celio Future Fashion Limited	-	2.46
Sales	Express Retail Services Private Limited	-	1,995.74
	Future Value Retail Limited	-	10,711.23
	Aadhaar Wholesale Trading and Distribution Limited	587.17	-
Purchases	Future Agrovet Limited	2,166.91	7,849.55
Warehousing and Transportation Expenses	Future Supply Chain Solutions Limited	-	857.42
Reimbursement of Expenses and Other Expenses	Future Ideas Company Limited	-	0.99
	Future Value Retail Limited	-	2.21
	Future Food and Products Limited	8.72	-
Rent Expenses	Future Retail Limited	30.53	56.67
Mentoring and Advisory Fees	Future Corporate Resources Limited	-	270.00
	Future Retail Limited	-	855.00
Brand Royalty	Future Ideas Company Limited	36.52	175.28
	Future Consumer Products Limited	56.36	143.06
	Future Brands Limited	-	278.20
Legal and Professional Fees	nuFuture Digital (India) Limited	-	30.24
	nuFuture Haribhakti Business Services Limited	-	48.46
Purchase of Fixed Assets	Future Retail Limited	-	0.68
	Aadhaar Wholesale Trading and Distribution Limited	-	0.31
Advertisement Expenses	Future Corporate Resources Limited	-	123.63
Interest Receivable	Aadhaar Wholesale Trading and Distribution Limited	83.45	47.99
	Future Lifestyle Fashions Limited	-	128.57
	Star and Sitara Wellness Limited	17.99	-

₹ In Lakhs

Type of Transactions	Particulars	31st March 2014	31st March 2013
Other Receivables	Future Value Retail Limited	-	683.46
	Future Food and Products Limited	54.77	-
Trade Receivables	Express Retail Services Private Limited	-	443.02
	Aadhaar Wholesale Trading and Distribution Limited	446.62	262.31
Trade Payables	Future Agrovet Limited	501.70	-
	Future Consumer Products Limited	69.36	22.29
	Capital Foods Private Limited	-	17.58
Other Payables	Future Agrovet Limited	-	1,314.76
	Future Supply Chain Solutions Limited	-	293.58
ICDs Outstanding	Aadhaar Wholesale Trading and Distribution Limited	1,590.00	1,780.00
	Future Lifestyle Fashions Limited	-	4,900.00
	Integrated Food Park Private Limited	-	1,809.00
	Weavette Textstyles Limited	-	2,390.00
	Fashion Global Retail Limited	-	1,895.00
	Star and Sitara Wellness Limited	605.00	-
Loans and Advances Outstanding	Future Venture Employee Welfare Trust	-	310.00
	Express Retail Services Private Limited	21.07	-
Managerial Remuneration	Mr. Kishore Biyani	NA	53.76
	Mr. K. K Rathi	107.43	-

33. Foreign Currency Expenditure

Particulars	For the Year ended 31st March 2014 ₹ In Lakhs	For the Year ended 31st March 2013 ₹ In Lakhs
Travelling and Conveyance Expenses	3.02	3.08
Legal and Professional Fees	-	44.83
Royalty	-	74.54
Sitting Fees	0.20	-
Total	3.22	122.45

34. CIF Value of Imports

Particulars	For the Year ended 31st March 2014 ₹ In Lakhs	For the Year ended 31st March 2013 ₹ In Lakhs
Traded Goods	-	27.23
Total	-	27.23

35. Traded Goods Details (Inclusive of Sales Tax)

Particulars	For the Year ended 31st March 2014 ₹ In Lakhs	For the Year ended 31st March 2013 ₹ In Lakhs
Purchases		
FMCG	28,957.00	14,191.93
Others	-	12,929.46
Total	28,957.00	27,121.39
Sales		
FMCG	33,626.09	15,401.33
Others	-	14,976.52
Total	33,626.09	30,377.85

36. Contingent Liabilities

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Corporate Guarantees issued to bank	5,565.24	3,900.00
Bank Guarantees	-	28.00
Disputed Income Tax Demand	126.70	51.80
Bill Discounting	-	292.37
Claims not acknowledged as debt*	47.63	-
Total	5,739.57	4,272.17

*does not include cases where liability is not ascertainable.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

37. Composite scheme of Amalgamation and Arrangement

- A.** The Composite Scheme of Arrangement and Amalgamation filed by the Company in respect of transfer of business and undertakings of Express Retail Services Private Limited (ERSPL) relating to food products and related activities, and transfer of entire business and undertakings of Think Fresh International Private Limited (TFIPL) with the Company, as a going concern, with the H'ble High Court at Delhi, has been approved on July 25, 2013 and necessary filings have been done with the Registrar of Companies on September 25, 2013. The scheme has been given effect to in the books with effect from September 15, 2012, being the Appointed Date as approved by the H'ble High Court at Delhi. Consequently:-
- The net loss of the above mentioned business and undertakings from the appointed date till March 31, 2013, amounting to ₹ 866.58 lakhs, has been transferred to opening Reserves and surplus (Deficit in Statement of Profit and Loss) as on April 1, 2013; and
 - The difference between the value of assets and liabilities (after adjustment of investment in the above mentioned business and undertakings), of ₹ 4,672.75 lakhs has been debited to goodwill,
 - Amortization of goodwill (net of capital reserve amounting to ₹ 715.51 lacs) for the period ended March 31, 2013 amounting to ₹ 396.30 lakhs has been adjusted against the opening Reserves and Surplus (deficit in Statement of Profit and Loss)
 - Since the entire share capital of ERSPL is held by the Company, no shares or considerations is to be issued/payable by the company.
- B.** Disclosures relating to amalgamation of TFIPL with the Company as required under AS 14:
- Pursuant to the composite scheme of amalgamation and arrangement as explained in Para 37 A, the entire business and undertaking of TFIPL (the Amalgamating Company) stand transferred to and vested in the Company as a going concern

w.e.f. September 15, 2012. The accounting for this arrangement was done as per the scheme sanctioned by the Hon'ble High Court of Judicature at Delhi vide its order dated July 25, 2013 and the same has been given effect to as under:

1. The business of TFIPL which stands transferred to and vested in the Company comprises of the business of food products.
2. The amalgamation has been accounted under the Purchase Method.
3. The entire assets and liabilities of TFIPL (the Amalgamating Company) have been accounted in the books of the Company at their respective fair values.
4. Since the entire share capital of TFIPL is held by ERSPL and consequently pursuant to the transfer of ERSPL Demerged undertaking, the entire capital of TFIPL will be held by the Company, no shares or consideration is to be issued / payable by the Company.
5. The difference between the value of assets net of liabilities of TFIPL and the value of investments in TFIPL held by the Company amounting to ₹ 62.66 lakhs has been debited to goodwill.

38. A composite scheme of Amalgamation and Arrangement between the Company, Indus League Clothing Limited, Lee Cooper (India) Limited, Future Retail Limited (formerly known as Pantaloon Retail (India) Limited) and Future Lifestyle Fashion Limited and their respective shareholders and creditors was approved by the Hon'ble High Court and has been given effect to in the books of accounts in the previous Financial Year. Similarly, a part of composite scheme of Amalgamation and Arrangement between the Company, Future Food and Products Limited (formerly known as Future Consumer Enterprises Limited), Express Retail Services Private Limited and Think Fresh International Private Limited and their respective shareholders and creditors was also given effect to in the books of accounts in the previous Financial Year.

39. Disclosure of Loans and Advances / Investments as per Clause 32 of the Listing Agreement

₹ In Lakhs

Name of the Company	As at 31st March 2014		As at 31st March 2013	
	Outstanding Loan Amount	Maximum Loan Amount Outstanding	Outstanding Loan Amount	Maximum Loan Amount Outstanding
Subsidiaries				
Aadhaar Wholesale Trading and Distribution Limited	1,590.00	1,780.00	1,780.00	2,420.00
Amar Chitra Katha Private Limited	-	750.00	750.00	850.00
Star and Sitara Wellness Limited	605.00	645.00	125.00	125.00
Future Agrovet Limited	-	3,500.00	-	-
Express Retail Services Private Limited	-	-	680.00	1,500.00
	2,195.00	5,595.00	3,335.00	4,895.00
Associates				
Capital Foods Private Limited	-	3,500.00	965.00	1,490.00
Integrated Food Park Private Limited	-	2,425.20	1,809.00	2,600.00
	-	5,925.20	2,774.00	4,090.00

40. Details of leasing arrangements:

The Company has entered into cancellable operating lease arrangement for its stores and office premises. Operating lease rentals charged to revenue aggregate to ₹ 2,092.46 Lakhs (Previous year ₹ 1,206.78 Lakhs.)

41. Certain subsidiaries of the company have incurred losses resulting in erosion of their net- worth. These companies are in the process of building respective businesses/brands and creating substantial value. The management is fully committed to lead to profitability by providing the necessary financial support and mentoring. Therefore, in the opinion of the management, the diminutions in the value of the said investment are temporary in nature and consequently, no adjustment is considered necessary to the carrying value of investment.
42. This information as required to be disclosed under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The principal amount outstanding and interest due there on as at the year end is ₹ 26.04 lakhs and ₹ 0.82 lakhs respectively.

43. Consequent to the amalgamation and arrangement schemes becoming effective in the previous financial year, the Company became an entity engaged primarily in operating Food and FMCG outlets and distribution business. As a result of the above-mentioned reorganisation, the asset/ income pattern of the Company as on March 31, 2013 changed consequent to which the Company was no longer entitled to hold the certificate of registration based on the non-fulfilment of the principal business criteria as required for being a Non-Banking Financial Company ("NBFC"), as laid down in the press release dated April 08, 1999. The Company accordingly intimated the change to the Reserve bank of India (RBI) and has applied for deregistration as a NBFC, vide its communication dated May 30, 2013.

However, pending deregistration by the RBI, the Company has for the year under consideration, complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. However, no disclosures pursuant to Reserve Bank of India Notification DNBS.193DG (VL) - 2007 dated 22nd February, 2007 (Para 13 Disclosure) and Notification DNBS.200/CGM (PK) 2008 dated 1st August, 2008 (CRAR Disclosure) have been made in these financial statements, as the same are no longer considered to be pertinent.

44. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. The figures for the current year includes the operations of demerged undertaking of Express Retail Services Private Limited (ERSPL) and entire business undertaking of Think Fresh International Private Limited (TFIPL) with effect from September 15, 2012 as explained in detail in Note 37. In view of this, the figures for the current year are not comparable with those of the corresponding previous year.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF FUTURE CONSUMER ENTERPRISE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **FUTURE CONSUMER ENTERPRISE LIMITED** (formerly known as Future Ventures India Limited) (the "Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of 13 subsidiaries (including sub-subsidiaries), whose financial statements reflect total assets (net) of ₹ 29,221.29 lakhs as at 31st March, 2014, total revenues of ₹ 48,540.73 lakhs and net cash outflows amounting to ₹ 238.92 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 42.67 lakhs for the year ended 31st March, 2014, as considered in the consolidated financial statements, in respect of an associate, 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, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

Ketan Vora
Partner

(Membership No. 100459)

MUMBAI, May 19, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Equity and Liabilities			
Shareholders' Funds			
(a) Share Capital	4	95,878.60	95,878.60
(b) Reserves and Surplus	5	(15,310.11)	(12,932.62)
		80,568.49	82,945.98
Minority Interest		1,630.50	2,090.95
Non Current Liabilities			
(a) Long Term Borrowings	6	7.94	0.49
(b) Deferred Tax Liability (Net)	14	-	0.27
(c) Long Term Provisions	7	372.85	141.57
		380.79	142.33
Current Liabilities			
(a) Short Term Borrowings	8	10,946.48	723.94
(b) Trade Payables	9	11,026.95	8,466.54
(c) Other Current Liabilities	10	1,151.55	2,305.93
(d) Short Term Provisions	11	232.31	324.88
		23,357.29	11,821.29
Total		105,937.07	97,000.55
Assets			
Non Current Assets			
(a) Fixed Assets (Net Block) :-			
(i) Tangible Assets	12	7,526.87	6,614.68
(ii) Intangible Assets	12	29,493.97	28,624.62
		37,020.84	35,239.30
(iii) Capital Work-in-Progress		-	4.82
(iv) Intangible Assets under development		697.70	547.55
		37,718.54	35,791.67
(b) Goodwill on Consolidation		10,260.21	11,888.72
(c) Non-Current Investments	13	1,512.75	11,378.32
(d) Deferred Tax Asset (Net)	14	58.45	-
(e) Long Term Loan and Advances	15	2,262.53	1,659.20
		51,812.48	60,717.91
Current Assets			
(a) Current Investments	16	12,384.46	10,401.44
(b) Inventories	17	10,446.29	5,887.54
(c) Trade Receivables	18	10,953.22	2,849.08
(d) Cash and Cash Equivalents	19	1,101.42	925.78
(e) Short Term Loan & Advances	20	18,490.20	15,885.86
(f) Other Current Assets	21	749.00	332.94
		54,124.59	36,282.64
Total		105,937.07	97,000.55
See accompanying Notes forming part of the financial statements	1-37		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place : Mumbai

Date : 19th May 2014

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors
Future Consumer Enterprise Limited

G.N.Bajpai
Chairman

Kishore Biyani
Vice Chairman

K. K. Rath
Chief Executive Officer

Manoj Gagvani
Company Secretary
& Head - Legal

Gopal Bihani
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note	For the year ended 31st March 2014 ₹ In Lakhs	For the year ended 31st March 2013 ₹ In Lakhs
Revenue			
(a) Revenue from Operations	22	82,255.70	91,503.38
(b) Other Income	23	11,419.65	4,517.41
Total Revenue		93,675.35	96,020.79
Expenditure			
(a) Cost of Material Consumed	24	1,066.81	11,414.40
(b) Purchase of Traded Goods	25	70,102.89	57,367.55
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	840.24	(1,266.34)
(d) Employee Benefit Expenses	27	6,773.98	9,002.89
(e) Other Expenses	28	12,028.80	21,260.78
(f) Finance Cost	29	522.03	1,688.59
(g) Depreciation	12	3,931.07	3,727.01
Less: Transfer from Revaluation Reserve		-	(1.01)
		3,931.07	3,726.00
		95,265.82	103,193.87
(Loss) before Tax		(1590.47)	(7173.08)
(Loss) from continuing operations before tax		(1590.47)	(5980.31)
Less : Tax Expense			
Current Tax		-	7.89
Net Current Tax		-	7.89
Deferred Tax (Credit) / Expense		(58.72)	40.10
(Loss) from continuing operations after tax		(1,531.75)	(6,028.30)
(Loss) from discontinuing operations before tax		-	(1,192.77)
Less : Tax Expense			
Taxation		-	434.45
(Loss) from discontinuing operations after tax		-	(1,627.22)
(Loss) after taxation before minority interest and share of associates		(1,531.75)	(7,655.52)
Add: Share of Associates Profit		35.11	906.22
Add: Share of Minority Interest		769.95	1,177.75
Add : Adjustment on Acquisition of Subsidiaries		31.74	-
Profit/(Loss) after Share of Associates and Minority Interest		(694.95)	(5,571.55)
Basic and Diluted Earnings per Share(Face Value ₹ 6/- each)	33	(0.04)	(0.35)
See accompanying Notes forming part of the financial statements	1-37		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place : Mumbai
Date : 19th May 2014

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors
Future Consumer Enterprise Limited

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& Head - Legal

Kishore Biyani
Vice Chairman

Gopal Bihani
Chief Financial Officer

K. K. Rathi
Chief Executive Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	For the Year Ended 31st March, 2014 ₹ In Lakhs	For the Year Ended 31st March, 2013 ₹ In Lakhs
A. Cash Flow From Operating Activities		
(Loss) before tax, Share of profit/loss of Associate and Minority Interest	(1,590.47)	(7,173.08)
Adjustments for :		
Depreciation & Amortisation expense	3,931.07	3,726.00
Interest and Financial Charges	522.03	1,688.59
Interest Income	(2,334.56)	(4,132.78)
Interest Income on Income Tax Refund	(1.97)	(7.61)
Dividend Income	(128.68)	(218.92)
Profit on Sale of Investments	(8,795.92)	(80.17)
Loss on Sale of Fixed Assets & Asset Written Off (Net)	848.87	336.84
Bad Debts / Provision for Doubtful Debts/Advances written off	189.03	154.90
Preliminary Expenses written off	-	0.41
Inventory Reserve	(41.28)	-
Proportionate Share of Joint Venture		
- Interest Income	-	(1.03)
- Loss on Sale of Fixed Assets & Asset Written Off (Net)	-	34.48
- Provision no longer required written back	-	(0.78)
- Provision for Bad Debts	-	86.03
- Unrealised Loss on Foreign Exchange	-	220.53
Operating Profit/(Loss) before Working Capital changes	(7,401.88)	(5,366.59)
Decrease / (Increase) in Inventories	585.86	(5,903.25)
Decrease / (Increase) in Trade Receivables	(836.12)	(6,262.85)
Decrease / (Increase) in Loans & Advances	2,977.65	1,180.61
Increase / (Decrease) in Liabilities and Provisions	(3,042.66)	10,817.98
Operating Profit/(Loss) after Working Capital changes	(7,717.15)	(5,534.10)
Income Taxes paid (Net of refunds)	(194.26)	(827.87)
Cash generated/(used in) from operations (A)	(7,911.41)	(6,361.97)
B. Cash Flow From Investing Activities		
Proceeds from sale of Fixed assets	72.35	29.48
Purchase of Fixed Assets including capital advances	(1,226.69)	(16,110.00)
Proceeds from Sale of Investments	79,942.13	60,221.65
Purchase of Investments	(70,834.22)	(48,704.95)
Inter Corporate Deposit (Given) / Received	(1,842.70)	3,600.00
Interest Received	2,049.62	4,266.44
Dividends Received	128.68	268.92
Cash used in Investing Activities (B)	8,289.17	3,571.54

Particulars	For the Year Ended 31st March, 2014 ₹ In Lakhs	For the Year Ended 31st March, 2013 ₹ In Lakhs
C. Cash Flow From Financing Activities		
Repayment of Share Application Money by Subsidiary	1,001.07	-
Proceeds from Borrowings	4,812.43	2,782.93
Repayment of Borrowings	(6,250.60)	(87.59)
Proceeds from Minority Shareholders towards Equity Shares	300.00	460.02
Dividend Paid (Including Dividend Tax) by a Subsidiary	-	(19.07)
Interest and Finance Charges Paid	(481.79)	(1,709.45)
Cash generated from Financing Activities (C)	(618.89)	1,426.84
Net Decrease in Cash and Cash Equivalents (A+B+C)	(241.13)	(1,363.59)
Cash and Cash Equivalents as at the beginning of the year	914.36	2,539.38
Add: Adjustment on acquisition of subsidiary and joint venture	370.70	185.53
Add: Adjustment pursuant to composite scheme (Refer Note No. 36)	-	(446.96)
Cash and Cash Equivalents as at the end of the year	1,043.93	914.36
Net (Decrease) / Increase in Cash and Cash Equivalents	(241.13)	(1,363.59)
Reconciliation of cash and cash Equivalents with amounts reflected in Balance Sheet:		
Cash and Cash Equivalents as above	1,043.93	914.36
Add: Bank deposits - In earmarked accounts	57.49	11.42
Cash and Cash Equivalents as per Balance sheet (Refer Note 19)	1,101.42	925.78

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place : Mumbai
Date : 19th May 2014

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors
Future Consumer Enterprise Limited

G.N.Bajpai
Chairman

Manoj Gagvani
Company Secretary
& Head - Legal

Kishore Biyani
Vice Chairman

Gopal Bihani
Chief Financial Officer

K. K. Rathi
Chief Executive Officer

Notes forming part of the Financial Statements

1. Corporate Information

The Company was incorporated on July 10, 1996, as a Private Limited Company under the name "Subhikshith Finance and Investments Limited". The name of the Company was changed to "Future Ventures India Private Limited" with effect from 9th August, 2007 and became a Public Limited Company with effect from September 7, 2007 as "Future Ventures India Limited".

The shares of the Company are listed on the National Stock Exchange Limited and Bombay Stock Exchange Limited since May 10, 2011. Pursuant to the composite scheme of Amalgamation and Arrangement coming into effect during the financial year 2012-13, the Company has become operating entity from being a Non-Banking Finance Company "(NBFC)" as it no longer satisfies the prescribed norms of assets / income pattern as required under the Reserve Bank of India regulations. In view of the same, the Company has made an application to Reserve Bank of India ("RBI") seeking de-registration as NBFC on May 30, 2013.

In the current financial year, the name of the Company has been changed to Future Consumer Enterprise Limited w.e.f. September 30, 2013. Consequent to the aforesaid, the Company is now engaged in the business of Sourcing, Branding, Marketing and Distribution of FMCG, Food and Processed Food Products in Urban and Rural India.

2. Basis of Consolidation:

The consolidated financial statements relate to Future Consumer Enterprise Limited (formerly known as Future Ventures India Limited), its subsidiaries, joint ventures and associates. (the 'Group').

A. Basis of Accounting and preparation of Financial Statements

The financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956 / 2013 Act, as applicable. The financial statements of the Group have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

B. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the group used in the consolidation have been drawn up to the same reporting date as that of the Company for the year ended March 31, 2014.
- b) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses have been fully eliminated.
- c) Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.
- d) Investments in associate companies has been accounted as per the 'Equity method', as laid down in Accounting Standard 23 – Accounting for Investment in Associates in Consolidated Financial Statements and accordingly, the share of profit / loss of each of the associate companies has been added to / deducted from the cost of investments.
- e) The excess of cost to the Company, of its investment in the subsidiaries and joint ventures over the Company's portion of equity is recognised in the financial statement as Goodwill. The excess of the Company's portion of equity of the subsidiary and joint venture on the acquisition date over its cost of investment is treated as Capital Reserve.
- f) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- g) Minority interest in net profit for the year in consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- h) Goodwill arising on consolidation is not amortised but tested for impairment.
- i) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

- j) In case of step up investment in existing subsidiaries, share of pre-acquisition profits/losses for the year relating to incremental investments is adjusted in the Statement of Profit and Loss as “Adjustment on Acquisition of Subsidiaries”.
- k) The consolidated financial statements comprise the financial statements of Future Consumer Enterprise Limited and the following companies:

Name of the Company	Relationship	% Holding As at 31st March, 2014	% Holding As at 31st March, 2013
Aadhaar Wholesale Trading and Distribution Limited (formerly known as Aadhaar Retailing Limited)	Subsidiary	70%	70%
Future Agrovet Limited (w.e.f. 12 th November 2013)	Subsidiary	100%	-
Future Consumer Products Limited	Subsidiary	90%	90%
Future Food and Products Limited (formerly known as Future Consumer Enterprises Limited)	Subsidiary	100%	100%
Star and Sitara Wellness Limited (Formerly known as Star and Sitara Wellness Private Limited)	Subsidiary	100%	100%
Express Retail Services Private Limited	Subsidiary	100%	100%
Amar Chitra Katha Private Limited (Further referred as ACK)	Subsidiary	73.99%	68.12%
IBH Books and Magazines Distributors Limited (Formerly known as IBH Books and Magazines Distributors Private Limited)	Subsidiary of ACK	100%	100%
ACK Edutainment Limited (Formerly known as ACK Edutainment Private Limited)	Subsidiary of ACK	100%	100%
ACK Eaglemoss Collectibles Publishing Private Limited	Subsidiary of ACK	100%	100%
ACK Media Direct Limited (Formerly known as ACK Media Direct Private Limited)	Subsidiary of ACK	100%	100%
Karadi Tales Company Private Limited	Subsidiary of ACK	51%	51%
Ideas Box Entertainment Limited (Formerly known as Ideas Box Entertainment Private Limited)	Subsidiary of ACK	100%	100%
Capital Foods Private Limited (Formerly known as Capital Foods Exportts Private Limited upto 11 th December 2013)	Associate	43.50%	43.50%
Indus League Clothing Limited (Upto 31st December,2012)	Subsidiary	-	95.29%
Lee Cooper (India) Limited (Up to 29th November,2012)	Subsidiary of Indus League Clothing Limited	-	100%
Indus Tree Crafts Private Limited (Up to 31st December,2012)	Subsidiary	-	63.34%
Indus Tree Producer Transformer Private Limited (Up to 31st December,2012)	Subsidiary of Indus Tree Crafts Private Limited	-	100%
Think Fresh International Private Limited (Up to 15 th September,2012)	Subsidiary of Express Retail Services Private Limited	-	100%
And Designs India Limited (Up to 31st December,2012)	Associate	-	22.86%
Turtle Limited (Up to 31st December,2012)	Associate of Indus League Clothing Limited	-	26%
Biba Apparels Private Limited (Up to 31st December,2012)	Associate	-	28.30%
Karadi Path Education Company Private Limited (Upto 31st August, 2013)	Associate	26.05%	26.05%
Celio Future Fashion Limited (Up to 31st December,2012)	Joint Venture of Indus League Clothing Limited	-	50%
Clarks Future Footwear Limited (Up to 31st December,2012)	Joint Venture	-	50%
Holii Accessories Private Limited (Up to 31st December,2012)	Joint Venture	-	50%

3. Significant Accounting Policies

a) Use of Estimates

The preparation of the Consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

b) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost of inventory is determined on weighted average basis in respect of Trading Goods while in the case of others it is determined on First in First out basis.

c) Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e) Fixed Assets (Tangible / Intangible) and Depreciation / Amortization

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprise purchase price, all direct expenses relating to the acquisition and installation and any attributable cost of bringing the asset to its working condition for the intended use.

Depreciation is calculated on a straight-line basis at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 or rate derived based on useful life of fixed assets whichever is higher, except leasehold improvement, which are amortized over the lease period.

License rights for use of brands and trademarks are amortized over a period of 25 years and 20 years respectively which is based on the terms of the license rights acquired and the economic benefits that are expected to accrue to the Company over such period.

Acquired Brand and goodwill are amortized over ten years based on the estimated useful life.

Assets individually costing ₹ 5,000/- or less are depreciated @100%.

f) Revenue Recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer which generally coincides with delivery and are recorded net of VAT.

Fee for services rendered and royalty income is recognized at the specific rates as per the terms of contract as and when reasonable assurance that the same are accrued as per the terms and conditions of the agreement.

g) Capital Grant

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received.

When the grant or subsidy from the Government relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the period necessary to match them with the related costs, which they are intended to compensate.

When the grant or subsidy from the Government is in the nature of promoters' contribution, where no repayment is ordinarily expected in respect thereof, it is credited to Capital Reserve and treated as a part of Shareholders' funds on receipt basis.

h) Other Income

Realized gain or loss on investments, which is the difference between the sale consideration and the carrying cost, is recognized in the Statement of Profit and Loss on the date of recognition of sale. In determining the realized gain or loss on sale of a security, the cost of such security is arrived on First in First out basis.

Interest income is accounted on accrual basis. Dividend income is recognized when the right to receive the same is established.

i) Investments

Investments maturing within twelve months from the date of investment and investments made with the specific intention to dispose of within twelve months from the date of investment are classified as current investments. Other investments are classified as long-term investments.

Cost of investment includes acquisition charges such as brokerage, fees and duties. Long-Term Investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments. Unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme as at the Balance Sheet date.

j) Employee Benefits

Defined Contribution Plans

Contributions to Provident Fund is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plans

Gratuity liability determined by an actuarial valuation performed in accordance with the projected unit credit method, as at the balance sheet date is provided for. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Compensated Absences

Liability for short term compensated absences is recognised as expense based on the estimated cost of eligible leave to the credit of the employees as at the balance sheet date on undiscounted basis. These benefits include compensated absences, which are expected to occur within twelve months after the end of the period in which the employee renders the related services. Liability for long term compensated absences is determined on the basis of actuarial valuation as on the balance sheet date.

Other short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and similar benefits which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

k) Employee's Share based payments

The Company/certain entities in the Group have formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

l) Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

m) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

n) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss as per contractual terms.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average no of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

p) Taxes on income

Current tax is determined on the income for the year chargeable to tax in accordance with the provisions of Income tax Act, 1961.

Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and tax laws that are enacted or substantially enacted as on the balance sheet date. Where the Company has unabsorbed business loss/depreciation, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

q) Impairment of assets

The carrying amounts of assets/cash generating units are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which the asset is impaired and the impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

r) Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

s) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4. Share Capital

a)

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Authorised		
5,550,000,000 (Previous year - 5,550,000,000) Equity Shares of ₹ 6/- each	333,000.00	333,000.00
1,670,000,000 (Previous year - 1,670,000,000) Unclassified Shares of ₹10/- each	167,000.00	167,000.00
Total	500,000.00	500,000.00
Issued, Subscribed and Fully Paid-up Capital		
1,597,976,671 (Previous year - 1,576,243,700) Equity Shares of ₹ 6/- each	95,878.60	94,574.62
Shares Pending Allotment		
Nil (Previous year - 21,732,971) Equity Shares of ₹6 each	-	1,303.98
Total	95,878.60	95,878.60

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2014		As at 31st March 2013	
	No of Shares	₹ in lakhs	No of Shares	₹ in lakhs
No. of Equity shares at the beginning of the year	1,597,976,671	95,878.60	1,576,243,700	157,624.37
Add : Shares to be issued pursuant to the Scheme of Amalgamation and Arrangement (Refer Note 36)	-	-	21,732,971	2,173.30
No. of Equity shares at the end of the year	1,597,976,671	95,878.60	1,597,976,671	159,797.67
Reduction in share capital consequent to reduction in face value of shares from ₹10/- to ₹6/- per share pursuant to the Composite Scheme of Amalgamation and Arrangement given effect on 24th June 2013, being the record date as fixed by the Board in the meeting held on 30th May, 2013. (Refer Note 36)	-	-	-	(63,919.07)
Total	1,597,976,671	95,878.60	1,597,976,671	95,878.60

c) Details of Shareholders holding more than 5% Equity shares in the Company.

Particulars	As at 31st March 2014		As at 31st March 2013	
	No of Shares	% of Holding	No of Shares	% of Holding
Arisaig Partners (Asia) Pte. Limited.	152,043,000	9.51	142,043,000	9.01
A/c. Arisaig India Fund Limited				
Future Retail Limited (Formerly Pantaloon Retail (India) Limited)	150,000,000	9.39	150,000,000	9.52
BNP Paribas Arbitrage	140,753,144	8.81	140,753,144	8.93
Gargi Developers Private Limited	128,878,666	8.07	127,889,984	8.11
PIL Industries Limited	124,877,845	7.81	122,000,000	7.74
Bennett, Coleman and Company Limited	121,641,615	7.61	100,000,000	6.34
Central Departmental Stores Private Limited	95,838,700	6.00	95,838,700	6.08
Future Capital Investment Private Limited	84,106,029	5.26	84,106,029	5.34
Aaradhak Commercial Ventures Private Limited	81,548,254	5.10	-	-

d) Terms/Rights attached to Equity Shares:

The Company has only one class of equity shares having a face value of ₹ 6 per share. Each holder of equity shares is entitled to one vote per share.

In the event of repayment of capital of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

e) As at 31st March, 2014 in terms of FVIL Employees Stock Option Plan 2011 equity shares aggregating to 15,785,000 (Previous Year - 18,785,000 equity shares) were reserved for issuance towards outstanding Employee Stock Options granted.

5. Reserves and Surplus

Particulars		As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Capital Redemption Reserve			
As per last Balance Sheet	A	5.20	5.20
Revaluation Reserve			
Opening Balance		-	24.12
Less : Transfer to Profit & Loss A/c		-	(1.01)
Add : Adjustments pursuant to composite scheme of Amalgamation and Arrangement(Refer Note 36)		-	(23.11)
	B	-	-
Statutory Reserve under section 45 (IC) of RBI Act, 1934			
Opening Balance		754.88	338.58
Add : Transfer during the year		608.18	416.30
	C	1,363.06	754.88
Securities Premium in Subsidiary			
Opening Balance		93.09	93.09
Less : Adjustment against Goodwill created on acquisition of subsidiary		(93.09)	-
	D	-	93.09
General Reserve			
As per last Balance Sheet	E	0.59	0.59
Business Restructuring Reserve			
Opening Balance		-	-
Add : Arising on reduction in share capital consequent to reduction in face value of shares from ₹ 10/- to ₹ 6/- per share pursuant to the Composite Scheme of Amalgamation and Arrangement and to be given effect on 24th June 2013, being the record date as fixed by the Board in the meeting held on 30th May 2013 (Refer Note 36)		-	63,919.07
Less : Adjustment of Goodwill arising in the books of the Company pursuant to the Composite Scheme of Amalgamation and Arrangement (Refer Note 36)		-	(63,203.56)
		-	715.51
Less : Transfer to Capital Reserve		-	(715.51)
	F	-	-
Capital Reserve			
Opening Balance		1,170.49	129.75
Less : Adjustment pursuant to scheme of Arrangement and Amalgamation		(715.51)	-
Less : Reversal of Capital Reserve on disposal of Associate		(918.45)	-
Add : Transfer from Business Restructuring Reserve pursuant to the composite Scheme of Amalgamation and Arrangement (Refer Note 36)		-	715.51
Add : Share of Capital Reserve in an Associate		463.47	325.23
	G	-	1,170.49
Debenture Redemption Reserve			
Opening Balance		22.66	-
Add : Debenture Redemption Reserve in an Associate		-	22.66
Less : Reversal of Debenture Redemption Reserve on disposal of associate		(22.66)	-
	H	-	22.66
Surplus/(Deficit) in Profit and Loss Account			
Opening Balance		(14,979.53)	(14,461.97)
Add : Current Year (Loss)		(694.95)	(5,571.55)
Less : Transfer to Statutory Reserve as per RBI Section 45 (IC)		(608.18)	(416.30)
Add : Adjustment pursuant to the composite scheme of Amalgamation and Arrangement (Refer Note 35 & 36)		(396.30)	5,470.29
	I	(16,678.96)	(14,979.53)
Total	(A to I)	(15,310.11)	(12,932.62)

6. Long Term Borrowings

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Secured Loans		
Term Loan from Banks	-	-
Term Loan from Others	7.94	0.49
Total	7.94	0.49

7. Long Term Provisions

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Employees Benefits		
Provision for Compensated Absences	157.08	-
Provision for Gratuity	215.77	141.57
Total	372.85	141.57

8. Short Term Borrowings

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Secured Loans		
Working Capital Loan from Banks	8,152.27	646.96
Packing Credit	88.37	-
Cash Credit from Banks (Payable on Demand)	2,705.84	76.98
Total	10,946.48	723.94

9. Trade Payables

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Sundry Creditors:		
- Due to Micro Enterprises and Small Enterprises	423.86	-
- Dues others	10,603.09	8,466.54
Total	11,026.95	8,466.54

10. Other Current Liabilities

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Advance from Customers	461.29	318.84
Current Maturities of Long Term Debt	10.37	0.60
Security & Other Deposits	233.23	147.72
Interest accrued but not due	1.39	-
Statutory Dues	338.95	205.50
Creditors for Capital Goods	106.32	60.10
Consideration payable on acquisition of investments	-	1,572.50
Other Liabilities	-	0.67
Total	1,151.55	2,305.93

11. Short Term Provisions

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
a) Employees Benefits		
Provision for Compensated Absences	47.21	146.46
Provision for Gratuity	19.10	9.35
Bonus, Incentives and others	116.81	111.20
b) Others		
Provision for Standard Assets	49.19	57.87
Total	232.31	324.88

Note 12
Fixed Assets

₹ In Lakhs

Description of Assets	Gross Block					Depreciation				Net Block	
	As at 1st April 2013	Acquisition through Business Combination	Additions	Deletions	As at 31st March 2014	As at 1st April 2013	Acquisition through Business Combination	For the Period	Deletions	As at 31st March 2014	As at 31st March 2014
Tangible Assets											
Land	532.74	29.54	-	-	562.28	-	-	-	-	-	562.28
Building	593.78	575.78	0.60	0.01	1,170.15	97.92	42.50	38.71	-	179.13	991.02
Office Equipments	571.65	122.50	46.10	95.69	644.56	112.21	28.58	31.74	26.93	145.60	498.96
Computers	900.54	312.93	46.91	63.62	1,196.76	517.57	200.39	126.71	49.11	795.56	401.20
Furniture & Fixtures	3,182.15	276.04	232.34	384.75	3,305.78	504.98	69.70	223.83	72.06	726.45	2,579.33
Vehicles	41.28	111.40	1.34	3.88	150.14	18.03	37.48	7.74	1.08	62.17	87.97
Plant & Machinery	1,095.24	948.25	60.44	138.60	1,965.33	221.34	125.88	59.86	22.97	384.11	1,581.22
Leasehold improvement	1,333.55	187.19	61.93	396.08	1,186.59	459.51	70.32	124.12	127.02	526.93	659.66
Electrical Fittings	294.78	4.12	21.36	145.79	174.47	8.30	0.12	11.31	8.01	11.72	162.75
Signage	196.20	-	-	-	196.20	187.37	-	6.35	-	193.72	2.48
Total	8,741.91	2,567.75	471.02	1,228.42	10,552.26	2,127.23	574.97	630.37	307.18	3,025.39	7,526.87
Intangible Assets											
TradeMark, Brand and Others	23,313.28	-	601.69	4.74	23,910.23	3,800.57	-	1,697.27	4.74	5,493.10	18,417.13
Software	528.18	-	7.42	-	535.60	363.97	-	76.82	-	440.79	94.81
Goodwill	11,314.66	3,957.24	-	-	15,271.90	2,366.96	396.30	1,526.61	-	4,289.87	10,982.03
Total	35,156.12	3,957.24	609.11	4.74	39,717.73	6,531.50	396.30	3,300.70	4.74	10,223.76	29,493.97
Grand Total	43,898.03	6,524.99	1,080.13	1,233.16	50,269.99	8,658.73	971.27	3,931.07	311.92	13,249.15	37,020.84

Note 12
Fixed Assets (Previous Year)

₹ In Lakhs

Description of Assets	Gross Block					Depreciation					Net Block		
	As at 1st April 2012	Acquisition through Business Combination	Additions	Deletions	Deletions through Business Combination	As at 31st March 2013	As at 1st April 2012	Acquisition through Business Combination	For the Period	Deletions	Deletions through Business Combination	As at 31st March 2013	As at 31st March 2013
Tangible Assets													
Land	600.08	-	1.69	-	69.03	532.74	-	-	-	-	-	-	532.74
Building	643.55	-	-	-	49.77	593.78	77.74	-	31.18	-	11.00	97.92	495.86
Office Equipments	484.50	95.08	129.22	33.82	103.34	571.65	106.85	23.71	30.59	10.04	38.92	112.20	459.45
Computers	1,145.89	21.21	291.14	40.68	517.01	900.54	685.63	151.11	137.07	33.00	423.24	517.57	382.97
Furniture & Fixtures	1,890.81	1,153.60	1,465.41	119.86	1,207.81	3,182.15	443.99	164.31	212.53	31.11	284.74	504.98	2,677.17
Vehicles	35.09	43.32	6.61	24.84	18.90	41.28	11.94	18.38	9.74	12.29	9.74	18.03	23.25
Plant & Machinery	487.10	857.23	358.80	41.85	566.04	1,095.24	145.82	217.35	48.11	15.88	174.04	221.35	873.89
Leasehold improvement	575.78	1,004.11	70.76	268.57	48.53	1,333.55	185.29	270.02	142.14	89.33	48.61	459.51	874.04
Electrical Fittings	13.25	291.94	2.84	-	13.25	294.78	0.41	4.80	4.84	-	1.75	8.30	286.48
Signage	194.87	-	1.33	-	-	196.20	181.33	-	6.04	-	-	187.37	8.83
UPS	4.49	-	-	-	4.49	-	1.82	-	0.28	-	2.10	-	-
Shop Interior	4,006.71	158.57	209.73	56.25	4,318.76	-	1,754.79	273.54	332.34	30.70	2,329.97	-	-
Proportionate Share in Joint Ventures	1,440.73	-	262.62	39.69	1,663.66	-	279.24	-	276.38	2.22	553.40	-	-
Total	11,522.85	3,625.06	2,800.15	625.56	8,580.59	8,741.91	3,874.85	1,123.22	1,231.24	224.57	3,877.51	2,127.23	6,614.68
Intangible Assets													
TradeMark & Brand	18,194.70	4,334.32	6,095.10	-	5,310.84	23,313.28	2,701.68	78.47	1,556.32	-	535.90	3,800.57	19,512.71
Software	408.42	118.04	38.25	-	36.53	528.18	272.68	53.08	70.15	-	31.94	363.97	164.21
Goodwill	3,662.03	570.00	7,082.63	-	-	11,314.66	1,495.33	4.75	866.88	-	-	2,366.96	8,947.70
Proportionate Share in Joint Ventures	5.52	-	-	-	5.52	-	1.90	-	2.42	-	4.32	-	-
Total	22,270.67	5,022.36	13,215.98	-	5,352.89	35,156.12	4,471.59	136.30	2,495.77	-	572.16	6,531.50	28,624.62
Grand Total	33,793.52	8,647.42	16,016.13	625.56	13,933.48	43,898.03	8,346.44	1,259.52	3,727.01	224.57	4,449.67	8,658.73	35,239.30

13. Non Current Investments

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
a) Investment - Trade Unquoted		
i) In Equity Shares		
- Associate		
Cost of Investment	-	14,175.46
(Includes ₹ Nil (Previous year - ₹ 5948.88 lakhs) representing Goodwill on Consolidation		
Add: Accumulated Share of Profit/(Loss) of Associates	-	2,498.07
Add: Share of Capital Reserve	-	454.98
Add: Share of Debenture Redemption Reserve in an Associate	-	22.66
Less: Dividend Received	-	(120.52)
Less: Transfer from the company pursuant to Composite Scheme of Amalgamation and Arrangement (Refer Note 36)	-	(8,152.86)
- Others	11.46	-
ii) In Debentures (0% Optional Convertible)		
- Associate	-	2,500.00
- Others	1,500.00	-
	1,511.46	11,377.79
b) Investment - Non Trade Unquoted		
National Savings Certificate (Lodged with Sales Tax Authorities)	1.29	0.53
Total	1,512.75	11,378.32

14. Deferred Tax Asset / (Liability) (Net)

Particulars	As at 31st March 2014 ₹ In lakhs	As at 31st March 2013 ₹ In lakhs
Deferred tax (liabilities) / assets		
<u>Tax effect of items constituting deferred tax liabilities</u>		
On difference between book balance and tax balance of fixed assets	4,323.70	2,986.18
Provision for Standard asset	2.95	2.87
Tax effect of items constituting deferred tax liabilities	4,326.65	2,989.05
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	105.12	50.19
Provision for doubtful debts / advances	21.22	-
Disallowances under Section 40(a)(i) of the Income Tax Act, 1961	150.35	78.61
On difference between book balance and tax balance of fixed assets	56.32	8.40
Loss on Sale of Assets	0.03	-
Unabsorbed depreciation carried forward	4,052.06	2,851.58
Tax effect of items constituting deferred tax assets	4,385.10	2,988.78
Deferred tax (liabilities) / assets (net)	58.45	(0.27)

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax net off of other balances constituting deferred tax asset.

15. Long Term Loan & Advances

Particulars	As at 31st March 2014 ₹ In lakhs	As at 31st March 2013 ₹ In lakhs
a) Unsecured - Considered Good		
(i) MAT Credit entitlement	76.17	-
(ii) Prepaid Taxes (Net of Provision of ₹ 735.21.lakhs (Previous Year ₹ 740.49 lakhs))	1,398.10	917.86
(iii) Security Deposits	628.33	631.95
(iv) Other Deposits	6.75	1.18
(v) Balances with excise & custom authorities	18.01	20.30
(vi) Capital Advances	1.75	-
(vii) Other Loan and Advances	133.42	87.91
	2,262.53	1,659.20
b) Unsecured - Considered Doubtful		
(i) Security Deposits : Considered Doubtful	2.13	-
Less: Provision for doubtful deposits	(2.13)	-
	-	-
Total	2,262.53	1,659.20

16. Current Investments

Particulars	As at 31st March 2014 ₹ In lakhs	As at 31st March 2013 ₹ In lakhs
Non Trade Investments		
Unquoted		
National Savings Certificate (Lodged with Sales Tax Authorities)	0.30	-
Units of Mutual Funds	2,384.16	401.44
Certificate of Deposits	10,000.00	10,000.00
Total	12,384.46	10,401.44

17. Inventories (Lower of Cost and Net Realisable Value)

Particulars	As at 31st March 2014 ₹ In lakhs	As at 31st March 2013 ₹ In lakhs
Raw Materials	11.13	24.17
Work-in-Progress	108.05	105.63
Finished Goods	317.20	286.52
Stock - In - Trade	9,958.80	5,381.10
Packing and Others	51.11	90.12
Total	10,446.29	5,887.54

18. Trade Receivables

Particulars	As at 31st March 2014 ₹ In lakhs	As at 31st March 2013 ₹ In lakhs
Outstanding for a period exceeding six months from the date they are due for Payment		
Unsecured Considered Good	754.19	256.37
Considered Doubtful	122.83	52.75
Less: Provision for Doubtful Debts	(122.83)	(52.75)
	754.19	256.37
Other Debtors		
Unsecured Considered Good	10,199.03	2,592.71
Total	10,953.22	2,849.08

19. Cash and Cash Equivalents

Particulars	As at 31st March 2014 ₹ In lakhs	As at 31st March 2013 ₹ In lakhs
Cash and Cheques on Hand	381.77	249.70
Balance with Scheduled Bank		
- In Current Account	618.61	606.94
- In Fixed Deposit Accounts	43.55	57.72
Earmarked Bank deposits		
- Margin Money with Bank	57.49	11.42
Total	1,101.42	925.78
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash flow Statement is	1,043.93	914.36

20. Short Term Loan & Advances

Particulars	As at 31st March 2014 ₹ In lakhs	As at 31st March 2013 ₹ In lakhs
a) Unsecured - Considered Good		
(i) Loans and advances to employee	61.00	41.18
(ii) Loans and advances to Related Parties	-	13,569.04
(iii) Inter-Corporate Deposits	17,081.70	1,219.00
(iv) Advance to Creditors	211.64	261.62
(v) Security Deposits	67.27	26.29
(vi) Balances with excise, custom and other Government authorities	504.78	285.80
(vii) Other Loan and Advances	563.81	482.93
	18,490.20	15,885.86
b) Unsecured - Considered Doubtful		
(i) Security Deposits : Considered Doubtful	1.60	-
Less: Provision for doubtful deposits	(1.60)	-
	-	-
Total	18,490.20	15,885.86

21. Other Current Assets

Particulars	As at 31st March 2014 ₹ In lakhs	As at 31st March 2013 ₹ In lakhs
Interest accrued on Deposits and others	530.36	288.60
Insurance Claim Receivables	175.38	-
Unbilled Revenue	43.26	44.34
Total	749.00	332.94

22. Revenue from Operations

Particulars	For the year ended 31st March 2014 ₹ In lakhs	For the year ended 31st March 2013 ₹ In lakhs
Sales of Products	80,711.80	85,802.60
Less : Excise Duty	-	(790.69)
Add: Proportionate Share of Joint Venture	-	5,175.51
	80,711.80	90,187.42
Other Operating Income	1,543.90	1,278.68
Proportionate Share in Joint Ventures	-	37.28
Total	82,255.70	91,503.38

23. Other Income

Particulars	For the year ended 31st March 2014 ₹ In lakhs	For the year ended 31st March 2013 ₹ In lakhs
Lease Rental Income	8.10	25.10
Gain on Sale of Investment		
- Current	212.35	80.17
- Non Current	8,583.56	-
Interest Income:		
- On Bank Deposits	11.96	33.43
- On Other Deposit	1,200.02	1,810.48
- Inter Corporate Deposit	1,122.58	2,288.87
Dividend Income		
- On Current Investments	83.12	218.92
- On Non Current Investments	45.56	-
Interest on Income tax and Vat Refund	4.05	8.03
Provision No Longer Required Written Back (net)	84.27	-
Excess provision for Standard Assets written back	8.68	8.83
Miscellaneous Income	55.40	30.96
Proportionate Share in Joint Ventures	-	12.62
Total	11,419.65	4,517.41

24. Cost of Material Consumed

Particulars	For the year ended 31st March 2014 ₹ In lakhs	For the year ended 31st March 2013 ₹ In lakhs
Opening Stock of Raw Materials	24.17	577.52
Add: Transfer into the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 36)	-	5,331.88
Less: Transfer from the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 36)	-	(11,464.29)
Add: Purchases	1,053.77	16,993.46
Closing Stock of Raw Materials	(11.13)	(24.17)
Total	1,066.81	11,414.40

25. Purchase of Traded Goods

Particulars	For the year ended 31st March 2014 ₹ In lakhs	For the year ended 31st March 2013 ₹ In lakhs
Purchases	70,102.89	53,209.60
Proportionate Share in Joint Ventures	-	4,157.95
Total	70,102.89	57,367.55

26. Changes in inventories of finished goods, work In progress and stock in trade

Particulars	For the year ended 31st March 2014 ₹ In lakhs	For the year ended 31st March 2013 ₹ In lakhs
Opening Stock of Work In Progress	105.63	1,181.73
Add: Transfer into the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 36)	-	952.34
Less: Transfer from the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 36)	-	(2,183.27)
Closing Stock of Work In Progress	(108.05)	(105.63)
	(2.42)	(154.83)
Opening Stock of Finished Goods	286.52	7,834.90
Add: Transfer into the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 36)	-	5,909.18
Less: Transfer from the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 36)	-	(11,881.29)
Closing Stock of Finished Goods	(317.20)	(286.52)
	(30.68)	1,576.27
Opening Stock of Traded Goods	5,381.10	3,945.70
Add: Transfer into the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 36)	-	441.25
Less: Transfer from Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 36)	-	(1,328.28)
Add: Adjustment on acquisition of subsidiary	5,451.04	444.01
Closing Stock of Traded Goods	(9,958.80)	(5,381.10)
	873.34	(1,878.42)
Proportionate Share of Joint Ventures	-	(809.36)
Total	840.24	(1,266.34)

27. Employee Benefit Expenses

Particulars	For the year ended 31st March 2014 ₹ In lakhs	For the year ended 31st March 2013 ₹ In lakhs
Salaries Wages & Bonus	6,121.13	7,422.63
Contribution to Provident and Other Funds	395.08	442.09
Staff Welfare Expenses	257.77	240.92
Proportionate Share in Joint Ventures	-	897.25
Total	6,773.98	9,002.89

28. Other Expenses

Particulars	For the year ended 31st March 2014 ₹ In lakhs	For the year ended 31st March 2013 ₹ In lakhs
Rent	3,097.69	3,809.46
Consumables and Packing Material	451.14	317.41
Warehousing and Distribution Expenses	2,108.27	1,830.47
Manufacturing Expenses	-	1,730.22
Other purchase of materials & Publishing Expenses	525.66	410.57
Electricity Expenses	433.21	585.48
Advertisement, & Marketing Expenses	696.60	2,657.25
Commission and Brokerage	30.58	152.23
Repairs and Maintenance		
- Plant and Machinery	2.35	-
- Buildings	0.95	-
- Others	189.89	404.73
Legal and Professional Charges	618.92	2,158.92
Rates & Taxes	76.70	86.44
Insurance	56.38	50.68
Auditor's Remuneration	121.90	97.23
Directors Sitting Fees	9.20	7.93
Sundry balance written off	247.08	-
Loss on Sale/Retirement of Fixed Assets	848.87	336.84
Loss on Insurance claim	-	15.26
Brand Royalty	791.53	1,546.46
Bad Debts and Advances Written Off	189.03	154.90
Miscellaneous Expenses	1,532.85	2,040.79
Proportionate Share in Joint Ventures	-	2,867.51
Total	12,028.80	21,260.78

29. Finance Cost

Particulars	For the year ended 31st March 2014 ₹ In lakhs	For the year ended 31st March 2013 ₹ In lakhs
Interest on		
- Working Capital Loans	286.81	1,235.25
- Fixed Loans	3.61	36.87
- Term Loans	-	13.87
- Others		
Bill Discounting charges	192.29	116.58
Interest Others	39.32	116.03
Proportionate Share in Joint Ventures	-	169.99
Total	522.03	1,688.59

30. Capital Commitment

The estimated value of contracts remaining to be executed on Capital Account to the extent not provided:-

Particulars	For the Year Ended 31st March 2014 ₹ In Lakhs	For the Year Ended 31st March 2013 ₹ In Lakhs
Subsidiary	7.20	-
Associates	-	1,439.13
Total	7.20	1,439.13

31. Segmental Reporting

a) Business Segments

The Company was in the process of reorganizing its business, since the previous year, to become an entity engaged in Branding, Selling and Distribution of "Consumer products" which in terms of Accounting Standard 17 "Segment Reporting" constitute a single reporting segment. Consequently, on all the schemes becoming effective, investment activities are no longer considered a separate business segment by the management and thus reporting of "Investment" as a separate segment has been discontinued. Hence, there is no separate reportable segment under Accounting Standard 17 "Segment Reporting" and the previous year's figures have been reproduced below as comparatives.

	Particulars	Consumer Products (Branding, Selling & Distribution)		Investment		Eliminations		Total	
		31st March 2014	31st March 2013	31st March 2014	31st March 2013	31st March 2014	31st March 2013	31st March 2014	31st March 2013
A	SEGMENT REVENUE								
1	External Revenue	-	92,068.93	-	3,951.86	-	-	-	96,020.79
2	Inter-Segment Revenue	-	2,941.70	-	858.79	-	(3,800.49)	-	-
	TOTAL SEGMENT REVENUE	-	95,010.63	-	4,810.65	-	(3,800.49)	-	96,020.79
B	RESULTS								
3	Segment Results	-	(6,747.02)	-	1,262.53	-	-	-	(5,484.49)
	Inter-Segment Revenue	-	1.60	-	858.79	-	(860.39)	-	-
	TOTAL SEGMENT RESULTS	-	(6,745.42)	-	2,121.32	-	(860.39)	-	(5,484.49)
4	Interest and Finance Charges						(629.03)	-	(1,688.59)
5	Exceptional Item						-	-	-
6	Income Taxes						-	-	(482.44)
7	Net Profit/(Loss) after Taxes							-	(7,655.52)
8	Share of Profit/(Loss) of Associates							-	906.22
9	Minority Interest in Net Income/(Loss)							-	1,177.75
10	Net Profit/(Loss) after share of Associates and Minority Interest							-	(5,571.55)
C	SEGMENT ASSETS								
	Unallocated Assets	-	29,058.79	-	76,594.95	-	(9,571.06)	-	96,082.68
	Proportionate Share in Joint Venture							-	917.87
	TOTAL ASSETS	-	29,058.79	-	76,594.95	-	(9,571.06)	-	97,000.55
D	SEGMENT LIABILITIES								
	Unallocated Liabilities	-	17,693.80	-	1,946.47	-	(7,676.66)	-	11,963.61
	Proportionate Share in Joint Venture							-	2,090.95
	TOTAL LIABILITIES	-	17,693.80	-	1,946.47	-	(7,676.66)	-	-
E	Capital Expenditure								14,054.56
	Proportionate Share in Joint Venture	-	15,796.90	-	0.93	-	-	-	15,797.83
F	Depreciation								312.17
	Proportionate Share in Joint Venture	-	3,652.57	-	(1.57)	-	-	-	3,651.00
G	Non Cash Expenses Other than Depreciation								75.00
		-	-	-	-	-	-	-	-

b) Geographical Segment

The entire operations of the group are carried out in India. The disclosure relating to geographical segment is given below in respect of the previous year.

Particulars	Domestic	Export	Total
Revenue	-	-	-
	(95,542.13)	(478.66)	(96,020.79)
Assets	-	-	-
	(97,000.55)	-	(97,000.55)
Capital Expenditure	-	-	-
	(16,110.00)	-	(16,110.00)

32. Related Party Disclosures

A. Names of Related Parties and Nature of Relationship for Financial Year 2013-14

1. Associates

- a. Capital Foods Private Limited
(Formerly known as Capital Foods Exportts Private Limited (upto 11th December 2013) and its subsidiary:
 - i. Integrated Food Park Private Limited (upto 11th December 2013)
- b. Karadi Path Education Company Private Limited (Upto 31st August 2013)
(Associate of Amar Chitra Katha Private Limited).

2. Key Management Personnel (KMP)

- a. Mr. Kishore Biyani - Managing Director (upto 30th May, 2013)
- b. Mr. K.K. Rath - Executive Director and CEO (From 31st May 2013 upto 4th February 2014)
- c. Arun Kumar Agarwal - Manager (w.e.f. 5th February 2014)

3. Enterprises over which key management personnel can exercise control / significant influence (KMP has significant influence)

- a. Future Ideas Company Limited (upto 30th May, 2013)
- b. Vayuputra Realty Private Limited (upto 30th May, 2013)
- c. Future Retail Limited (formerly known as Pantaloon Retail (India) Limited) (upto 30th May, 2013)

B. Names of Related Parties and Nature of Relationship for Financial Year 2012-13

1. Associates

- a. And Designs India Limited (Up to 31st December,2012)
- b. Capital Foods Private Limited
(Formerly known as Capital Foods Exportts Private Limited) and its subsidiary(Up to 11th December, 2013)
 - i. Integrated Food Park Private Limited
- c. Turtle Limited (Up to 31st December,2012) (Associate of Indus League Clothing Limited)
- d. Biba Apparels Private Limited (Up to 31st December,2012)
- e. Karadi Path Education Company Private Limited (Associate of Amar Chitra Katha Private Limited)

2. Joint Ventures

- a. Holii Accessories Private Limited (Up to 31st December,2012)
- b. Celio Future Fashion Limited (Joint Venture of Indus League Clothing Limited) (Up to 31st December,2012)
- c. Clarks Future Footwear Limited (Up to 31st December,2012)

3. Key Management Personnel (KMP)

Mr. Kishore Biyani - Managing Director

4. Enterprises over which key management personnel can exercise control/significant influence

- i. Akar Estate Finance Private Limited
- ii. Anchor Residency Private Limited (Formerly known as "Anchor Malls Private Limited")
- iii. Asian Retail Lighting Limited
- iv. Bansi Mall Management Co Private Limited
- v. DMA Yellow Works Limited
- vi. ESES Commercial Private Limited
- vii. Fashion Global Retail Limited
- viii. FSC Brand Distribution Services Limited
- ix. Future Agrovet Limited
- x. Future Brands Limited

- xi. Future Corporate Resources Limited
- xii. Future E Commerce Infrastructure Limited
- xiii. Future Venture Employee Welfare Trust
- xiv. Future Human Development Limited
- xv. Future Ideas Company Limited
- xvi. Future Ideas Realtors India Limited
- xvii. Future Knowledge Services Limited
- xviii. Future Lifestyle Fashion Limited
- xix. Future Outdoor Media Solutions Limited
- xx. Future Retail Limited (formerly Pantaloon Retail (India) Limited)
- xxi. Future Supply Chain Solutions Limited
- xxii. Future Value Retail Limited
- xxiii. Idiom Design and Consulting Limited
- xxiv. Manz Retail Private Limited
- xxv. Nufuture Digital (India) Limited
- xxvi. nuFuture Haribhakti Business Services Limited
- xxvii. PRTL Enterprises Limited
- xxviii. Staples Future Office Products Private Limited
- xxix. Suhani Trading and Investment Consultants Private Limited
- xxx. Vayuputra Realty Private Limited
- xxxi. Weavette Textstyles Limited

C. Transactions with related parties during the year

₹ In Lakhs

Particulars	Associates	Joint Venture	Significant influence	Key Managerial Person
Purchase of Investments (Equity)	-	-	-	-
	-	(350.00)	-	-
Sale of Investment (Equity)	-	-	-	-
	(4,822.38)	(2,954.55)	-	-
Redemption of Investment (OCD)	1,000.00	-	-	-
	-	-	-	-
Inter Corporate Deposits Given	2,962.20	-	-	-
	(15,894.00)	(500.00)	(18,175.00)	-
Loan Taken	-	-	-	-
	-	-	(1,750.00)	-
Inter Corporate Deposits Received back	4,687.00	-	-	-
	(17,632.00)	(530.00)	(26,712.00)	-
Purchase of Fixed Asset	-	-	-	-
	-	-	(3.33)	-
Sales	-	-	-	-
	-	-	(27,105.11)	-
Interest Income	222.49	-	-	-
	(523.32)	(17.19)	(1,426.30)	-
Royalty Income	-	-	11.39	-
	-	-	(149.65)	-
Dividend Income	-	-	-	-
	(65.59)	-	-	-
Rent Received	-	-	-	-
	-	(11.09)	(12.27)	-

₹ In Lakhs

Particulars	Associates	Joint Venture	Significant influence	Key Managerial Person
Mentoring & Advisory Fees	-	-	-	-
	-	-	(1,125.00)	-
Fees for Other Services	-	-	-	-
	-	-	(211.58)	-
Royalty charges for brand	-	-	36.52	-
	-	-	(612.94)	-
Purchases	-	-	-	-
	(35.59)	-	(20,340.25)	-
Purchases Returns	-	-	-	-
	(12.44)	-	-	-
Warehousing and Direct Expenses	-	-	-	-
	-	-	(997.58)	-
Other Expenses	-	-	-	-
	-	-	(7.13)	-
Marketing & Advertisement Expenses	5.00	-	-	-
	-	-	(489.65)	-
Interest Receivable	-	-	-	-
	(53.22)	-	(69.21)	-
Rent Paid	-	-	37.50	-
	(17.99)	-	(393.15)	-
Inter Corporate Deposits Receivable	-	-	-	-
	(2,774.00)	-	(10,325.00)	-
Receivables	-	-	-	-
	-	-	(694.24)	-
Payables	-	-	-	-
	(17.58)	-	(2,238.16)	-
Loan Given Outstanding	-	-	-	-
	-	-	(470.00)	-
Managerial Remuneration	-	-	-	121.04*
	-	-	-	(53.76)

*includes ₹ 4.80 Lakhs (Previous year - ₹ Nil) attributable to remuneration of manager which is subject to approval by the Company in General Meeting.

D. Disclosure in respect of Material Transaction with Related Parties

₹ In Lakhs

Particulars	31st March 2014	31st March 2013
Purchase of Investments (Equity)		
Holii Accessories Private Limited	-	150.00
Clarks Future Footwear Limited	-	200.00
Sale of Investments (Equity)		
Clarks Future Footwear Limited	-	2,529.55
BIBA Apparels Private Limited	-	4,249.24
Redemption of Investments (OCD)		
Capital Foods Private Limited	1,000.00	-
Loan Taken		
Future Retail Limited	-	1,750.00

Particulars	31st March 2014	31st March 2013
Inter Corporate Deposits Given		
Capital Foods Private Limited	1,390.00	3,735.00
Biba Apperals Private Limited	-	3,830.00
Integrated Food Park Private Limited	1,572.20	5,379.00
Future Retail Limited	-	3,000.00
Inter Corporate Deposits Received back		
Biba Apperals Private Limited	-	5,130.00
Capital Foods Private Limited	2,355.00	-
Integrated Food Park Private Limited	2,332.00	5,067.00
Sales		
Future Value Retail Limited	-	17,011.50
Future Retail Limited	-	10,093.61
Purchahse of Fixed Asset		
Future Retail Limited	-	2.41
Future E-Commerce Infrastructure Limited	-	0.92
Asian Retail Lighting Limited	-	1.72
Interest Income		
Integrated Food Park Private Limited	139.67	217.31
Capital Foods Private Limited	82.83	-
Mentoring & Advisory Fees		
Future Corporate Resources Limited	-	270.00
Future Retail Limited	-	855.00
Fees for Other Services		
Future Retail Limited	-	108.58
nuFuture Digital (India) Limited	-	31.68
Royalty Expenses		
Future Ideas Company Limited	36.52	175.28
Future Brands Limited	-	437.66
Marketing & Advertisement Expenses		
Karadi Path Education Company Private Limited	5.00	-
Royalty Income		
Future Retail Limited	11.39	70.98
Future Value Retail Limited	-	78.67
Purchases		
Future Value Retail Limited	-	4,898.49
Future Agrovet Limited	-	9,268.41
PIL Industries Limited	-	5,886.22
Purchases Returns		
Turtle Limited	-	12.44
Warehousing and Direct Expenses		
Future Supply Chain Solutions Limited	-	997.58
Other Expenses		
Future Retail Limited	-	2.56
Future Value Retail Limited	-	3.38
Future Ideas Company Limited	-	0.99
Marketing and Advertisement Expenses		
Future Corporate Resources Limited	-	424.30
Future Media (India) Limited	-	6.76
Future Retail Limited	-	58.60

Particulars	31st March 2014	31st March 2013
Interest Receivable		
Integrated Food Park Private Limited	-	33.89
Weavette Textstyles Limited	-	34.45
Fashion Global Retail Limited	-	34.77
Capital Foods Private Limited	-	19.33
Rent Paid		
Future Value Retail Limited	-	263.10
Future Retail Limited	37.50	120.45
Rent Received		
Future Agrovet Limited	-	12.27
Celio Future Fashion Limited	-	11.09
Dividend Income		
And Design India Limited	-	22.06
Biba Apperals Private Limited	-	27.93
Turtle Limited	-	15.60
ICD Receivable		
Weavette Textstyles Limited	-	2,390.00
Fashion Global Retail Limited	-	1,895.00
Future Lifestyle Fashions Limited	-	4,900.00
Integrated Food Park Private Limited	-	1,809.00
Receivables		
Future Value Retail Limited	-	683.46
Payables		
Future Supply Chain Solutions Limited	-	297.54
Future Value Retail Limited	-	295.48
Future Agrovet Limited	-	1,314.76
Loan Given Outstanding		
Future Venture Welfare Trust Limited	-	470.00
Managerial Remuneration		
Mr.Kishore Biyani	N.A	53.76
Mr. K. K . Rath	107.43	-

33. Earnings per Share

The Company has only one class of equity share, hence the Profit after Tax is used for computation of earnings per share without any adjustment.

Particulars	As at 31st March 2014	As at 31st March 2013
(Loss) for the year (In Lakhs)	(694.95)	(5,571.55)
No of equity shares at the beginning of the year	1,59,79,76,671	1,57,62,43,700
No of equity shares at the end of the year	1,59,79,76,671	1,59,79,76,671
Weighted Average number of shares outstanding during the year	1,59,79,76,671	1,58,34,48,329
Basic and diluted Earnings per share	(0.04)	(0.35)

The Company has issued employee stock options, which on exercise, will result into issuance of equity shares. However, exercise price is higher than the average fair value of the shares. Therefore, these potential shares have been considered anti-dilutive and the basic and diluted earnings per share remain same.

34. Contingent Liabilities

Particulars	As at 31st March 2014 ₹ In Lakhs	As at 31st March 2013 ₹ In Lakhs
Bank Guarantees	-	3,930.00
Corporate Guarantees	5,565.24	-
Central Excise and Sales Tax Demand	-	15.34
Income Tax Demand Notice	126.70	51.80
Claims against the Company not acknowledged as debt *	95.20	79.39
	5,787.14	4,076.53

*does not include cases where liability is not ascertainable.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

35. Composite scheme of Amalgamation and Arrangement

A. The Composite Scheme of Arrangement and Amalgamation filed by the Company in respect of transfer of business and undertakings of Express Retail Services Private Limited (ERSPL) relating to food products and related activities, and transfer of entire business and undertakings of Think Fresh International Private Limited (TFIPL) with the Company, as a going concern, with the H'ble High Court at Delhi, was approved on July 25, 2013 and necessary filings have been done filed with the Registrar of Companies on September 25, 2013. The scheme has been given effect to in the books with effect from September 15, 2012, being the Appointed Date as approved by the H'ble High Court at Delhi. Consequently:-

- The net loss of the above mentioned business and undertakings from the appointed date till March 31, 2013, amounting to ₹ 866.58 lakhs, has been transferred to opening Reserves and surplus (Deficit in Statement of Profit and Loss) as on April 1, 2013;
- The difference between the value of assets and liabilities (after adjustment of investment in the above mentioned business and undertakings), of ₹ 4,672.75 lakhs has been debited to goodwill; and
- Amortization of goodwill (net of capital reserve amounting to ₹ 715.51 lakhs) for the period ended March 31, 2013 amounting to ₹ 396.30 lakhs has been adjusted against the opening Reserves and Surplus (deficit in Statement of Profit and Loss)
- Since the entire share capital of ERSPL is held by the Company, no shares or considerations is to be issued/payable by the company.

B. Disclosures relating to amalgamation of TFIPL with the Company as required under AS 14:

Pursuant to the composite scheme of amalgamation and arrangement as explained in Para 35 A, the entire business and undertaking of TFIPL (the Amalgamating Company) stand transferred to and vested in the Company as a going concern w.e.f. September 15, 2012. The accounting for this arrangement was done as per the scheme sanctioned by the Hon'ble High Court of Judicature at Delhi vide its order dated July 25, 2013 and the same has been given effect to as under:

- The business of TFIPL which stands transferred to and vested in the Company comprises of the business of food products.
- The amalgamation has been accounted under the Purchase Method.
- The entire assets and liabilities of TFIPL (the Amalgamating Company) have been accounted in the books of the Company at their respective fair values.
- Since the entire share capital of TFIPL is held by ERSPL and consequently pursuant to the transfer of ERSPL Demerged undertaking, the entire capital of TFIPL will be held by the Company, no shares or consideration is to be issued / payable by the Company.
- The difference between the value of assets net of liabilities of TFIPL and the value of investments in TFIPL held by the Company amounting to ₹ 62.66 lakhs has been debited to goodwill.

- 36.** A composite scheme of Amalgamation and Arrangement between the Company, Indus League Clothing Limited, Lee Cooper (India) Limited, Future Retail Limited (formerly known as Pantaloon Retail (India) Limited) and Future Lifestyle Fashion Limited and their respective shareholders and creditors was approved by the Hon'ble High Court and has been given effect to in the books of accounts in the previous year. Similarly, a part of composite scheme of Amalgamation and Arrangement between the Company, Future Food and Products Limited (formerly known as Future Consumer Enterprises Limited), Express Retail Services Private Limited and Think Fresh International Private Limited and their respective shareholders and creditors was also given effect to in the books of accounts in the previous year.
- 37.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. The figures for the current year includes the operations of demerged undertaking of Express Retail Services Private Limited (ERSPL) and entire business undertaking of Think Fresh International Private Limited (TFIPL) with effect from September 15, 2012 as explained in detail in Note 35. Also, during the current year the company has acquired a subsidiary Future Agrovet Limited with effect from November 12, 2013. In view of this, the figures for the current year are not comparable with those of the corresponding previous year.

Financial Information of Subsidiary Companies for the year ended 31st March 2014

₹ In Lakhs

Sr. No	Name of the Company	Share Capital	Reserves	Total Assets	Total Liability	Investments (Except Investment in Subsidiaries)	Total Income	Profit/ (Loss) before Tax	Provision for Tax (Including Deferred Tax)	Profit / (Loss) after Tax	Proposed dividend (Including Taxes)
1	Aadhaar Wholesale Trading and Distribution Limited (formerly known as Aadhaar Retailing Limited)	3,640.00	(2,396.52)	4,881.55	4,881.55	-	13,207.29	(1,786.48)	0.48	(1,786.96)	-
2	Future Agrovet Limited	3,650.00	(877.26)	15,513.64	15,513.64	0.76	66,154.38	(857.31)	(36.97)	(820.34)	-
3	Future Consumer Products Limited	245.00	(166.23)	142.11	142.11	0.10	51.38	0.63	-	0.63	-
4	Future Food and Products Limited (formerly known as Future Consumer Enterprises Limited)	113.00	(108.55)	60.07	60.07	0.43	8.73	(235.29)	(0.06)	(235.23)	-
5	Star and Sitara Wellness Limited (Formerly known as Star and Sitara Wellness Private Limited)	180.90	205.78	1,329.61	1,329.61	-	684.70	(1,157.54)	(59.88)	(1,097.65)	-
6	Express Retail Services Private Limited	5.00	(9.08)	30.71	30.71	-	-	(7.01)	1.23	(8.24)	-
7	Amar Chitra Katha Private Limited	5.00	6,211.81	7,073.64	7,073.64	91.40	2,587.51	(522.46)	-	(522.46)	-
8	IBH Books and Magazines Distributors Limited (Formerly known as IBH Books and Magazines Distributors Private Limited)	50.00	(222.14)	3,075.21	3,075.21	-	4,350.09	(329.56)	-	(329.56)	-
9	ACK Edutainment Limited (Formerly known as ACK Edutainment Private Limited)	14.00	(10.05)	4.03	4.03	-	-	(0.13)	-	(0.13)	-
10	ACK Eaglemoss Collectibles Publishing Private Limited	1.00	(1.85)	1.02	1.02	-	-	(0.11)	-	(0.11)	-
11	ACK Media Direct Limited (Formerly known as ACK Media Direct Private Limited)	6.00	(328.55)	412.21	412.21	-	935.60	3.58	-	3.58	-
12	Karadi Tales Company Private Limited	119.60	94.09	414.14	414.14	-	104.65	(31.34)	-	(31.34)	-
13	Ideas Box Entertainment Limited (Formerly known as Ideas Box Entertainment Private Limited)	90.00	(246.90)	548.71	548.71	-	732.17	(9.73)	-	(9.73)	-

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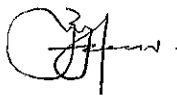
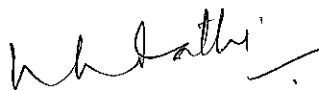

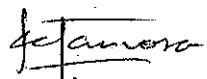


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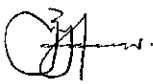


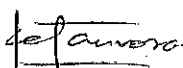
FORM A

(Pursuant to Clause 31 (a) of the Listing Agreement)

1.	Name of the Company	Future Consumer Enterprise Limited (formerly known as Future Ventures India Limited)
2.	Annual financial statements for the year ended - Standalone	31 st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by:	
	Mr. G. N. Bajpai Audit Committee Chairman	
	Mr. K. K. Rathi Chief Executive Officer	
	Mr. Gopal Bihani Chief Financial Officer	
Refer our Audit Report dated May 19, 2014 on the standalone financial statements of the Company		
For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 117364W)		
 Ketan Vora Partner (Membership No. 100459)		
MUMBAI, 4th August, 2014		

FORM A

(Pursuant to Clause 31 (a) of the Listing Agreement)

1.	Name of the Company	Future Consumer Enterprise Limited (formerly known as Future Ventures India Limited)
2.	Annual financial statements for the year ended - Consolidated	31 st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by:	
	Mr. G. N. Bajpai Audit Committee Chairman	
	Mr. K. K. Rathi Chief Executive Officer	
	Mr. Gopal Bihani Chief Financial Officer	
<p>Refer our Audit Report dated May 19, 2014 on the consolidated financial statements of the Company</p> <p>For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 117364W)</p> <p> Ketan Vora Partner (Membership No. 100459)</p> <p>MUMBAI, 4th August, 2014</p>		