

2<sup>nd</sup> September, 2016

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

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

Dear Sir / Madam,


**Sub: Annual Report for the financial year 2015-16**

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report of the Company for the financial year 2015-16 approved and adopted at the Annual General Meeting of the Company held on 29<sup>th</sup> August, 2016 at 2.30 p.m. at Rangswar Hall, 4<sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai – 400 021.

Kindly take it on record and acknowledge receipt of the same.

Thanking you,

Yours truly,  
For **Future Consumer Enterprise Limited**

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

Encl.: As above











**IN INDIA,  
FOOD IS  
CULTURE**







# WE LOVE TO FEED AND TO BE FED...

with finger licking indulgence  
and those that preserve youth

with new techniques  
and the good old ways

with new presentations  
and the traditional spreads

with individual tastes  
and the community ways

with home cooked meals  
and the ready to indulge meals

with the handy packs  
and the food hacks

with Maa like cooking  
to the smart urban fixing

Future Consumer Enterprise is a  
Company that is obsessed about food,  
just like the foodie in you.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### CHAIRMAN

G.N. Bajpai

### VICE CHAIRMAN

Kishore Biyani

### WHOLE TIME DIRECTOR

Ashni Biyani

### DIRECTORS

Adhiraj Harish

Deepak Malik

Frederic de Mevius

Krishan Kant Rath

Vibha Rishi

## STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells

## BANKERS

Allahabad Bank

Corporation Bank

IDBI Bank Limited

Kotak Mahindra Bank Limited

RBL Bank Limited

Yes Bank Limited

## REGISTERED OFFICE

Knowledge House, Shyam

Nagar, Off. Jogeshwari Vikhroli

Link Road, Jogeshwari (East),  
Mumbai - 400 060.

Tel No. : +91 22 6644 2200

Fax No. : +91 22 6644 2201

## CHIEF FINANCIAL OFFICER

Manoj Saraf

## COMPANY SECRETARY & HEAD-LEGAL

Manoj Gagvani

## CORPORATE OFFICE

247 Park, Tower 'C',  
LBS Marg, Vikhroli (West),  
Mumbai - 400 083

Tel No. : +91 22 6119 0000

Fax No. : +91 22 6199 5391

Email ID : investor.care@futureconsumer.in

## REGISTRAR & SHARE TRANSFER AGENTS

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

## WEBSITE

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

## CORPORATE IDENTIFICATION NUMBER

L52602MH1996PLC192090

## 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.

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# Inspired by India



## LETTER FROM THE VICE CHAIRMAN

Dear Stakeholders,

A few years back, when we had conceived this organization, we had imagined it to be a very unique enterprise. It was born out of a desire to actualize many of the learnings and insights that we had gathered from many years of experience as a retailer and combine these with our retail network's distribution strength. Our objective was to understand and deliver what the future consumers' would expect from food and FMCG brands in the Country.

Food is culture. Food in India defines our identity, our origin and our community. When we looked at food, we noticed, most FMCG players look at what has worked in the world and then bring it to India with the hope that a large marketing and distribution spend will make habits change. But when we look at our customers, we see that India is a unique Country wherein our taste and preferences are very different. We are almost as if genetically differently coded. And not just that, there is a huge diversity and difference in what is consumed, when it is consumed and how it is consumed.

It was thus apparent that there was a space for an Indian food company born out of an Indian understanding and still be modern. The growth of modern retail is giving an unparalleled opportunity to create new brands and whole

new categories of consumption. Being a modern retailer allows us to think multiple categories and multiple brands at the same time. As a retailer - we can test, experiment, prototype very fast and make multiple brands grow. We fail fast, we win faster. Having built the brand expertise, the design expertise, the packaging expertise, the supply chain expertise and having been the retailer to our customers - we know what not to do.

Today, as we look back to the year gone by, there is some amount of satisfaction in what has been achieved. And there is an even bigger ambition of what can be achieved by staying true to our vision of transforming the food and FMCG space in the Country. Our business has grown by 34% since last year, led by our brands business growing by 43%. During the last quarter, our oldest brand, Tasty Treat, achieved a growth of 139%. It was aided by, the brand now offering frozen Indian snacks like samosa, paratha and spring rolls that can prepared at home within a few minutes. The products are developed and entirely manufactured at our food park in Karnataka and are distributed nationally. Similarly, new manufacturing facilities going on-stream at food park is allowing us to introduce brands and products that were barely available in the market - from over forty variants of flour through a new brand Desi Atta Company



## Can the humble thali inspire a brand?

A common ingredient that goes into almost every Indian thali is flour. And every thali of each community differs vastly from one another. Desi Atta Company is a brand conceived to cater to various flours used by different communities for different cuisines across India. With over 26 variants introduced in the market and 74 more to come, Desi Atta Company is designed to be delivered on every Indian plate.

to tamarind and date chutney along with five more variants through a new brand, Sangi's Kitchen.

The food park is acting like the rasoi or kitchen of modern India. New products are being created, tested and introduced in the market. Going back to Tasty Treat, among the leading products under this brand is wafer biscuits. Soon, we will be manufacturing these at food park, allowing us to offer better quality and more variants to further grow the brand.

While we are re-inventing the way food and FMCG brands are developed and distributed in the Country, we are also re-inventing how the organization is designed to grow multiple initiatives at the same time. The conventional approach of building a hierarchical organization may not always work, especially when we require the entrepreneurial energy and passion to pursue so many new products, categories and brands. We now have in place an organization that is led by brand entrepreneurs' circles that are supported by resource groups. While the brand entrepreneurs are young, passionate entrepreneurs who think and execute end-to-end, they are supported by resource groups in areas such as talent management, new product development, supply chain, manufacturing, packaging and marketing. Each of these resource groups today are being led by industry veterans and the entire organization is guided by a mentor board of internal and external leaders and board members.

Through our distribution network too, we are bringing in transformation. The Company has partnered with the Government of Rajasthan's public distribution network to upgrade each of the fair price shops and help them sell a wider range of assortment. The Company has shared

its retailing and branding expertise to transform these stores and the Company's brands are now available at 1600 of these stores and during the forthcoming year, it is expected to reach to more than 5000 such stores. This initiative is helping local entrepreneurs and shop owners to do more business and giving more choice and quality to rural consumers. These are in addition to your Company's distribution reach through over 800 modern retail stores such as Big Bazaar, EasyDay, Star Bazaar, Nilgiris, Aadhaar and more. Collectively, these stores attract over 35 crore customers.

The overall Indian FMCG market is estimated to be USD 185 billion, of which the branded portion constitutes merely USD 65 billion. This branded portion of the market is expected to almost double by 2020 and touch USD 240 billion by 2025. At present barely one-third of the market is branded, which is largely skewed towards home and personal care and beverages. Urbanization, growing income levels and aspirations are leading to premiumization and growth of branded products. With a distribution network led by modern retail, your Company is best placed to profit from these trends and create value for consumers, for business partners and for all stakeholders.

We are thankful to you and each of our stakeholders who have become part of our journey and look forward to your continued support, encouragement and enthusiasm in making realize our dream.

**Rewrite Rules, Retain Values**



**Kishore Biyani**



## New Product Launches for FY 2016-17

### **KOSH:**

There are very few foods that are as filling and healthy as oats. Kosh is conceived as an oats-led brand which will make oats a mainstream food ingredient, taking it out of just being a breakfast ritual. Created and manufactured at our oats processing facility in Sri Lanka.

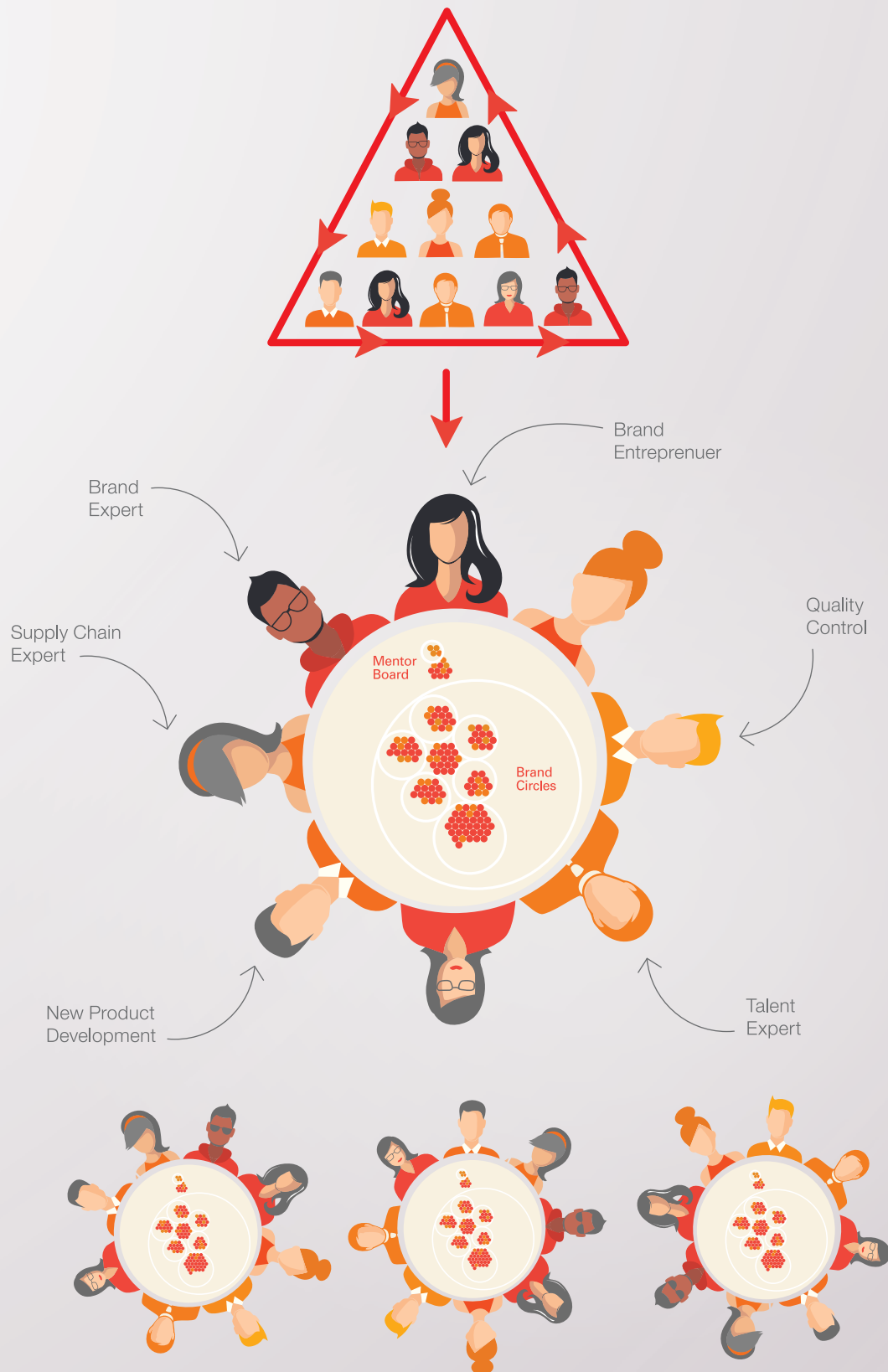
### **SWISS TEMPELLE:**

A Swiss-made brand developed in joint venture partnership with Swiss consumer goods giant, Mibelle, Swiss Tempelle will offer a growing range of body lotion, body wash and more personal care products.

### **NILGIRIS:**

Flavored milk with tastes as exotic as Strawberry, Coffee Caramel, Mango, Elaichi and Belgian Chocolate are among the many new products that will be introduced through Nilgiris.





## Multiplicity in Execution

How can an organization execute multiple ideas and initiatives at the same time? The Company moved away from the conventional hierarchy-led design to one that is led by circles - taking a leaf out of the Holacracy principles



## GOLDEN HARVEST

Offers a wide range of finest range of staples like rice, wheat, sugar, basic edible oils, spices, pulses, among others and is aimed at the consumer who never compromises quality over price. The brand aims to upgrade consumers from loose to packed products that are sourced, graded, processed and packed across 71 sourcing locations across the Country.



## FRESH & PURE

Fresh & Pure is a brand built on purity and promises a 'what you see, is what you get' approach for basic food items. Mostly packaged in clear, transparent packaging, Fresh & Pure offers a wide range of edible oil, ghee or clarified butter, as well as tea and coffee, Fresh & Pure enjoys high recall amongst customers for its consistent quality and affordable prices.



## EKTA

Ektaa is a brand that responds to local tastes and preferences in rice, pulses, snacks and other ethnic food items. From poha or flattened rice flakes from Ujjain to Kasundi or mustard sauce from Bengal to jaggery from Kohlapur, Ektaa offers a unique range of food generic to a region for a national audience. Rarely are these products available outside their native regions and therefore the brand is aimed at migrants who have moved cities but yearn for tastes from their native regions.



## VEG AFFAIRE

Veg Affaire offers a growing range of frozen vegetables like carrots, sweet corn, recipe ready mixed vegetables and packed green peas that have been processed through the state-of-the art Individually Quick Frozen (IQF) line at the India Food Park. The brand promises to bring in quality frozen vegetables that are available throughout the year.



## DESI ATTA COMPANY

The unique specialty atta brand was born out of the idea that various types of flours are an indigenous part of every Indian's diet. Desi Atta Company offers a whole new range of instant mixes along with quality and nutritious flours for Indian foods like dosa, dhokla, oats upma and of various grains and millets. Launched in Western region, the brand is steadily being introduced in Southern states and hopes to offer close to a hundred variants in a short span of time.



# COOK

A survey by market research firm, GfK, suggests Indian women spend the maximum amount of time in the kitchen - 13.2 hours a week, compared to around 6 hours in most developed countries. By introducing new brands and products, your Company aims to equip the chef at home to spend less time within the kitchen and also experiment with new ideas in food and various cuisines.





# SHARE

Barely one-third of the \$185 billion FMCG market today is branded and that too is dominated by home and personal care categories. BCG estimates that demographic and income changes is resulting in discretionary food categories like snacks, savorys, juices, ready to cook packs outpacing the sector and growing by 3-4X over the next five years. Premiumization and upgrades will continue to be a recurrent theme across most packaged food categories.

## TASTY TREAT

The flagship brand, Tasty Treat enjoys a strong brand recall in indulgence products. During FY16, Tasty Treat expanded into frozen snacks and wafer biscuits which have gained good momentum. Frozen snacks, manufactured at India Food Park, include Punjabi Samosa, Spring Roll and Cocktail Samosa and the range was co-promoted with Coca Cola. A mass media campaign with the tag line “Yeh Phislee Niyat” and a television commercial was launched during the year to introduce the brand in general trade and strengthen it in modern retail.



## SOO FRESH

Soo Fresh is a brand created to offer consistent quality in packaged form for a number of freshness-led daily need categories like fruits and vegetables and bread. Cut and packed in hygienic environments, Soo Fresh fruits and vegetables offers the home maker ease and convenience for a small premium over buying in commodity form.



## SANGI'S KITCHEN

A delicious range of Indian and International dips and sauces were launched during the year with the brand, Sangi's Kitchen. The current range includes six exciting flavors: Tamarind and Date Chutney, Coriander Chutney, Mint Chutney, Thai Sweet Chili Sauce, Pizza Sauce and Pasta Sauce. Manufactured to the highest levels of quality at the India Food Park, Sangi's Kitchen was introduced with a smart packaging expression and have made its way into modern retail chains outside of Future Group as well.



## NILGIRIS

Amongst the Country's widest range of dairy and bakery products, the brand is being revitalized with new packaging and expansion of its range of products. South India's favorite brand in dairy and bakery is now being introduced in Northern and Western markets through strategic partnerships with local dairies. Some of the new products that were introduced through the year were artisanal breads, UHT or long shelf life milk, a range of yummy Crème spreads and a range of fruit yogurts.



## KARMIQ

Conceptualised as a premium and health conscious brand with the tagline, 'Food that preserves the youth', Karmiq offers a wide variety of dry fruits and health centric oils such as rice bran, canola and olive oils. The brand is positioned at the higher end of the market and has a potential to expand into niche categories within cereals and in energy bars.





## SUNKIST

A global brand with origins amongst fruit growers in California, USA, Sunkist now offers a range of juices and beverages in multiple pack sizes and variants as well as a growing range of fruit-based jams and jellies. The brand is well suited for the modern trade segment and is being introduced in multiple chains within and outside Future Group.



## THINK SKIN

Think Skin offers convenience of body wash at a price that matches a soap bar. Think Skin is breaking the category and upgrading the consumer who shies away body washes to be too expensive. Body wash category is growing at a much higher rate than soaps and presents a huge opportunity. Think Skin products are also available in Metro and Spar.



## KARA

Acquired from the Aditya Birla Group, Kara is being re-invented as a 'Beauty-On-the-Go' brand. It currently offers wide range of fully natural wet wipes that include skin care wipes, hand sanitizing wipes and baby care wipes. The brand has a strong presence amongst pharmacy stores and the Company is developing new products within this space to create a strong platform for the brand to grow.



## CARE MATE

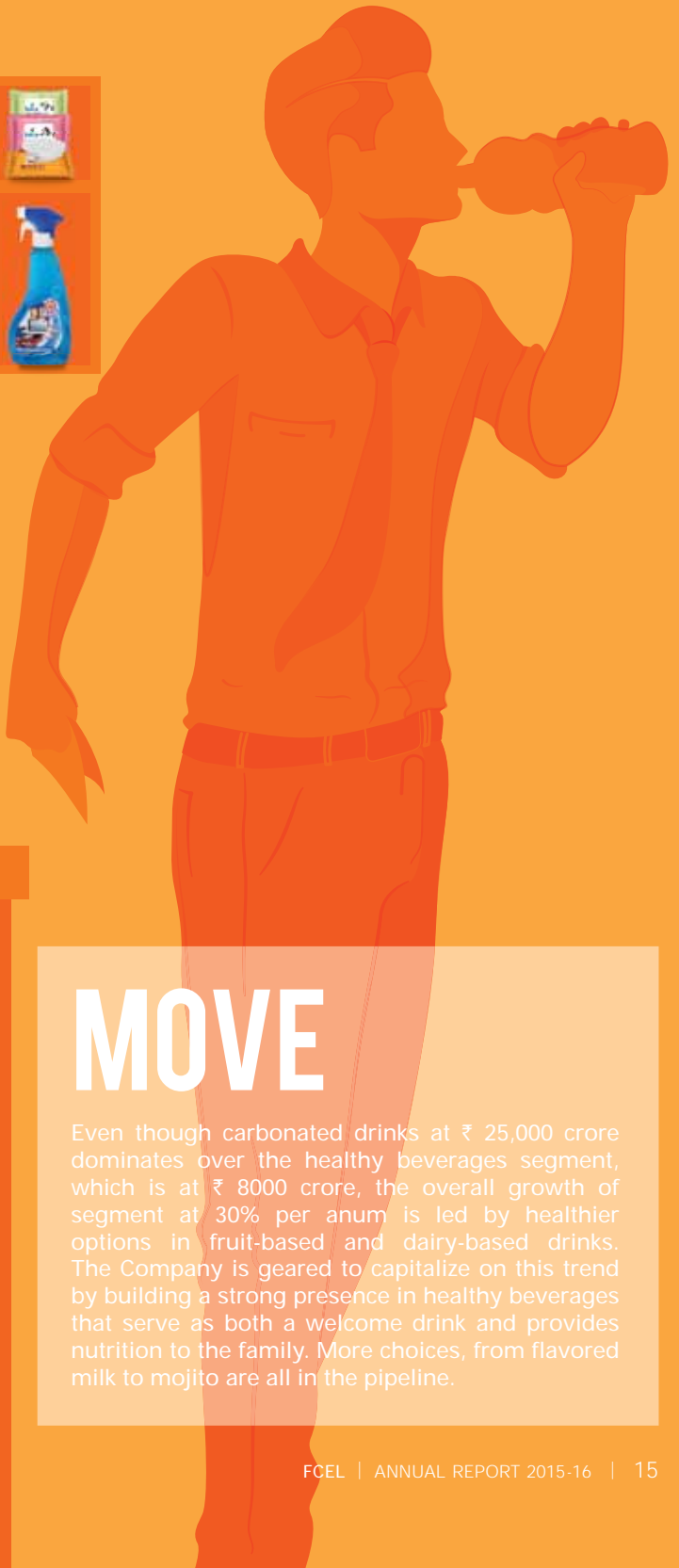
Care Mate owns the personal hygiene space through product introductions in relevant sub categories. Key categories include face tissues, aluminium foils, toilet tissues and hand wash. Care Mate leverages power of packaging via building excitement through Disney characters and other brand building initiatives.



## CLEAN MATE

Empowering the consumer with emanate purity or 'Shuddhikaran', CleanMate offers an extended portfolio of floor, toilet, glass cleaners, utensil cleaning bars and liquids, room and toilet fresheners and air fresheners. Clean Mate competes on an equal footing with national brands and offers innovative combo-packs and co-promotions that drive new consumption.





# MOVE

Even though carbonated drinks at ₹ 25,000 crore dominates over the healthy beverages segment, which is at ₹ 8000 crore, the overall growth of segment at 30% per annum is led by healthier options in fruit-based and dairy-based drinks. The Company is geared to capitalize on this trend by building a strong presence in healthy beverages that serve as both a welcome drink and provides nutrition to the family. More choices, from flavored milk to mojito are all in the pipeline.

# SOURCING, MANUFACTURING & DISTRIBUTION

Eighteen months since the commissioning of the India Food Park by the Hon'ble Prime Minister, Shri Narendra Modi, the Company's food park at Tumkur, Karnataka is realizing its mission of bringing about a transformation in India's food processing sector.

More than 1200 farmers have been associated with the project and it has sourced and processed more than 21000 metric tons of agricultural produce – manufacturing a wide range of products from schetzwan sauces and frozen dimsums to offering more than 40 variants of flours, from alphonso mango pulp to frozen snacks such as cocktail samosa and malabar paratha. Apart from various infrastructural facilities such as grain silos, frozen storage across multiple temperature zones, testing labs etc., six companies are manufacturing from the facility including a Sri Lankan popcorn, snacks and nachos manufacturer.

Units for various other leading food processors are nearing completion.

The India Food Park adheres to the highest standards of quality and sustainability too is a prime focus for this operation. It is estimated that close to 6300 metric tons of food wastage was avoided during the sourcing and processing of agricultural produce. The facility now also has a dedicated solar power plant and a 5,225 square meter rainwater harvesting facility that are helping conserve precious natural resources.

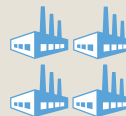
In addition, the Nilgiris operations have dedicated processing facilities for bakery and dairy. The plants have monthly installed capacity for 450 tons of bread, 100 tons of cakes, 90 tons of cookies, among other products.

## SOURCING



**1.5** Lakh tons of Agri Produce

## PROCESSING



**21** APMC Licenses, **71** Hubs

## RETAILERS



Big Bazaar, EasyDay, Nilgiris, KB's, Star Bazaar, Annapurna Bhandaar, Aadhaar, Foodhall and more

The dairy facility can handle over 180,000 litres of milk for pasteurization and process over 22,000 litres of curd, 9,000 litres of cream, 2,100 kilograms of cheese and paneer, among other products on a daily basis. The extensive processing facilities of Nilgiris allow the chain to sell over 900 SKUs under its own brand that now account for over 20% of the sales within the chain. The Company has also entered into partnerships with other leading dairies such as Dynamix, GK Dairy and Prabhat to augment the supply of products under its brands.

An oats manufacturing unit has been commissioned in Sri Lanka through a joint venture with SVA India Limited. These manufacturing operations are complimented by a robust agri-produce sourcing network that sources from 71 locations with 34 independent warehouses and five regional offices. The improved grading, sorting and processing facilities at these locations has helped the Company launch premium brands such as Desi Atta Company and Karmiq that provide larger assortment and better quality for basic foods.

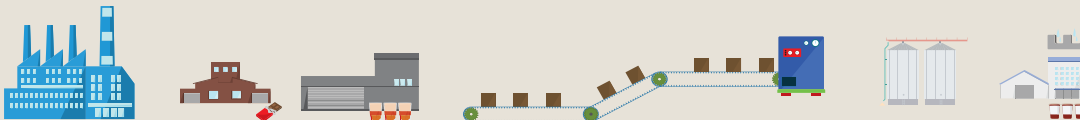
Simultaneously, the distribution network too was rapidly expanded through the year. Apart from its existing modern retail network of Nilgiris, Big Bazaar, Foodhall, Aadhaar and KB's, the EasyDay network was added through the merger of Bharti Retail Limited with a Future Group company. The Company also entered into a partnership with Star Bazaar to introduce its brands within this network.

The Company also entered into an agreement with the Rajasthan Government to supply to fair price shops which are being rebranded as Annapurna Bhandar. These shops used to only sell a few products that were available through the Public Distribution Scheme. With the upgradation of these stores, the Company is providing them with a wider assortment from its brands. Around 1600 Annapurna Bhandars are now being supplied by the Company and during the forthcoming year, it is expected to reach to more than 5000 such stores in Rajasthan.

The acquisition of Kara has also brought with it access to general trade and pharmacy stores that have 13 C&F agents and 140 distributors. The Company is now pushing its brands through this network as well. In addition, the Company is also piloting a general trade distribution network in and around Benaras.

Over 2000 stores across the Country today stock the Company's products and these collectively attracted over 35 crore customers. These networks collectively contribute anywhere between 10% and 25% of sales of large domestic and multinational FMCG brands in the Country. As the Company continues to add more modern retail chains and general trade distribution network, it is now well positioned to grow each of its brands and touch the lives of millions of Indian households.

## MANUFACTURING



INDIA FOOD PARK: **114** acre integrated multi-food manufacturing facility

## BRANDING & DISTRIBUTION



**18** Key Brands through, **800** Modern Retail Stores,  
**1400** Rural Retail Stores, **13** C&F Agents & **140** Distributors



# **DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS**

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report and the Audited Accounts of Future Consumer Enterprise Limited ["**Company**"], for the year ended 31<sup>st</sup> March, 2016.

### FINANCIAL HIGHLIGHTS

The summarized financial performance (Standalone and Consolidated) of the Company for 2015-16 and 2014-15 is given below:

(₹ in Lakhs)

	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Total Income	1,37,024.80	1,11,912.33	1,78,050.59	1,34,741.53
Profit/(Loss) before Tax & Exceptional Items	(6,355.01)	(6,860.91)	(11,837.04)	(10,877.61)
Less : Exceptional Items	-	2,514.00	470.14	-
Profit/(Loss) before Tax	(6,355.01)	(9,374.91)	(12,307.18)	(10,877.61)
Profit/(Loss) After Tax	(6,355.01)	(9,374.91)	(12,313.48)	(10,937.03)
Profit/(Loss) After Share of Associates & Minority Interest	NA	NA	(11,278.38)	(10,276.42)

### BUSINESS OPERATIONS

This fiscal has been an interesting year for Future Consumer Enterprise Limited with the Company continuing to report disproportionate topline growth and gross margins. This year witnessed the expansion of our brand portfolio into new age value add categories, our food park continued to act like a kitchen enabling the roll out of these products and the growth of our distribution channel across modern trade & general trade outlets. Your Company's product portfolio includes product categories, such as basic foods, ready to eat meals, snacks, frozen and processed food products, beverages, personal care and home care under its own portfolio of brands.

Your Company continues to focus on developing its portfolio of brands and has entered into joint venture arrangements with leading market players. During the year under review, your Company has entered into joint venture with Mibelle AG, a Swiss based entity for marketing and distribution of imported personal care products under the brand name "Swiss Tempelle" in India. Further, your Company has also commenced its operations for marketing and distribution of oats and oats based cereal products in India through its subsidiary company at Sri Lanka. With focus on exploring cross border opportunities, and developing new markets in food/FMCG category, your Company has also formed an entity at Jebel Ali, UAE. This entity is targeted to engage into sourcing and distribution of food and FMCG products from and to various countries.

During the fiscal 2015-16, your Company has acquired the business of manufacturing and distribution of skin care, baby care, home care wet wipes and hand sanitizer wipes from Grasim Industries Limited which are marketed under the brand names "Kara", "Puretta", "Handys" and "Prim". Your Company has expanded this business by launching new category of wipes under the aforesaid brands. The distribution network of Kara will be leveraged for expanding the distribution of its personal care brands.

During the year under review, your Company has transformed into a pure play food & FMCG Company. All operations pertaining to convenience stores of the Company and / or its subsidiaries under various format brands such as "KB's Fair Price", "KB's Conveniently Yours", "Big Apple", "Aadhaar" and "Nilgiris" are now operated by franchisee(s) appointed by the Company. Your Company now pre-dominantly undertakes the business activities of sourcing, processing, manufacturing, branding, marketing and distribution of fast moving consumer goods ("**FMCG**"), basic food and processed food products under its own brands.

During the year under review, your Company also announced fund raise from Black River Food 2 Pte. Limited (US\$45 million) and promoter group entity (₹ 67 Crore) through equity linked instruments. The objective of this fund raise is to enable repayment of debt and also fund your Company's current growth plans.

Your Company has recorded total income of ₹ 1,370.25 Crore and EBIDTA Profit of ₹ 21.42 Crore in the current financial year as against total income of ₹ 1,119.12 Crore and EBIDTA loss of ₹ 5.99 Crore in the previous financial year.

In view of the loss incurred during the financial year 2015-16, no appropriation is proposed to be made towards Reserves.

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

### FUTURE OUTLOOK

India is well poised to benefit from macroeconomic tailwinds, as it has entered the new fiscal year. Under control inflation and soft crude price outlook has led to higher disposable income in the hands of consumer, providing a boost to the domestic consumption. Above normal monsoon forecast,

after two years of poor rainfall, is expected to keep the inflation in check and take the overall demand northwards. The 7<sup>th</sup> Pay Commission recommendations of proposed 23.55% wage hike to Central Government employees are scheduled to take effect from January 2016. The implementation is expected to take place in the current fiscal year and will mean significantly higher spending power in the hands of 4.7 million employees and 5.2 million pensioners.

India continues to benefit from the growing domestic demand from a young population, whose consumption is driving the expansion of the middle class. By 2025, India is expected to become the fifth-largest consuming class Country. An emerging rural consumer base is also contributing to this demand. The overall Indian FMCG market is estimated to be USD 185 billion, of which the branded portion constitutes merely USD 65 billion. This branded portion of the market is expected to almost double by 2020 and touch USD 240 billion by 2025. With a distribution network led by modern retail, your Company is best placed to expect profit from these trends and create value for consumers, for business partners and for all stakeholders.

#### INITIAL PUBLIC OFFER ("IPO")

In terms of the provisions of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") details about unclaimed shares in suspense account as on 31<sup>st</sup> March, 2016 is as under:

Description	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account as on 1 <sup>st</sup> April, 2015	3	21,600
Aggregate number of shareholders who approached the Company for transfer from suspense account upto 31 <sup>st</sup> March, 2016	Nil	NA
Number of shareholders to whom shares were transferred from suspense account upto 31 <sup>st</sup> March, 2016	Nil	NA
Aggregate number of shareholders and outstanding shares in the suspense account as on 31 <sup>st</sup> March, 2016	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.

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

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 said suspense accounts.

#### DIVIDEND

To conserve the funds for future business growth, your Directors have not recommended any dividend on equity shares in respect of the financial year 2015-16.

#### INCREASE IN SHARE CAPITAL

During the year under review, your Company has issued and allotted 2,98,000 equity shares of the Company to eligible employees on exercise of options granted under FVIL Employee Stock Option Scheme – 2011. Consequently, the issued, subscribed and paid-up capital of the Company increased from 1,65,71,44,038 equity shares of ₹ 6/- each to 1,65,74,42,038 equity shares of ₹ 6/- each.

After the financial year ended 31<sup>st</sup> March, 2016, the Company has issued 100 equity shares to Black River Food 2 Pte. Limited, in terms of the preferential allotment made by the Company. Consequently, the issued, subscribed and paid-up capital of the Company increased from 1,65,74,42,038 equity shares of ₹ 6/- each to 1,65,74,42,138 equity shares of ₹ 6/- each.

#### ISSUE OF CONVERTIBLE SECURITIES

During the year under review, your Company has issued and allotted 6,700 warrants having face value of ₹ 1,00,000/- each to Srishti Mall Management Company Private Limited ("**Srishti**"), a promoter group entity on preferential allotment basis upon receipt of ₹ 1,675 lakhs from Srishti towards 25% of the total consideration price for the warrants. The warrants may be exercised by Srishti at any time before expiry of 18 months from the date of allotment of warrants. Upon such exercise and on payment of balance 75% of the total consideration amount by Srishti, the warrants shall be converted into equity shares at a conversion price of ₹ 22.73 per equity share.

After the financial year ended 31<sup>st</sup> March, 2016, your Company has issued and allotted 29,985 Compulsorily Convertible Debentures ("**CCDs**") having face value of ₹ 1,00,000/- each to Black River Food 2 Pte. Limited ("**Black River**") on preferential allotment basis. The CCDs carry a coupon of 8.5% per annum compounded on a quarterly basis. The CCDs shall automatically and compulsorily be converted into equity shares at a conversion price of ₹ 22.73 per equity share on the earlier of occurrence of following events – a) Black River electing to convert the CCDs into equity shares and b) the date that is 18 months from the date of issue of CCDs. In the event of unpaid coupons, if any, Black River shall be entitled to such number of equity shares, equivalent to the amount of coupons remaining unpaid at a conversion price of ₹ 22.73 for each equity share

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As at 31<sup>st</sup> March, 2016, your Company had following Subsidiaries /Joint Ventures /Associate Companies:

Sr. No	Name of the company	Category
1.	Aadhaar Wholesale Trading and Distribution Limited	Subsidiary
2.	Future Food and Products Limited	Subsidiary
3.	Future Consumer Products Limited	Subsidiary
4.	Star and Sitara Wellness Limited	Subsidiary
5.	Amar Chitra Katha Private Limited ("ACKPL")	Subsidiary
6.	FCEL Food Processors Limited (formerly known as ACK Edutainment Limited)	Subsidiary of ACKPL
7.	ACK Media Direct Limited	Subsidiary of ACKPL
8.	IBH Books & Magazines Distributors Limited	Subsidiary of ACKPL
9.	Ideas Box Entertainment Limited	Subsidiary of ACKPL
10.	Future Food Processing Private Limited (formerly known as Future Personal Care and Hygiene Products Private Limited)	Subsidiary
11.	Express Retail Services Private Limited	Subsidiary
12.	The Nilgiri Dairy Farm Private Limited ("NDFPL")	Subsidiary
13.	Appu Nutritions Private Limited	Subsidiary of NDFPL
14.	Nilgiri's Mechanised Bakery Private Limited	Subsidiary of NDFPL
15.	Nilgiris Franchise Private Limited	Subsidiary of NDFPL
16.	Integrated Food Park Private Limited	Subsidiary
17.	Sublime Foods Private Limited	Subsidiary
18.	Aussee Oats Milling (Private) Limited	Subsidiary
19.	MNS Foods Private Limited	Subsidiary (With effect from 4 <sup>th</sup> August, 2015)
20.	Bloom Fruit and Vegetables Private Limited	Subsidiary (With effect from 15 <sup>th</sup> January, 2016)
21.	Aussee Oats India Private Limited	Subsidiary (With effect from 19 <sup>th</sup> February, 2016)
22.	FCEL Overseas FZE	Subsidiary (By virtue of control through Board Composition)
23.	Sarjena Foods Private Limited	Associate
24.	Mibelle Future Consumer Products AG	Joint Venture (With effect from 9 <sup>th</sup> October, 2015)

During the year under review,

- Karadi Tales Company Private Limited has ceased to be a subsidiary of ACKPL with effect from 16<sup>th</sup> July, 2015.
- Karadi Path Company Private Limited became an associate of ACKPL with effect from 17<sup>th</sup> July, 2015 and ceased to be an associate of ACKPL with effect from 3<sup>rd</sup> October, 2015.

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

The performance and financial position of each of the subsidiaries, associates and joint venture companies is provided under Management Discussion and Analysis Report which is presented separately and forms part of this Report.

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

The audited financial statements in respect of each subsidiary company shall also be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of ensuing Annual General Meeting. The aforesaid documents relating to subsidiary companies can be made available to any Member interested in obtaining the same upon a request in that regards made to the Company.

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Adhiraj Harish has been appointed as an Additional Director of the Company with effect from 1<sup>st</sup> September, 2015. After the financial year ended 31<sup>st</sup> March, 2016, Mr. Deepak Malik, a nominee of Black River Food 2 Pte. Limited, has been appointed as an Additional Director of the Company with effect from 26<sup>th</sup> April, 2016.

In accordance with the provisions of Section 161 of the Companies Act, 2013, Mr. Adhiraj Harish and Mr. Deepak Malik shall hold office only upto the date of forthcoming Annual General Meeting.

Mr. Frederic de Mevius has ceased to be an independent director of the Company, in terms of the disclosure given by him to the Company. Accordingly, the Board of Directors had at their meeting held on 26<sup>th</sup> April, 2016 appointed Mr. Frederic de Mevius as an Additional Director categorised as Non- Executive and Non- Independent Director of the Company.

In terms of provisions of Section 161 of the Companies Act, 2016, Mr. Frederic de Mevius holds office only upto the date of forthcoming Annual General Meeting.

Pursuant to the provisions of the Section 160 of the Companies Act, 2013, the Company has received individual notice(s) from a Member proposing the candidature of Mr. Adhiraj Harish, Mr. Deepak Malik and Mr. Frederic de Mevius for the office of Director at the forthcoming Annual General Meeting.

In terms of the provisions of the Companies Act, 2013, Mr. Krishan Kant Rathi retires from the Board of Directors of the Company by rotation at the ensuing Annual



General Meeting and being eligible, has offered himself for re-appointment.

The Notice convening forthcoming Annual General Meeting includes the proposal for appointment / re-appointment of aforesaid Directors. A brief resume of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting and other details as required to be disclosed in terms of Regulation 36(3) of the SEBI Listing Regulations, forms part of the said Notice. None of the Directors are disqualified for appointment / re-appointment under Section 164 of the Companies Act, 2013. None of the Directors being appointed / re-appointed are individually related to any other Directors.

During the year under review, Mr. Jagdish Shenoy, Director has resigned from the Board of Directors of the Company with effect from 1<sup>st</sup> September, 2015. The Board of Directors wish to place on record their appreciation for contributions made by Mr. Jagdish Shenoy during his tenure as a member of the Board of Directors of the Company.

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

- a) Mr. G N Bajpai
- b) Ms. Vibha Rishi
- c) Mr. Adhiraj Harish

#### **AUDITORS AND AUDITORS' REPORT**

M/s. Deloitte Haskins & Sells, Chartered Accountants, have been appointed as the Statutory Auditors of the Company for a period of three years at the 18<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> August, 2014. In terms of the provisions of Companies Act, 2013 their appointment will however need to be ratified by the Shareholders at the forthcoming Annual General Meeting. Notice convening the forthcoming Annual General Meeting includes a proposal for ratification of appointment of Statutory Auditors by the Shareholders of the Company.

The notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments and explanations. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

The Company has appointed M/s. Sanjay Dholakia & Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2015-16 in terms of provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report is annexed to this Report as Annexure I. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

Details of loans granted, guarantees provided and investments made by the Company under the provisions of Section 186 of the Companies Act, 2013, are provided in standalone financial statement under Note 49 under Notes forming part of standalone financial statement.

#### **RELATED PARTY TRANSACTIONS**

All transactions entered into with related parties during the financial year under review were in the ordinary course of business and on arm's length basis.

The particulars of contracts or arrangements with aforesaid related parties, in prescribed format is annexed to this Report as Annexure II.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available on the website of the Company – <http://futureconsumer.in/policies-and-code.html>

#### **RBI REGULATIONS**

With shift in main business activities and consequent to application made by the Company for de-registration as a Non-Banking Financial Company, the Certificate of Registration granted by Reserve Bank of India has been cancelled.

#### **PUBLIC DEPOSITS**

Your Company has not been accepting any deposits from the public and hence there are no unpaid / unclaimed deposits nor is there any default in repayment thereof.

#### **BOARD MEETINGS**

The Board of Directors met 6 (six) times during the financial year 2015-16. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Annual Report.

#### **COMMITTEES OF THE BOARD OF DIRECTORS**

As on 31<sup>st</sup> March, 2016, the Corporate Social Responsibility Committee comprises of following members:

- a) Ms. Ashni Biyani - Chairperson
- b) Mr. Kishore Biyani - Member
- c) Ms. Vibha Rishi - Member

As on 31<sup>st</sup> March, 2016, the Audit Committee comprises of following members:

- a) Mr. G N Bajpai - Chairman
- b) Mr. K K Rathi - Member
- c) Ms. Vibha Rishi - Member

During the year under review, all recommendations made by the Audit Committee were accepted by the Board. There were no instances where the Board has not accepted any recommendation of the Audit Committee.

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

#### **PERFORMANCE EVALUATION OF BOARD**

In terms of the requirements prescribed under the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out the process for evaluation of performance of the entire Board of Directors and that of its Committees and individual Directors.

The performance evaluation exercise for the entire Board of Directors and its Committees was conducted through structured questionnaire having qualitative parameters *inter-alia* comprising of key areas such as competencies and experience, quality of agenda notes circulated for board and committee meetings, composition of members, timelines for circulation of minutes, quality of recording board discussions, deliverance of allocated role and

responsibilities, information sharing and communication, corporate governance process and disclosures.

Further, a separate exercise was also carried out to evaluate the performance of each individual Director for which a questionnaire was circulated to other Directors *inter-alia* comprising of key areas such as attendance at Board Meetings and Committee Meetings, preparedness for the Board and Committee Meeting(s), contribution in the Board room using expertise, knowledge, experience and wisdom, independence of views and judgement, ownership of value building.

The responses received to the questionnaires on evaluation of the Board and its Committees and that of the individual Directors were shared with the Board, Chairman of respective Committees and with the individual Directors. The Chairman of respective Committees also shared the results of evaluation with the respective Committee Members. Based on the outcome of the evaluation, the Board and Committees have agreed on an action for possible continuous improvisation to ensure better effectiveness and functioning of the Board and Committees.

### **EXTRACT OF ANNUAL RETURN**

In terms of provisions of Section 92(3) of the Companies Act, 2013, an extract of Annual Return in prescribed format is annexed to this Report as Annexure III.

### **CORPORATE GOVERNANCE**

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

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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

### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the provisions of Companies Act, 2013 and Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard, the audited consolidated financial statements are provided in this Annual Report.

### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

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

### **PARTICULARS OF EMPLOYEE STOCK OPTION PLAN**

The Company has formulated following employee stock options schemes:

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

The aforesaid Employee Stock Option Plans are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("**SEBI**

**Employee Benefits Regulations**") and there has been no material changes to these Plans during the financial year under review.

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

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

Considering the nature of activities in which the Company operates, energy consumption is in accordance to the normal business practices and does not require any specific installations. In its regular course of business, the Company is always vigilant to conserve the resources and continuously implements measures required to save energy.

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

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

#### **a) Conservation of Energy**

At the manufacturing locations of the Company, LED lights have been installed in place of CFL lights. Roof Ventilators have been installed at Tumkur location which conserves energy and control carbon emissions. Roof covers used there are acrylic sheets which results into varying levels of heat resistance, light transmissions, impact strength, and flow rates. At the time of installation amongst other aspects emphasis is given on equipments that are power efficient.

#### **b) Technology Absorption**

In the manufacturing process, Form Fill Seal Machines are installed for packaging which provides greater speed and versatility and are cost effective.

The aforesaid initiatives has resulted in economies in costs.

The details in respect of Foreign Exchange earnings/ outgo during the year under review, is provided in Note No. 34 under Notes forming part of standalone financial statements.

### **RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY**

Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Your Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon, if any, are reported to the Audit Committee.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility Committee ("**CSR Committee**") in accordance with the provisions of Section 135 of the Companies Act, 2013. The Board of Directors of the Company has, based on the recommendations made by the CSR Committee formulated and approved Corporate Social Responsibility Policy for the Company.

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

## NOMINATION AND REMUNERATION POLICY

In terms of requirements prescribed under Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Policy inter-alia providing the terms for appointment and payment of remuneration to Directors and Key Managerial Personnel is annexed to this Report as Annexure VI.

## PARTICULARS OF EMPLOYEES

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

In terms of the provisions of first proviso to Section 136 (1) of the Companies Act, 2013, information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is excluded from the Annual Report being sent to the Members of the Company and is available for inspection by the Members at registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary and the same shall be provided.

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

## INTERNAL FINANCIAL CONTROLS

Based on the framework of internal financial controls and compliance systems established and maintained by the Company (with its inherent weaknesses), work performed by the internal, statutory and secretarial auditors and external consultants specially appointed for that purpose, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, to the extent applicable, including the Audit Committee, the Company's internal financial controls were adequate and effective during the period ended on 31<sup>st</sup> March, 2016. During the year under review, such controls were tested and no reportable weaknesses were observed.

## GENERAL

- 1) The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.

- 2) The Whole Time Director has not received any commission from the Company nor any remuneration or commission from any of its holding or subsidiary company.
- 3) There are no significant / material orders passed by the regulators/courts/tribunals during the year under review which would impact the going concern status of your Company and its future operations.
- 4) During the year under review, there were no reported instances of cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and of the profit or loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2016, on a going concern basis.
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 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: 19<sup>th</sup> May, 2016

Place: Mumbai

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

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

To,  
The Members,  
FUTURE CONSUMER ENTERPRISE LIMITED  
Mumbai.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by FUTURE CONSUMER ENTERPRISE LIMITED (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2016 according to the applicable provisions of the following acts, rules, regulations and guidelines to the extent applicable (as amended /re-enacted from time to time):

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (“**SCRA**”) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto May 14, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective May 15, 2015);
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective October 28, 2014)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);

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

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective from July 1, 2015;
- ii. SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 made effective from 1<sup>st</sup> December 2015 alongwith the Listing Agreements entered into by the Company with BSE Limited and The National Stock Exchange of India Limited.



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

I further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except where the Board Meetings have been called at a shorter notice in compliance with the provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through, while dissenting member's views, if any, are captured and recorded as part of the minutes.

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

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

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY R DHOLAKIA)  
Practising Company Secretary  
Proprietor  
Membership No. 2655 /CP No. 1798

Date: 19<sup>th</sup> May, 2016

Place: Mumbai

#### **ANNEXURE I**

To,  
The Members,  
FUTURE CONSUMER ENTERPRISE LIMITED  
Mumbai.

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

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

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY R DHOLAKIA)  
Practising Company Secretary  
Proprietor  
Membership No. 2655 /CP No. 1798

Date: 19<sup>th</sup> May, 2016

Place: Mumbai

**FORM NO. AOC-2**

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

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

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

The Company has not entered into any contracts or arrangements or transactions with its related parties which are not on arm's length basis during the financial year 2015 -16.

**2. Details of contracts or arrangements or transactions at arm's length basis**

Name(s) of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount (₹ in Lakhs)
Aadhaar Wholesale Trading and Distribution Limited	Subsidiary	Rent Income	On Going	As per Agreement	Refer Note below	8.40
		Sales		As per Sales Orders placed from time to time		3,177.37
		Purchases		As per Purchase Orders placed from time to time		571.32
Aussee Oats Milling (Private) Limited	Subsidiary	Purchases	On Going	As per Purchase Orders placed from time to time		18.51
The Nilgiri Dairy Farm Private Limited	Subsidiary	Sales	On Going	As per Sales Orders placed from time to time		1,095.17
		Purchases		As per Purchase Orders placed from time to time		417.99
Sublime Foods Private Limited	Subsidiary	Sales	On Going	As per Sales Orders placed from time to time		21.06
		Purchases		As per Purchase Orders placed from time to time		85.79
Sarjena Foods Private Limited	Associate	Purchases	On Going	As per Purchase Orders placed from time to time		161.05
Integrated Food Park Private Limited	Subsidiary	Rent Expenses & security Deposit	On Going	As per Agreement		404.38
Future Consumer Products Limited	Subsidiary	Royalty charges	On Going	As per Agreement		65.12
Amar Chitra Katha Private Limited	Subsidiary	Royalty charges	On Going	As per Agreement		8.99

Name(s) of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount (₹ in Lakhs)
Future Enterprises Limited	Enterprise over which key management personnel can exercise control/ significant Influence	Rent Expenses & security Deposit	On Going	As per Agreement	Refer Note below	278.86
		Sales	On Going	As per Sales Order placed from time to time		95,121.54
		Purchases	On Going	As per Purchase Order placed from time to time		42.83
		Purchase of Fixed Assets	On Going	As per Purchase Order placed from time to time		82.39
		Other Operating Income	On Going	As per Agreement		119.39
		Legal & Professional Fees	On Going	As per Agreement		0.45
Future Ideas Company Limited	Enterprise over which key management personnel can exercise control/ significant Influence	Royalty charges	On Going	As per Agreement		23.56
		Legal & Professional Fees	On Going	As per Agreement		61.46
Future Lifestyle Fashion Limited	Enterprise over which key management personnel can exercise control/ significant Influence	Rent Expenses & security Deposit	On Going	As per Agreement		7.80
		Other Operating Income	On Going	As per Agreement		6.96

Note: Approval of the Audit Committee / Board of Directors has been obtained from time to time

**On behalf of the Board of Directors**

Date: 19<sup>th</sup> May, 2016

Place: Mumbai

**G. N. Bajpai**

**Chairman**

**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2016****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L52602MH1996PLC192090
2.	Registration Date	10/07/1996
3.	Name of the Company	Future Consumer Enterprise Limited
4.	Category/Sub-category of the Company	Public Company Limited By Shares / Indian Non-Government Company
5.	Address of the Registered Office & contact details	Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400060. Tel: 91 22 6644 2200 Fax: 91 22 6644 2201 Email ID: investor.care@futureconsumer.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	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: rint.helpdesk@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Branding, Marketing, Sourcing, Manufacturing and Distribution of FMCG, Food and Processed Food Products	469	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Aadhaar Wholesale Trading and Distribution Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai-400 060.	U52110MH2006PLC160440	Subsidiary	100	2(87)
2	Future Consumer Products Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai-400 060.	U51900MH2007PLC174027	Subsidiary	90	2(87)
3	Future Food and Products Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai-400 060.	U15410MH2008PLC179919	Subsidiary	100	2(87)
4	Amar Chitra Katha Private Limited Sumer Plaza, 2 <sup>nd</sup> Floor, Marol Maroshi Road, Andheri (East), Mumbai-400 059.	U51396MH1980PTC023421	Subsidiary	73.99	2(87)



Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
5	Star and Sitara Wellness Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai-400 060.	U74900MH2011PLC212995	Subsidiary	100	2(87)
6	Express Retail Services Private Limited 34, DLF Industrial Area, Main Najafgarh Road, Kirti Nagar, New Delhi-110 015.	U51909DL2004PTC130729	Subsidiary	100	2(87)
7	Integrated Food Park Private Limited 18/1, Pasadena Building, 3 <sup>rd</sup> Floor, Ashoka Pillar Road, 10 <sup>th</sup> Main, 1 <sup>st</sup> Cross, Jayanagar, Bangalore - 560 011.	U74900KA2007PTC071171	Subsidiary	73.89	2(87)
8	The Nilgiri Dairy Farm Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai-400 060.	U85110MH1970PTC265706	Subsidiary	100	2(87)
9	Future Food Processing Private Limited <i>(formerly known as Future Personal Care and Hygiene Products Private Limited)</i> Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai-400 060.	U15122MH2011PTC215430	Subsidiary	100	2(87)
10	Sublime Foods Private Limited 3A, Auckland Place, 10 <sup>th</sup> Floor, Kolkata - 700 017	U15310WB2012PTC183693	Subsidiary	51.00	2(87)
11	Bloom Fruit and Vegetables Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai-400 060.	U74120MH2016PTC272100	Subsidiary	100	2(87)
12	Aussee Oats India Private Limited 162 C Mittal Tower, C Wing, Nariman Point, Mumbai – 400 021	U15122MH2011PTC223036	Subsidiary	50 + One Equity Share	2(87)
13	MNS Foods Private Limited 1555/4, Akhtar Compound, Nagaon II, Bhiwandi, Thane – 421 302	U15400MH2015PTC265203	Subsidiary	50.01	2(87)
14	FCEL Food Processors Limited <i>(formerly known as ACK Edutainment Limited)</i> Sumer Plaza, 2 <sup>nd</sup> Floor, Marol Maroshi Road, Andheri (East), Mumbai-400 059.	U92190MH2008PLC187450	Step-down Subsidiary	-	2(87)
15	ACK Media Direct Limited Sumer Plaza, 2 <sup>nd</sup> Floor, Marol Maroshi Road, Andheri (East), Mumbai-400 059.	U93000MH2004PLC264305	Step-down Subsidiary	-	2(87)
16	IBH Books & Magazines Distributors Limited Sumer Plaza, 2 <sup>nd</sup> Floor, Marol Maroshi Road, Andheri (East), Mumbai-400 059.	U99999MH1980PLC023420	Step-down Subsidiary	-	2(87)
17	Ideas Box Entertainment Limited Sumer Plaza, 2 <sup>nd</sup> Floor, Marol Maroshi Road, Andheri (East), Mumbai-400 059.	U92100MH2008PLC187045	Step-down Subsidiary	-	2(87)
18	Nilgiris Franchise Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai-400 060.	U65910MH1996PTC265704	Step-down Subsidiary	-	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
19	Nilgiri's Mechanised Bakery Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai-400 060.	U85110MH1988PTC265435	Step-down Subsidiary	24	2(87)
20	Appu Nutritions Private Limited MFAR, Silverline Tech Park, No.180, 1 <sup>st</sup> Floor, EPIP Phase II, Whitefield, Bangalore - 560066	U01541KA1985PTC006784	Step-down Subsidiary	24	2(87)
21	Aussee Oats Milling (Private) Limited 28, BOI EPZ, Mirigama, Sri Lanka	-	Subsidiary	50 + One Ordinary Share	2(87)
22	FCEL Overseas FZE Jabel Ali, Dubai, United Arab Emirates	-	Subsidiary (By virtue of control through Board Composition)	-	2(87)
23	Sarjena Foods Private Limited 101, Kapoor Apartments, A-Wing, Punjabi Lane, Borivali (West), Mumbai - 400 092.	U15400MH2011PTC214581	Associate	21.26	2(6)
24	Mibelle Future Consumer Products AG Bolimattstrasse 1, CH-5033 Buchs, Switzerland	-	Associate / Joint Venture	50	2(6)

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 <sup>st</sup> March, 2015]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter and Promoter Group</b>									
<b>(1) Indian</b>									
a) Individual/ Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c) State Government	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	71,88,45,543	0	71,88,45,543	43.38	72,20,45,543	0	72,20,45,543	43.56	0.18
e) Banks / Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
i) Relatives of Promoters	1,66,788	0	1,66,788	0.01	1,66,788	0	1,66,788	0.01	0.00
<b>Sub-Total (A)(1)</b>	<b>71,90,12,331</b>	<b>0</b>	<b>71,90,12,331</b>	<b>43.39</b>	<b>72,22,12,331</b>	<b>0</b>	<b>72,22,12,331</b>	<b>43.57</b>	<b>0.18</b>
<b>(2) Foreign</b>									
a) Non-Resident Indians-Individual	0	0	0	0.00	0	0	0	0.00	0.00
b) Others-Individual	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A) (2)</b>	<b>71,90,12,331</b>	<b>0</b>	<b>71,90,12,331</b>	<b>43.39</b>	<b>72,22,12,331</b>	<b>0</b>	<b>72,22,12,331</b>	<b>43.57</b>	<b>0.18</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 <sup>st</sup> March, 2015]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	14,002	0	14,002	0.00	12,784	0	12,784	0.00	0.00
b) Banks / Financial Institution	5,60,831	0	5,60,831	0.03	5,76,367	0	5,76,367	0.03	0.00
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign Institutional Investors	30,56,22,884	0	30,56,22,884	18.44	15,40,71,340	0	15,40,71,340	9.30	-9.14
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
a) Foreign Portfolio Investor (Corporate)	0	0	0	0.00	14,79,31,280	0	14,79,31,280	8.93	8.93
<b>Sub-total (B)(1):-</b>	<b>30,61,97,717</b>	<b>0</b>	<b>30,61,97,717</b>	<b>18.48</b>	<b>30,25,91,771</b>	<b>0</b>	<b>30,25,91,771</b>	<b>18.26</b>	<b>-0.22</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	43,82,87,539	0	43,82,87,539	26.45	37,72,77,071**	0	37,72,77,071**	22.76	-3.69
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,86,26,939	15,270	4,86,42,209	2.94	7,21,57,367	24,270	7,21,81,637	4.35	1.41
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12,68,27,907	1,00,000	12,69,27,907	7.66	12,70,54,132	1,00,000	12,71,54,132	7.67	0.01
c) Others (specify)									
i) Non Resident Indians (Repatriable)	13,78,486	0	13,78,486	0.08	92,94,395	0	92,94,395	0.56	0.48
ii) Non Resident Indians (Non Repatriable)	29,34,221	0	29,34,221	0.18	54,03,036	0	54,03,036	0.33	0.15
iii) Clearing Members	86,31,658	0	86,31,658	0.52	2,18,32,225	0	2,18,32,225	1.32	0.80
iv) Directors/Relatives	48,56,506	0	48,56,506	0.29	32,75,105	0	32,75,105	0.20	-0.09
v) Hindu Undivided Family	2,65,464	10,000	2,75,464	0.02	1,62,10,335	10,000	1,62,20,335	0.98	0.96
<b>Sub-total (B)(2):-</b>	<b>63,18,08,720</b>	<b>1,25,270</b>	<b>63,19,33,990</b>	<b>38.13</b>	<b>63,25,03,666</b>	<b>1,34,270</b>	<b>63,26,37,936</b>	<b>38.17</b>	<b>0.04</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>93,80,06,437</b>	<b>1,25,270</b>	<b>93,81,31,707</b>	<b>56.61</b>	<b>93,50,95,437</b>	<b>1,34,270</b>	<b>93,52,29,707</b>	<b>56.43</b>	<b>-0.18</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,65,70,18,768</b>	<b>1,25,270</b>	<b>1,65,71,44,038</b>	<b>100.00</b>	<b>1,65,73,07,768</b>	<b>1,34,270</b>	<b>1,65,74,42,038</b>	<b>100.00</b>	<b>-</b>

\*During the financial year 2015-16, the issued, subscribed and paid-up share capital of the Company increased from 1,65,71,44,038 equity shares of ₹ 6 each to 1,65,74,42,038 equity shares of ₹ 6 each, consequent to allotment of equity shares.

\*\*Includes 1,15,32,988 shares held by Future Consumer Enterprise Employees Welfare Trust to be treated as 'non-promoter and non-public' shareholding in terms of Regulation 9 of Chapter II of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

## ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (Details as per benpos as on 31 <sup>st</sup> March, 2015)			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares*	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares*	
1	Future Enterprises Limited ( <i>formerly known as Future Retail Limited</i> )	15,00,00,000	9.05	0.00	15,00,00,000	9.05	0.00	0.00
2	PIL Industries Limited	12,98,04,747	7.83	7.83	13,23,04,747	7.98	3.11	0.15
3	Future Capital Investment Private Limited	8,41,06,029	5.08	5.08	8,41,06,029	5.07	4.06	-0.01
4	Future Corporate Resources Limited	8,02,40,257 <sup>§</sup>	4.84	4.22	8,07,40,257	4.87	4.87	0.03
5	Gargi Business Ventures Private Limited ( <i>formerly known as Gargi Developers Private Limited</i> )	12,88,78,666	7.78	7.77	12,88,78,666	7.78	5.89	0.00
6	Central Departmental Stores Private Limited	9,58,38,700	5.78	5.66	9,58,38,700	5.78	5.31	0.00
7	RYKA Commercial Ventures Private Limited	3,33,72,341	2.01	2.01	3,33,72,341	2.01	0.00	0.00
8	Weavette Business Ventures Limited <sup>#</sup> ( <i>formerly known as Future Ideas Realtors India Limited</i> )	0	0.00	0.00	1,68,04,803	1.01	1.01	1.01
9	Avni Kishorekumar Biyani	99,619	0.01	0.00	99,619	0.01	0.00	0.00
10	Ashni Kishore Biyani	67,169	0.00	0.00	67,169	0.00	0.00	0.00
11	Tirumal Trading and Investment Consultants Private Limited <sup>#</sup>	1,48,94,197	0.90	0.90	0	0.00	0.00	-0.93
12	Arlette Infrastructure Private Limited <sup>#</sup>	17,25,606	0.10	0.00	0	0.00	0.00	-0.11
	<b>TOTAL</b>	<b>71,90,27,331</b>	<b>43.39</b>	<b>33.46</b>	<b>72,22,12,331</b>	<b>43.57</b>	<b>55.68</b>	<b>0.18</b>

\* The term 'encumbrance' has the same meaning as assigned to it under regulation 28(3) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

§ Includes 15,000 Equity Shares acquired by Future Corporate Resources Limited which were lying in pool account as on 31<sup>st</sup> March, 2015.

# During the year, shares held by Arlette Infrastructure Private Limited and Tirumal Trading and Investment Consultants Private Limited, have been transferred to Future Ideas Realtors India Limited (now known as Weavette Business Ventures Limited) pursuant to Scheme of Arrangement.

## iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year (Details as per benpos as on 31 <sup>st</sup> March, 2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>PIL Industries Limited</b>				
	At the beginning of the year	12,98,04,747	7.83	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	25,00,000 (Acquisition of Shares on 26.06.2015)	0.15	13,23,04,747	7.98
	At the end of the year	13,23,04,747	7.98		
2	<b>Future Corporate Resources Limited</b>				
	At the beginning of the year	8,02,40,257 <sup>§</sup>	4.84		



Sl. No.		Shareholding at the beginning of the year (Details as per benpos as on 31 <sup>st</sup> March, 2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	5,00,000 (Acquisition of Shares on 24.06.2015)	0.03	8,07,40,257	4.87
	At the end of the year	8,07,40,257	4.87		
3	<b>Arlette Infrastructure Private Limited</b>	17,25,606	0.10		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	1,85,000 (Acquisition of Shares on 01.06.2015)	0.01	19,10,606	0.12
		19,10,606 (Transfer of shares to Future Ideas Realtors India Limited (Now known as Weavette Business Ventures Limited) on 4.06.2015 pursuant to Scheme of Arrangement)	0.12	Nil	Nil
	At the end of the year	Nil	Nil		
4	<b>Tirumal Trading and Invstment Consultants Private Limited</b>	1,48,94,197	0.90		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	1,48,94,197 (Transfer of shares to Future Ideas Realtors India Limited (Now known as Weavette Business Ventures Limited) on 4.06.2015 pursuant to Scheme of Arrangement)	0.90	Nil	Nil
	At the end of the year	Nil	Nil		
5	<b>Weavette Business Ventures Limited</b> (formerly known as Future Ideas Realtors India Limited)				
	At the beginning of the year	Nil	Nil		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	1,68,04,803 (Transfer of 19,10,606 shares from Arlette Infrastructure Private Limited and 1,48,94,197 shares from Tirumal Trading and Investment Consultants Private Limited on 4.06.2015 pursuant to Scheme of Arrangement)	1.01	1,68,04,803	1.01
	At the end of the year	1,68,04,803	1.01		

§ Includes 15,000 Equity Shares acquired by Future Corporate Resources Limited which were lying in pool account as on 31<sup>st</sup> March, 2015.

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

Sl. No.		Shareholding at the beginning of the year (Details as per benpos as on 31 <sup>st</sup> March, 2015)		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Arisaig Partners (Asia) PTE Ltd. A/c Arisaig India Fund Limited</b>				
	At the beginning of the year	15,20,43,000	9.18		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-
	At the end of the year	15,20,43,000	9.17		
2	<b>Verlinvest SA</b>				
	At the beginning of the year	Nil	Nil		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	4,79,28,751 (Acquisition of Shares on 25.09.2015)	2.89	4,79,28,751	2.89
		5,98,95,643 (Acquisition of Shares on 18.12.2015)	3.61	10,78,24,394	6.51
		3,26,89,575 (Acquisition of Shares on 26.02.2016)	1.97	14,05,13,969	8.48
	At the end of the year	14,05,13,969	8.48		

Sl. No.		Shareholding at the beginning of the year (Details as per benpos as on 31 <sup>st</sup> March, 2015)		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	<b>Bennett, Coleman and Company Limited</b>				
	At the beginning of the year	12,16,41,615	7.34		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	37,15,256 (Sale of Shares on 16.10.2015)	0.22	11,79,26,359	7.12
		17,41,143 (Sale of Shares on 23.10.2015)	0.11	11,61,85,216	7.01
		6,25,681 (Sale of Shares on 20.11.2015)	0.04	11,55,59,535	6.97
		8,38,000 (Sale of Shares on 27.11.2015)	0.05	11,47,21,535	6.92
		18,82,000 (Sale of Shares on 04.12.2015)	0.11	11,28,39,535	6.81
		12,61,347 (Sale of Shares on 11.12.2015)	0.08	11,15,78,188	6.73
		21,00,734 (Sale of Shares on 18.12.2015)	0.13	10,94,77,454	6.61
		2,00,000 (Sale of Shares on 25.12.2015)	0.01	10,92,77,454	6.59
		39,55,000 (Sale of Shares on 31.12.2015)	0.24	10,53,22,454	6.35
		2,40,254 (Sale of Shares on 08.01.2016)	0.01	10,50,82,200	6.34
	At the end of the year	10,50,82,200	6.34		
4	<b>Aaradhak Commercial Ventures Private Limited</b>				
	At the beginning of the year	8,15,48,254	4.92		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	24,36,241 (Sale of Shares on 25.12.2015)	0.15	7,91,12,013	4.77
	At the end of the year	7,91,12,013	4.77		
5	<b>Mohini Resources Private Limited</b>				
	At the beginning of the year	7,55,28,254	4.56		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	35,00,000 (Sale of Shares on 30.06.2015)	0.21	7,20,28,254	4.35
	At the end of the year	7,20,28,254	4.35		
6	<b>Antariksha Agro Farms Private Limited</b>				
	At the beginning of the year	3,39,359	0.02		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	4,30,849 (Acquisition of Shares on 03.04.2015)	0.03	7,70,208	0.05
		2,08,26,670 (Acquisition of Shares on 10.04.2015)	1.26	2,15,96,878	1.30
	At the end of the year	2,15,96,878	1.30		
7	<b>Santosh Desai</b>				
	At the beginning of the year	2,31,83,786	1.40		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	5,00,000 (Sale of Shares on 26.06.2015)	0.03	2,26,83,786	1.37
		25,00,000 (Sale of Shares on 30.06.2015)	0.15	2,01,83,786	1.22
		12,00,000 (Sale of Shares on 03.07.2015)	0.07	1,89,83,786	1.15
		1,59,687 (Sale of Shares on 16.10.2015)	0.01	1,88,24,099	1.14
		2,10,000 (Sale of Shares on 23.10.2015)	0.01	1,86,14,099	1.12
		7,00,000 (Sale of Shares on 25.12.2015)	0.04	1,79,14,099	1.08
	At the end of the year	1,79,14,099	1.08		
8	<b>ICICI Securities Limited</b>				
	At the beginning of the year	2,05,933	0.01		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	3,050 (Acquisition of Shares on 03.04.2015)	0.00	2,08,983	0.01
		1,68,515 (Sale of Shares on 10.04.2015)	0.01	40,468	0.00
		25,544 (Sale of Shares on 17.04.2015)	0.00	14,924	0.00
		8,863 (Sale of Shares on 24.04.2015)	0.00	6,061	0.00
		267 (Acquisition of Shares on 01.05.2015)	0.00	6,328	0.00
		41,192 (Acquisition of Shares on 08.05.2015)	0.00	47,520	0.00
		40,170 (Sale of Shares on 15.05.2015)	0.00	7,350	0.00
		65,485 (Acquisition of Shares on 22.05.2015)	0.00	72,835	0.00
		50,755 (Sale of Shares on 29.05.2015)	0.00	22,080	0.00
		14,538 (Sale of Shares on 05.06.2015)	0.00	7,542	0.00
		13,738 (Acquisition of Shares on 12.06.2015)	0.00	21,280	0.00
		760 (Acquisition of Shares on 19.06.2015)	0.00	22,040	0.00
		47,075 (Acquisition of Shares on 26.06.2015)	0.00	69,115	0.00
		81,052 (Acquisition of Shares on 30.06.2015)	0.00	1,50,167	0.01
		54,577 (Acquisition of Shares on 03.07.2015)	0.00	2,04,744	0.01

Sl. No.		Shareholding at the beginning of the year (Details as per benpos as on 31 <sup>st</sup> March, 2015)		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		1,20,387 (Sale of Shares on 10.07.2015)	0.01	84,357	0.01
		71,463 (Acquisition of Shares on 17.07.2015)	0.00	1,55,820	0.01
		1,38,793 (Sale of Shares on 24.07.2015)	0.01	17,027	0.00
		63,999 (Acquisition of Shares on 31.07.2015)	0.00	81,026	0.00
		15,280 (Sale of Shares on 07.08.2015)	0.00	65,746	0.00
		22,404 (Sale of Shares on 14.08.2015)	0.00	43,342	0.00
		7,357 (Acquisition of Shares on 21.08.2015)	0.00	50,699	0.00
		39,979 (Sale of Shares on 28.08.2015)	0.00	10,720	0.00
		51,552 (Acquisition of Shares on 04.09.2015)	0.00	62,272	0.00
		42,660 (Acquisition of Shares on 11.09.2015)	0.00	1,04,932	0.01
		47,169 (Sale of Shares on 18.09.2015)	0.00	57,763	0.00
		38,075 (Sale of Shares on 25.09.2015)	0.00	19,688	0.00
		7,338 (Sale of Shares on 30.09.2015)	0.00	12,350	0.00
		3,06,221 (Acquisition of Shares on 09.10.2015)	0.02	3,18,571	0.02
		2,41,233 (Sale of Shares on 16.10.2015)	0.01	77,338	0.00
		3,13,377 (Acquisition of Shares on 23.10.2015)	0.02	3,90,715	0.02
		3,13,628 (Sale of Shares on 30.10.2015)	0.02	77,087	0.00
		55,732 (Sale of Shares on 06.11.2015)	0.00	21,355	0.00
		2,78,600 (Acquisition of Shares on 13.11.2015)	0.02	2,99,955	0.02
		2,09,441 (Sale of Shares on 20.11.2015)	0.01	90,514	0.01
		99,406 (Acquisition of Shares on 27.11.2015)	0.01	1,89,920	0.01
		1,29,564 (Sale of Shares on 04.12.2015)	0.01	60,356	0.00
		80,686 (Acquisition of Shares on 11.12.2015)	0.00	1,41,042	0.01
		59,320 (Acquisition of Shares on 18.12.2015)	0.00	2,00,362	0.01
		1,22,944 (Acquisition of Shares on 25.12.2015)	0.01	3,23,306	0.02
		1,45,392 (Sale of Shares on 31.12.2015)	0.01	1,77,914	0.01
		24,128 (Sale of Shares on 01.01.2016)	0.00	1,53,786	0.01
		36,227 (Sale of Shares on 08.01.2016)	0.00	1,17,559	0.01
		42,872 (Acquisition of Shares on 15.01.2016)	0.00	1,60,431	0.01
		79,296 (Sale of Shares on 22.01.2016)	0.00	81,135	0.00
		35,815 (Acquisition of Shares on 29.01.2016)	0.00	1,16,950	0.01
		3,62,226 (Acquisition of Shares on 05.02.2016)	0.02	4,79,176	0.03
		2,19,848 (Sale of Shares on 12.02.2016)	0.01	2,59,328	0.02
		1,98,786 (Sale of Shares on 19.02.2016)	0.01	60,542	0.00
		36,307 (Sale of Shares on 29.02.2016)	0.00	24,235	0.00
		39,93,944 (Acquisition of Shares on 04.03.2016)	0.24	40,18,179	0.24
		33,60,458 (Sale of Shares on 11.03.2016)	0.20	6,57,721	0.04
		6,12,650 (Sale of Shares on 18.03.2016)	0.04	45,071	0.00
		39,13,433 (Acquisition of Shares on 25.03.2016)	0.24	39,58,504	0.24
		1,33,76,986 (Acquisition of Shares on 31.03.2016)	0.81	1,73,35,490	1.05
	At the end of the year	1,73,35,490	1.05		
9	<b>Anamudi Real Estates LLP</b>				
	At the beginning of the year	1,56,61,497	0.95		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-
	At the end of the year	1,56,61,497	0.94		
10	<b>Aman Overseas Private Limited</b>				
	At the beginning of the year	1,50,00,000	0.91		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	30,000 (Sale of Shares on 13.11.2015)	0.00	1,49,70,000	0.90
		70,000 (Sale of Shares on 20.11.2015)	0.00	1,49,00,000	0.90
		1,00,000 (Sale of Shares on 27.11.2015)	0.01	1,48,00,000	0.89
		1,99,996 (Sale of Shares on 04.12.2015)	0.01	1,46,00,004	0.88
		2,00,004 (Sale of Shares on 18.12.2015)	0.01	1,44,00,000	0.87
		42,486 (Sale of Shares on 25.12.2015)	0.00	1,43,57,514	0.87
	At the end of the year	1,43,57,514	0.87		

**Note :** Date of acquisition / sale of shares has been considered the date on which the beneficiary position was provided by the Depositories.

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>G N Bajpai</b>				
	At the beginning of the year	2,50,000	0.02		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-
	At the end of the year	2,50,000	0.02		
2	<b>Ashni Biyani</b>				
	At the beginning of the year	67,169	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-
	At the end of the year	67,169	0.00		
3	<b>K K Rathi</b>				
	At the beginning of the year	46,06,506	0.28		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	70,000 (Sale of shares on 26.06.2015)	0.00	45,36,506	0.27
		42,725 (Sale of shares on 02.07.2015)	0.00	44,93,781	0.27
		70,000 (Sale of shares on 06.07.2015)	0.00	44,23,781	0.27
		10,000 (Sale of shares on 08.07.2015)	0.00	44,13,781	0.27
		1,90,000 (Sale of shares on 09.07.2015)	0.01	42,23,781	0.25
		15,000 (Sale of shares on 10.07.2015)	0.00	42,08,781	0.25
		2,00,000 (Sale of shares on 17.07.2015)	0.01	40,08,781	0.24
		1,00,000 (Sale of shares on 20.07.2015)	0.01	39,08,781	0.24
		2,95,288 (Sale of shares on 29.07.2015)	0.02	36,13,493	0.22
		88,388 (Sale of shares on 30.07.2015)	0.01	35,25,105	0.21
		5,00,000 (Sale of shares on 09.10.2015)	0.03	30,25,105	0.18
	At the end of the year	30,25,105	0.18		
4	<b>Manoj Gagvani</b>				
	At the beginning of the year	1,00,000	0.01		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	5000 (Sale of shares on 13.10.2015)	0.00	95,000	0.01
		80,000 (Allotment of shares under ESOP on 10.11.2015)	0.00	1,75,000	0.01
	At the end of the year	1,75,000	0.01		
5	<b>Manoj Saraf</b>				
	At the beginning of the year	Nil	Nil		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-
	At the end of the year	Nil	Nil		
6	<b>Arun Kumar Agarwal</b>				
	At the beginning of the year	100	0.00		
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-
	At the end of the year	100	0.00		

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

₹ in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	54,815.50	-	-	54,815.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	275.87	-	-	275.87
<b>Total (i+ii+iii)</b>	55,091.37	-	-	55,091.37
<b>Change in Indebtedness during the financial year</b>				
* Addition	1,082.22	-	-	1,082.22
* Reduction	(10,887.42)	-	-	(10,887.42)
<b>Net Change</b>	(9,805.20)	-	-	(9,805.20)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	44,992.54	-	-	44,992.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	293.63	-	-	293.63
<b>Total (i+ii+iii)</b>	45,286.17	-	-	45,286.17



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ashni Biyani (Whole Time Director)	Arun Kumar Agarwal (Manager)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	69.09	34.11	103.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.33	0.33
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>69.09</b>	<b>34.44</b>	<b>103.53</b>
	Ceiling as per the Act	The remuneration paid to Whole Time Director and Manager is within the ceiling prescribed under the Companies Act, 2013		

### B. Remuneration to other directors

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		G. N. Bajpai	Vibha Rishi	Adhiraj Harish	
1	Independent Directors				
	Fee for attending board / committee meetings	4.50	2.75	2.50	9.75
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>4.50</b>	<b>2.75</b>	<b>2.50</b>	<b>9.75</b>
2	Other Non-Executive Directors				
		Kishore Biyani	Frederic de Mevius	K. K. Rathi	
	Fee for attending board / committee meetings	2.50	1.50	3.75	7.75
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>2.50</b>	<b>1.50</b>	<b>3.75</b>	<b>7.75</b>

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Manoj Saraf (Chief Financial Officer)	Manoj Gagvani (Company Secretary & Head – Legal)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	97.56	66.52	164.08
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	9.83*	10.23
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>97.96</b>	<b>76.35</b>	<b>174.31</b>

\* Includes perquisite value of ₹ 9.50 lakhs on stock options exercised during the year.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

Disclosures relating to Employee Stock Option Scheme(s) in respect of Options granted till 31<sup>st</sup> March, 2016

Sr. No	Particulars	FVIL ESOP-2011		FCEL ESOP-2014	
A	Disclosures in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note. No. 30 in Notes to Standalone Financial Statements		Refer Note. No. 30 in Notes to Standalone Financial Statements	
B	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 – Earnings Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	(0.41)		(0.41)	
C	Details related to ESOS				
(i)	A description of each ESOS that existed at any time during the year including the general terms and conditions of each ESOS including				
(a)	Date of Shareholders’ Approval	10 <sup>th</sup> August, 2010 and 16 <sup>th</sup> January, 2012		12 <sup>th</sup> January, 2015 and 12 <sup>th</sup> May, 2015	
(b)	Total Number of Options approved under ESOS	5,00,00,000		Primary Route : 3,19,50,000 options; Secondary Route : 7,98,00,000 options	
(c)	Vesting Requirements	At the end of one year from the date of Grant	30% of options granted	At the end of one year from the date of grant	20% of options granted
		At the end of two years from the date of Grant	30% of options granted	At the end of two years from the date of grant	30% of options granted
		At the end of three years from the date of Grant	40% of options granted	At the end of three years from the date of grant	50% of options granted
(d)	Exercise price or Pricing formula	₹ 6		Primary Route :  The exercise price per Option shall not be less than the face value of Equity Shares and shall not exceed market price of the Equity Share of the Company as on date of grant of Options.  Secondary Route :  The exercise price per Option shall not exceed market price of the Equity Share of the Company as on date of grant of Options or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher	
(e)	Maximum term of Options granted	Three Years from the date of Vesting		Three Years from the date of Vesting	
(f)	Source of Shares (primary, secondary or combination)	Primary		Primary and Secondary	
(g)	Variation of terms of Options	Nil		Nil	
(ii)	Method used to account for ESOS - Intrinsic or fair value	Intrinsic		Intrinsic	

Sr. No	Particulars	FVIL ESOP-2011	FCEL ESOP-2014
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Had the Company followed the fair value method of stock option compensation, net loss would have been higher by ₹ 367.44 Lakhs.	
(iv)	Option Movement during the year (for each ESOS)		
a)	Number of Options outstanding at the beginning of the Period	10,06,000	Nil
b)	Options granted during the year	1,50,00,000	1,59,50,000
c)	Number of Options forfeited / lapsed during the year	8,000	Nil
d)	Number of Options Vested during the year.	6,90,000	Nil
e)	Number of Options exercised during the year	2,98,000	Nil
f)	Number of shares arising as a result of exercise of Options	2,98,000	Nil
g)	Money realized by exercise of Options	17,88,000	Nil
h)	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Nil
i)	Number of options outstanding at the end of the year	1,57,00,000	1,59,50,000
j)	Number of Options exercisable at the end of the year.	7,00,000	Nil
v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	₹ 18.80	Not Applicable
vi)	Employee wise details of options granted to:		
(a)	Senior Managerial Personnel (Directors and Key Managerial Personnel)	Refer Note 1	Refer Note 1
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Refer Note 1	Refer Note 1

Sr. No	Particulars	FVIL ESOP-2011	FCEL ESOP-2014
(c)	Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company from the time of grant.	Nil	Nil
vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:		
(a)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Refer note 30, under notes forming part of the standalone financial statements	Refer note 30, under notes forming part of the standalone financial statements
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	The fair value of each Option is estimated using the Black Scholes Option Pricing model.	The fair value of each Option is estimated using the Black Scholes Option Pricing model.
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options and is based on the daily volatility of the Company's stock price on NSE. The Company has incorporated the early exercise of Options by calculating expected life on past exercise behaviour.	The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options and is based on the daily volatility of the Company's stock price on NSE. The Company has incorporated the early exercise of Options by calculating expected life on past exercise behaviour.
(d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	There are no market conditions attached to the grant and vest.	There are no market conditions attached to the grant and vest.

#### Details related to Trust:

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

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

Sr. No.	Particulars	Details
1	Name of the Trust	Future Consumer Enterprise Employees Welfare Trust
2	Details of the Trustee(s)	IL & FS Trust Company Limited
3	Amount of loan disbursed by Company / any company in the group, during the year	₹ 2,032.30 lakhs
4	Amount of loan outstanding (repayable to Company / any company in the group) as at the end of the year	₹ 2,032.30 lakhs
5	Amount of loan, if any, taken from any other source for which Company / any company in the group has provided any security or guarantee.	Nil
6	Any other contribution made to the Trust during the year	Nil



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

(a)	Number of shares held at the beginning of the year;	Nil
(b)	Number of shares acquired during the year through:	
	(i) primary issuance	Nil
	(ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	1,15,32,988 equity shares constituting 0.70% of the paid equity share capital of the Company as on 31 <sup>st</sup> March, 2015 Weighted average cost of acquisition per share ₹ 17.59 per share
(c)	Number of shares transferred to the employees / sold along with the purpose thereof	Nil
(d)	Number of shares held at the end of the year	1,15,32,988 equity shares

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

Sr. No	Particulars	Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
a)	Held at the beginning of the year	Nil	Nil
b)	Acquired during the year	1,15,32,988	0.70%
c)	Sold during the year	Nil	Nil
d)	Transferred to the employees during the year	Nil	Nil
e)	Held at the end of the year	1,15,32,988	0.70%

**Note 1: Details of Options granted and in force are as under:**

Sr. No.	Name of the Employee	Designation	No. of Options granted	
			FVIL ESOP-2011	FCFL ESOP-2014
A	Key Managerial Personnel / Senior Management Personnel			
1	Narendra Baheti	Business Head- Agri Division	20,00,000	-
2	Manoj Gagvani	Company Secretary & Head – Legal	10,00,000	6,50,000
3	Govind Baheti	Business Head-Big Bazaar	-	7,50,000
4	Manoj Baheti	Zonal Head-East	-	7,50,000
5	Anand Jaju	Zonal Head-North	-	7,50,000
6	Rajesh Baheti	Zonal Head-Central	-	7,50,000
7	Arun Gupta	President-Business Development & Investments	7,00,000	-
8	Samir Kedia	Chief – Corporate Accounts and Taxation	-	6,50,000
9	Subham Ray	Chief – New Product Development	5,00,000	1,50,000
10	Manoj Kumar Saraf	Chief Financial Officer	-	5,50,000
11	Anurag Kothari	Senior Manager-Finance & Accounts	-	5,00,000
12	Deepak Gupte	General Manager-Operations	-	5,00,000
13	Gopal Bihani	Business Head-F&V	-	4,00,000
14	Sumit Saran	Head-International Foods, Operations	-	3,00,000
15	Arun Kumar Agarwal	Manager	-	2,75,000
16	Surabhi Sen	Chief-Marketing	-	2,75,000
17	Amit Kumar Agarwal	Chief-Commercial	-	2,75,000
18	Madhusudan Baheti	Zonal Head-West	-	2,00,000
19	Govind Maheshwari	Chief Category- North	-	2,00,000
20	Anand Baheti	Zonal Head-South	-	2,00,000
21	Manmohan Rathi	Senior Manager-Projects	-	1,50,000
B.	Other Employee(s) who have received a grant amounting to 5% or more of the options granted during the year			
1	Sanjay Jain	Director of Subsidiary Company	85,00,000	-
2	Devendra Chawla	Director of Subsidiary Company	30,00,000	20,00,000
C.	Identified Employees who were granted options, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.			
	Nil	NA	NA	NA

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

{Pursuant to clause (o) of sub-section 134 of the Act and Rule 9 of the (Corporate Social Responsibility) Rules, 2014}

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

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

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

- a) Ms. Ashni Biyani - Chairperson
- b) Mr. Kishore Biyani - Member
- c) Ms. Vibha Rishi - Member

**3. Average net profit of the Company for last three financial years:** For the last three financial years, the Company has incurred Average Net Loss of ₹ 4,295.62 lakhs.

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

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

- (a) Total amount to be spent for the financial year: Nil
- (b) Amount unspent, if any: Not Applicable
- (c) Manner in which the amount spent during the financial year is detailed below:

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

\*Give details of implementing agency

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

Not Applicable

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

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

Date: 19<sup>th</sup> May, 2016

Place: Mumbai

Ashni Biyani

Whole Time Director and Chairperson – CSR Committee

## NOMINATION AND REMUNERATION POLICY

### 1. Purpose of this Policy:

In terms of requirements prescribed under Section 178 of the Companies Act, 2013 (the “**Act**”) and the provisions of Clause 49 of the Listing Agreement with Stock Exchanges (as amended from time to time), Future Consumer Enterprise Limited (“**Company**”) has adopted this Remuneration Policy for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the “**Policy**”).

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

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

The Committee will ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

### 2. Definitions:

- a) “**Board**” shall mean Board of Directors of the Company as constituted from time to time.
- b) “**Independent Director**” means a director referred to in Section 149(6) of the Act and the Clause 49, as amended from time to time.
- c) “**Key Managerial Personnel /KMP**” shall mean “Key Managerial Personnel” as defined in Section 2(51) of the Act.
- d) “**Committee**” shall mean Nomination and Remuneration/Compensation Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Clause 49.
- e) “**Senior Management**” means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Clause 49 or the Accounting Standards shall have the meanings assigned to them in these regulations.

### 3. Composition of the Committee:

The composition of the Committee is / shall be in compliance with the Act, Rules made thereunder and the Clause 49 of the Listing Agreement, as amended from time to time.

### 4. Appointment and removal of Director, KMP and Senior Management:

#### 4.1 Appointment criteria and qualification:

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

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

#### 4.2 Term:

The Term of the Directors including Managing / Whole Time Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the Clause 49, as amended from time to time.

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

#### **4.3 Evaluation:**

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

#### **4.4 Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

### **5. Remuneration of Managing / Whole Time Director, KMP and Senior Management:**

The remuneration / compensation / commission, etc., as the case may be, to the Managing /Whole time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder. The Managing Director/Whole Time Director of the Company is empowered to decide the remuneration of KMP and Senior Management based on the standard market practice and prevailing HR policies of the Company.

### **6. Remuneration to Non-executive / Independent Director:**

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

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time.

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and Manager during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and designation	Remuneration of Director / KMP for Financial Year 2015-16 (₹ In Lakhs)	% increase in Remuneration for Financial Year 2015-16	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Ashni Biyani Whole Time Director	69.09	No Increase	37	The Company has generated EBITDA profit of 2% of sales in the financial year 2015-16 as compared to EBITDA loss of -1% of sales in the financial year 2014-15
2	Arun Agarwal Manager	34.44	11%	18	
3	Manoj Gagvani Company Secretary & Head-Legal	76.35	11%	41	
4	Manoj Saraf Chief Financial Officer	97.96	No Increase	52	

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

In the financial year 2015-16, there was an increase of 46% in the median remuneration of employees. This is mainly because of transfer of employees on account of re-alignment of convenience store business to be undertaken under Franchisee model.

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

There were 992 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2016.

- (iv) **Explanation on relationship between average increase in remuneration and Company performance**

The Company has generated EBITDA profit of 2% of sales for the financial year ended 31<sup>st</sup> March, 2016 as compared to -1% of sales in the financial year 2014-15 whereas the average increase in the remuneration for the same period was 13.79% over the immediately corresponding previous period. The average increase in the remuneration was in line with the performance of the Company.

- (v) **a) Variations in the market capitalisation of the Company**

The market capitalisation as on 31<sup>st</sup> March, 2016 was ₹ 3,406 Crore and as on 31<sup>st</sup> March, 2015 was ₹ 2,007 Crore.

- b) Price Earnings ratio of the Company was (53.59) as at 31<sup>st</sup> March, 2016 and was (20.86) as at 31<sup>st</sup> March, 2015.**

- c) Percent increase over/decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer:**

Particulars	31 <sup>st</sup> March, 2016*	10 <sup>th</sup> May, 2011**	% Increase
Market Price (BSE) (₹)	20.55	8.30	148%
Market Price (NSE) (₹)	20.50	8.20	150%

\* Face Value of ₹ 6 per equity share

\*\* Face Value of ₹ 10 per equity share

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

The average percentage increase made in the salaries of employees other than the managerial personnel for the financial year i.e. 2015-16 was 14.69% whereas the increase in the managerial remuneration for the same financial year was 11%.



**(vii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year –**

<b>Sr No</b>	<b>Name</b>	<b>Ratio of Remuneration of the highest paid director to that of the employees who are not directors but receive higher salary than highest paid director</b>
1	Manoj Gagvani Company Secretary & Head-Legal	0.9
2	Manoj Saraf Chief Financial Officer	0.7
3	Arun Gupta President - Business Development & Investments	0.4

**(viii) Key parameters for any variable component of remuneration availed by the directors –** Not Applicable as no variable component forms part of remuneration of Directors.

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

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

## 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 eco-system in which these are operating.

Management Discussion and Analysis is structured to comprise:

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

India overtook China as the fastest growing major economy in the world. The GDP of India grew at 7.3% from October to December 2015 as opposed to China which grew at 6.8% during the same period. India, supported by robust domestic demand, is expected to continue its strong growth trajectory in the medium term at a time when major global economies are headed for a slowdown. International Monetary Fund has projected the GDP to grow at an average of 7.5% over the next two years, while Central Statistics Office expects India to grow at 7.6% in 2016. The Country remains a lone bright spot in the global economic turmoil and your Company is expected to benefit significantly from the economic environment in the Country. Currently, the Indian economy is characterized by the Government's liberalized foreign investment and trade policy with a significant role being played by de-regulation and the contribution of the private sector.

India will continue to benefit from controlled inflation, soft crude price outlook and above normal monsoon forecast leading to higher disposable income providing a boost to domestic consumption. This along with recommendations of wage hike in the 7<sup>th</sup> Pay Commission will result in higher spending power in the hands of over 10 million employees and pensioners, further accelerating consumption in the Country.

India continues to benefit from the growing domestic demand from a young population, whose consumption is driving the expansion of the middle class. By 2025, India is expected to become the fifth-largest consuming class Country. An emerging rural consumer base is also contributing to this demand. The Country has one of the highest savings rate in the world. As per the World Bank Data, India outperforms various developed nations with an

estimated savings rate (as a percentage of GDP) at 31.8% in 2013, compared with a world average of 21.4%. This certainly will propel consumption to new level and we could see an economy thriving on twin engines of growth namely investment and consumption.

### BUSINESS AND PERFORMANCE OVERVIEW

Future Consumer Enterprise Limited ("**Company**") has continued to bolster its position as an integrated food company with operations ranging from sourcing, manufacturing, branding and distribution. The Company has a strong portfolio of Food and FMCG brands supported by two pillars viz. strong distribution network led by Future Group retail network and expertise in the fields of sourcing and manufacturing. The Company has access to over 700 modern retail stores of the group spread across various formats to cater to the needs of different customers. The Company has strong sourcing capabilities which are depicted by its sourcing network in agri-commodities and fresh produces. Manufacturing capabilities of your Company are underscored by strong manufacturing abilities in dairy and bakery, frozen vegetables and snacks, chutney and oats.

The Company is constantly expanding its existing vast portfolio of established Food & FMCG brands. In the financial year 2015-16, several products in value-add categories were launched, which are able to command higher price point. The Company launched its speciality atta brand "Desi Atta" in the western region of India. The Company has also launched delicious range of chutney / speciality sauces under the brand "Sangi's Kitchen". The brand has been very well received by our consumers. Nilgiris has been an excellent strategic fit to Company's product portfolio. Nilgiris now boasts of one of the strongest dairy portfolio in the country. In fiscal year 2015-16, the Company undertook the geographical expansion of Nilgiris with the launch of milk and other value-add products in Delhi. Nilgiris dairy products now come in attractive new packaging further strengthening the brand appeal. We also launched value added dairy products such as a range of Crème spreads, in 5 flavors, milk tetra packs, cheese and chaas variants. The Company has its brands present in various categories such as Basic Foods, Ready to Eat Meals, Snacks, Beverages, Chutneys, Dairy and Bakery, Personal Care and Home Care products. Your Company has also joined hands with leading FMCG companies for co-promotion of own brands.

India Food Park is strengthening Company's existing line of established brands in the commodity and value-added space through better sourcing, warehousing, sorting, manufacturing and packaging. The best in class facilities has enabled the Company's foray into newer food categories such as branded fruits and vegetables, chutney / sauces, canola and rice bran oils, frozen and processed food products.

In fiscal 2015-16, your Company acquired consumer products division of Grasim Industries Limited which is primarily engaged in the business of manufacturing and distribution of wet wipes under the brand names “Kara”, “Purretta”, “Handys” and “Prim” together with an integrated manufacturing facility. The brand Kara is one of the largest wet wipes brand in the Country and has a strong customer recall in its segment. Kara has presence in various innovative categories such as skin care, home care, hand sanitizers and baby care. The brand Kara is repositioned as women’s on the go beauty brand to further enhance its appeal and is sold through the general trade and modern trade formats. With this strategic acquisition, your Company has also gained an access to a network of 13 Carrying and Forwarding agents and 140 distributors for pushing sales of its brands in General Trade.

During the year under review, the Company entered into Franchisee arrangement with third parties to franchise its urban and rural convenience store network. The Company still very much retains its essence of “farm to fork” via the robust franchisee based distribution network and through General Trade of manufactured products.

During the year under review, your Company entered into a public private partnership with Rajasthan State Food and Civil Supplies Corporation for providing better quality multi brand consumer goods through Fair Price shops. The supply was extended to 500 Fair Price shops by adding 4 distribution centres in the region.

The financial year 2015-16 also saw your Company making significant inroads into General Trade. The Company is currently undertaking the General Trade launch for its leading brands viz. Tasty Treat, Think Skin and Sunkist. Your Company has also entered into strategic partnership with Star Bazaar to sell its brands in Star Bazaar stores. Eight of FCEL brands have already started selling through more than 20 stores of Star Bazaar and this is a huge step towards a strong distribution footprint. FCEL is also leveraging the additional footprint available via addition of *easyday* stores to Future Group’s retail network.

The financial year 2015-16 has been a period of portfolio extension and network expansion for the Company with a sole aim of having an integrated play in the Food and FMCG segment.

Your Company undertook a preferential issue to raise US\$ 45 million from Black River Food 2 Pte. Limited via issuance of Compulsorily Convertible Debentures and ₹ 67 crore from its promoter group entity via issuance of convertible Warrants. The proceeds will further fund the growth objective of the Company and also repay debt.

Your Company has recorded a turnover of ₹ 1,343.80 crore and EBITDA profit of ₹ 21.42 crore in the current financial year as against a turnover of ₹ 1,082.55 crore and EBITDA loss of ₹ 5.99 crore in the year before.

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

### **Subsidiary Companies:**

#### **1. Aadhaar Wholesale Trading and Distribution Limited (“Aadhaar”)**

Aadhaar is in the business of rural and semi-urban Wholesale and Distribution of fast moving consumer products and general merchandise. It is actively pursuing wholesale distribution and franchisee models in this segment. Aadhaar currently has 56 such franchisees. 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. For the fiscal 2015-16, Aadhaar has registered income of ₹191.74 crore reducing the EBITDA loss to ₹ 1.34 crore from ₹ 4.45 crore in the previous year.

#### **2. The Nilgiri Dairy Farm Private Limited (“Nilgiris”)**

With origin in 1905, Nilgiris is a leading food and grocery franchised retail chain in South India operating 149 franchise stores. Nilgiris has chain of convenience stores with a strong presence in urban centres across India’s southern states. The company has a unique portfolio of food brands, supported by owned manufacturing facilities for dairy and bakery categories. With in-house capabilities centering on bakery and dairy products, Nilgiris has grown to become a household name in the south with consumers spanning successive generations. Nilgiris has registered consolidated income of ₹ 225.79 crore and EBITDA loss of ₹ 1.51 crore for the fiscal 2015-16. The subsidiaries of Nilgiris, as mentioned below, are engaged in the business of (i) licensing franchisee rights to third parties for operating convenience stores under the ‘Nilgiris 1905’ brand, (ii) manufacturing chocolates, dairy and bakery products and (iii) trading in general merchandise and imported products:

- a) Appu Nutritions Private Limited
- b) Nilgiri’s Mechanised Bakery Private Limited
- c) Nilgiris Franchise Private Limited

#### **3. Integrated Food Park Private Limited (“IFPPL”)**

Set-up in partnership with the Ministry of Food Processing Industries, Government of India – the state-of-the-art India food park facilitates end to end food processing along the value chain (grading, sorting, pulping, packaging & distribution) from the farm to the market. Equipped with world-class food processing units, 22,000 tonne storage capacity, cold storage unit and in-house pulping, milling, flouring, spice and dal units, the massive park is spread across 110 acre land at Tumkur region in Karnataka. The food park is a home for several food processing firms where IFPPL enables them to work through a single window system. IFPPL has registered total income of ₹ 7.09 crore and EBITDA profit of ₹ 0.06 crore for the fiscal 2015-16.

#### 4. Aussee Oats Milling (Private) Limited (“Aussee Oats”)

During the fiscal 2015-16, Aussee Oats commenced operations of a state-of-the-art “oatsbased” breakfast cereals manufacturing facility (EOU - Export Oriented Unit) in Sri Lanka through a Joint Venture initiative with SVA India Limited and the Company. The Company holds 50% plus one ordinary share of Aussee Oats. Aussee Oats will focus on manufacturing and sale of a range of breakfast cereals such as mueslis, oats, cornflakes, wheat flakes, etc. The finished products are targeted to be sold by Aussee Oats in various countries such as India, Sri Lanka, Pakistan, Nepal, Bangladesh, Bhutan, etc.

#### 5. Sublime Foods Private Limited (“Sublime Foods”)

During the fiscal 2015-16, Sublime Foods commenced its operations of manufacturing a range of convenient food products such as sauces, condiments and dressings. The unit set up by Sublime Foods at India Food Park Tumkur, mainly produces Oriental and Western sauces such as sweet & chilli, chilli garlic, sriracha, schetzwan, mayonnaise, Indian ginger garlic paste, imli chutney and Italian classic arrabiatta and alfredo. It will also be capable of making jams, jellies, confectionery fillings, different types of cheese and some dairy products. The Company owns 51% stake in Sublime Foods.

#### 6. 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, USA 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 digitized 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, expand to more regional languages and competitiveness of the product pricing. In the offline distribution business 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.

The subsidiaries of ACK, as mentioned below, are engaged in the business of media & entertainment and distribution and support ACK to achieve its objective:

- a) FCEL Food Processers Limited (*formerly known as ACK Edutainment Limited*)
- b) ACK Media Direct Limited
- c) IBH Books & Magazines Distributors Limited
- d) Ideas Box Entertainment Limited

During the fiscal 2015-16, ACK has reported consolidated income of ₹ 49.97 crore and EBITDA loss of ₹ 6.21 crore.

#### 7. Future Food and Products Limited (“FFPL”) and Future Food Processing Private Limited (*Formerly known as Future Personal Care and Hygiene Products Private Limited*) (“FFPPL”)

FFPL and FFPPL have diversified its objects to focus on establishment of food processing units, and are yet to commence operations.

#### 8. Future Consumer Products Limited (“FCPL”)

FCPL is involved in the business of product development, designing, branding and distribution of FMCG products under the brand “Sach”. “Sach” is a co-created brand in association with the iconic cricketer Sachin Tendulkar, which establishes an emotional connect with young consumers.

Categories of products to which “Sach” brand caters includes oral care, liquid hand wash, kids’ soap and juices.

#### 9. Express Retail Services Private Limited (“Express Retail”)

Express Retail was predominantly engaged in the business of distribution of food and FMCG products through an iconic format brand “Big Apple” having presence in Delhi. The Company had acquired 100% stake in Express Retail in September 2012. Pursuant to Composite Scheme of Arrangement and Amalgamation, the business undertaken by Express Retail has been demerged into the Company. These stores were converted in KB’s Fair Price stores and are now operated under franchisee arrangements.

#### 10. Star and Sitara Wellness Limited (“Star & Sitara”)

Star & Sitara has discontinued its business by closing all its stores.

#### 11. MNS Foods Private Limited ("MNS Foods")

During the year under review, MNS Foods was incorporated as a subsidiary of the Company to undertake the business of manufacturing, purchasing, trading of all kinds of wafer biscuits, chocolate enrobed wafer biscuits, confectionaries, bakery, cookies, pastries, cereals foods, canned foods, lemon drops, extruded foods, tinned fruits, preserved foods, nutrients, vegetables, fruits, jams, pickles, sausages, diet foods, toffees, chocolates and packaging activities. The Company holds 50.01% stake in MNS Foods.

#### 12. Bloom Fruit and Vegetables Private Limited ("Bloom")

Bloom, a wholly owned subsidiary of the Company, incorporated during the year under review, is engaged in the business of selling, importing, exporting, processing, packing, re-packing, trading or otherwise dealing in all types of dehydrated, processed, unprocessed, frozen and preserved fruits and vegetables, and all type of food products and food grains.

#### 13. FCEL Overseas FZE ("FCEL Overseas")

FCEL Overseas has been set up in UAE to undertake the business of dealing in various products such as fruits, vegetables, food and other items. FCEL Overseas is expected to commence its business operations in current fiscal.

#### 14. Aussee Oats India Private Limited ("Aussee Oats India")

Aussee Oats India is engaged in the business of selling, importing, exporting and processing of all types of food products, primarily focusing on oats and oats based products in India. The Company holds 50% plus one equity share of Aussee Oats India.

#### Associate Company:

##### 1. Sarjena Foods Private Limited ("Sarjena Foods")

The Company holds 21.26% stake in Sarjena Foods. The brand 'Baker Street' – was formed under the aegis of Sarjena Foods. The product portfolio includes cookies, toast, rusk, nutribite, among others which is exported to more than 19 countries like USA, UK, Japan, Australia, New Zealand, Singapore, Dubai, Oman, Saudi Arabia, South Africa, Mozambique, Ghana, Malaysia, Canada, Philippines, Mauritius, Ireland, Germany and Spain. This brand is also present across domestic channel of modern retail outlets like Big Bazaar, Food Bazaar, Reliance Fresh, Hypercity, Spencer, MORE, TESCO, Apna Bazaar, Sahakari Bhandar, Haiko, Max Hyper, Magnet, etc.

During the year under review, Sarjena Foods has registered income of ₹ 5.63 crore and EBITDA loss of ₹ 3.90 crore

#### Joint Venture Company:

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

During the year under review, the Company has entered into a joint venture arrangement with Mibelle A. G., a division of Migros Group, Switzerland, by forming a

50:50 joint venture company under the name Mibelle Future Consumer Products AG at Switzerland. Mibelle is engaged in the business of manufacturing, marketing, distributing, exporting and dealing into personal care products under the brand 'Swiss Tempelle', and is yet to commence its operations.

#### COMPETITIVE LANDSCAPE

The FMCG sector in India is underscored by presence of MNC's who have strong pan India distribution network. At the same time, large portion of food consumption in India is serviced by regional and small domestic players and highly fragmented unorganized players. Unbranded products in Food and FMCG sector constitute a significant share of the market. As a result, the Food and FMCG sector has become highly competitive emphasizing the need for branding, distribution and innovation for their survival.

The enactment of Food Safety and Standards Act ("FSSA") has added a new dimension to the sector and the players also have to comply with the rigid guidelines and standards. Only compliant players shall be able to survive in the long run. We have been continuously developing and strengthening our brands, increasing distribution channels both in urban and rural markets via franchisee route, and emphasizing on launching new and innovative products. We have also instituted necessary safeguards to comply with FSSA and ensure that all our products follow these guidelines scrupulously. We believe that despite the highly competitive scenario we are well placed to satisfy the changing consumer preferences and demands, comply with food safety standards and establish deeper presence for our brands and Company.

#### RISKS AND THREATS

Your Company operates into Food and FMCG business which has some inherent risks. The sector is largely affected by factors such as consumer demand, cost control and market conditions. This requires identifying, monitoring and mitigating risk predominantly in the areas of business, operations and finance. Your Company continues to focus on a system-based approach in risk management by adopting adequate measures to anticipate, plan and mitigate the spectrum of risks it faces.

With regards the business risks, continuous monitoring with laid down policies and procedures, help in plugging gaps by assisting operating management in the formulation of control processes for the areas of operation. The annual planning exercise requires clearly identifying risks and setting out a mitigation plan with agreed timelines and accountability. On the front of financing risk, costs are continuously monitored and adequate measures are taken in working capital management to mitigate the same. The new emerging risk is non compliance with Food Safety Standards of which we are fully conscious and have put in place a system to achieve them.

#### INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has strong Internal Controls which enable it to comply with the policies, procedures, standard guidelines and laws to help protect its assets against financial losses.



The Audit Committee comprising of Independent Directors regularly reviews the financial and risk management policies, monitors control procedures, reviews key audit findings and recommend measures to improvise the risk mitigation plan concerning the business of Company and that of its subsidiaries. The scope of work for the Internal Auditors is designed in the manner that they review the processes and transactions on periodic basis, discuss their findings with the operating management and make recommendations which are submitted to the Audit Committee. The Management Assurance team additionally carries out quarterly reviews to assess the internal control environment and their adequacy concerning the business and environment and make recommendations.

A broader system of internal controls and external audits have been defined and deployed in various businesses to effect continuous improvements and protect our businesses and Shareholders from potential risks.

## **HUMAN RESOURCES**

Human resource is the most vital factor to achieve the goals of the Company. Being a progressive organisation, your Company firmly believes in its vital assets - People.

To gain a competitive edge in a highly dynamic industry, your Company is in the process of acquiring the best of the talent from FMCG and relevant industries.

The Company is also in the process of implementing number of policies and initiatives to ensure a healthy balance between business needs and Individual aspirations.

We have in place a variety of measures to engage the employees and ensure career progression, helping employees move from their current level to a higher level.

This includes giving our employees job rotations and special projects. As on 31<sup>st</sup> March, 2016, there were 992 permanent employees in the Company.

## **REVIEW OF CONSOLIDATED FINANCIAL PERFORMANCE**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles ("Indian GAAP") to comply with the Accounting Standards and the relevant provisions of the Companies Act, 2013 (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 acquisition of various subsidiaries and associates in

the previous and current year as well as re-alignment of convenience store business to be undertaken under Franchisee model.

## **Turnover**

The Company has recorded consolidated turnover of ₹ 1,757.81 crore in the fiscal 2015-16 as against ₹ 1,312.26 crore in last fiscal. Our turnover consists of income from sale of products and other operating income by the Company and its subsidiaries.

## **Cost of Goods Sold**

Our cost of goods sold primarily includes costs in relation to purchases of finished goods and raw materials and other cost. Our cost of goods sold accounted for 83.99% and 86.89% of our turnover for fiscal 2015-16 and fiscal 2014-15 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 6.12% and 6.49% of our turnover for fiscal 2015-16 and fiscal 2014-15 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 11.01% and 10.48% of our turnover for fiscal 2015-16 and fiscal 2014-15 respectively.

## **Interest and Financing Charges**

Our interest and financing cost primarily consists of interest on working capital loans, fixed loans and term loans. Our interest and financing charges accounted for 3.48% and 2.43% of our turnover for fiscal 2015-16 and fiscal 2014-15 respectively.

## **Depreciation and 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 3.43% and 3.62% of our turnover for fiscal 2015-16 and fiscal 2014-15 respectively.

## CORPORATE GOVERNANCE REPORT

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “SEBI Listing Regulations”), *inter alia* mandates corporate governance related practices and requirements, which listed companies are required to adopt. This Report outlines the governance practices followed by the Company in compliance with the requirements prescribed under the SEBI Listing Regulations.

### COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company's philosophy on corporate governance is to achieve business excellence and to create long term value for its stakeholders. The Company believes in adopting best practices to ensure fairness, transparency, accountability and integrity across all its operations and maintaining valuable relationship and trust with the stakeholders.

The Company has established adequate procedures and systems to ensure regular dissemination of financial and operational information to the Board of Directors for providing effective oversight of the Company's business and activities. 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.

Actions and decisions of the Board are aligned in the best interest of the Company. The Board critically evaluates

Company's strategic decisions, management policies and its effectiveness. The Board regularly reviews related party transactions, financial statements and evaluates performance of the business operations.

### BOARD OF DIRECTORS

The Board of Directors of the Company (“Board”) has an optimum combination of Executive and Non-Executive Directors, more than fifty percent being Non-Executive Directors and more than one-third being Independent Directors. The Board also comprises of two women directors.

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

Ms. Ashni Biyani, Whole Time Director of the Company, does not serve as an Independent Director of any other listed company.

During the financial year 2015-16, six meetings of the Board of Directors were held on the following dates:

15<sup>th</sup> May, 2015, 8<sup>th</sup> August, 2015, 7<sup>th</sup> November, 2015, 26<sup>th</sup> December, 2015, 11<sup>th</sup> February, 2016 and 8<sup>th</sup> March, 2016.

The minimum information to be placed before the Board as required under Part A of Schedule II of the SEBI Listing Regulations (to the extent applicable), is placed before the Board at their meetings.

The details of Directorship and Membership/Chairmanship of the Committees of the Board held by the Directors as on 31<sup>st</sup> March, 2016 and their attendance at the meetings during the year are as follows:

Name of the Director	Category	No. of Board Meetings held during the financial year 2015-16	No. of Board Meetings attended by the Director during the financial year 2015-16	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 Director & Non Executive Director	6	6	Yes	8	3	6
Mr. Kishore Biyani	Promoter, Vice-Chairman & Non-Executive Director	6	4	Yes	9	1	2
Ms. Vibha Rishi	Independent Director & Non-Executive Director	6	4	No	8	0	4
Mr. Frederic de Mevius	Non-Executive Director	6	3	No	0	0	0
Mr. K K Rathi	Non-Executive Director	6	6	No	4	0	5

Name of the Director	Category	No. of Board Meetings held during the financial year 2015-16	No. of Board Meetings attended by the Director during the financial year 2015-16	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
Ms. Ashni Biyani	Whole Time Director	6	6	Yes	7	0	1
Mr. Adhiraj Harish^	Independent Director & Non-Executive Director	6	4	N.A.	3	0	4
Mr. Jagdish Shenoy**	Independent Director & Non-Executive Director	6	2	No	N.A.	N.A.	N.A.

# excludes directorship in private companies, foreign companies and Section 8 companies

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

^ Appointed as an Additional Director with effect from 1<sup>st</sup> September, 2015

\*\* Ceased to be Director with effect from 1<sup>st</sup> September, 2015

As on 31<sup>st</sup> March, 2016, the number of directorship / committee membership / chairmanship of all the Directors is within the respective limits prescribed under Companies Act, 2013 and the SEBI Listing Regulations.

None of the Directors are related *inter-se* to each other save and except Mr. Kishore Biyani and Ms. Ashni Biyani. Ms. Ashni Biyani is the daughter of Mr. Kishore Biyani.

#### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has familiarized its Independent Directors with the business model of the Company, nature of the industry in which it operates, processes and policies, their roles, rights, responsibilities in the Company to provide them with better understanding of the business and operations so as to enable them to contribute effectively to the Company. Presentations are regularly made to the Board of Directors and Audit Committee *inter-alia*, covering the Company's strategy, business model, operations, markets, products, finance, risk management framework, financial performance, budget and control process and for such other areas as may be considered necessary.

The details of the familiarisation program for Independent Directors is placed on the website of the Company – <http://futureconsumer.in/policies-and-code.html>

#### MEETING OF INDEPENDENT DIRECTORS

As stipulated under the Code for Independent Directors under the Companies Act, 2013 and the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 11<sup>th</sup> February, 2016.

The meeting was attended by all the Independent Directors.

#### AUDIT COMMITTEE

##### Terms of Reference

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

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- To approve transactions and subsequent modification(s) to the transactions of the company with related parties;
- To scrutinize inter-corporate loans and investments of the Company;
- Valuation of undertaking or assets of the Company wherever it is necessary;
- 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 Statutory Auditors and Internal Auditors and executives from accounts, finance and corporate secretarial function also attend Audit Committee Meetings.

#### Composition and Attendance at Meetings:

As on 31<sup>st</sup> March, 2016, the composition of the Audit Committee has been as under:

- a) Mr. G.N.Bajpai
- b) Ms. Vibha Rishi
- c) Mr. K K Rathi

During the financial year 2015-16, four meetings of Audit Committee were held on the following dates: 15<sup>th</sup> May, 2015, 8<sup>th</sup> August, 2015, 7<sup>th</sup> November, 2015 and 11<sup>th</sup> February, 2016.

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

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. G. N. Bajpai	Chairman	Independent & Non-Executive Director	4
Ms. Vibha Rishi	Member	Independent & Non-Executive Director	3
Mr. K K Rathi#	Member	Non-Executive Director	2
Mr. Jagdish Shenoy*	Member	Independent & Non-Executive Director	2

# Appointed as Member with effect from 1<sup>st</sup> September, 2015

\*Ceased to be Member with effect from 1<sup>st</sup> September, 2015

Mr. G.N. Bajpai Chairman of the Audit Committee was present at the last Annual General Meeting held on 26<sup>th</sup> August, 2015.

#### NOMINATION AND REMUNERATION /COMPENSATION COMMITTEE

##### Terms of Reference

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

- a. To undertake a process of due diligence to determine the 'fit and proper' status of existing Directors, if required;
- b. To undertake a process of due diligence to determine the 'fit and proper' status of the person proposed to be elected as a Director of the Company;
- c. To 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;

- d. To recommend the suitable change(s), if required to the Board of Directors of the Company;
- e. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - i) The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
  - ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995;
- f. Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment;
- g. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), in particular, those stated in Clause 5 of the ESOP Guidelines;
- h. Formulating criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- i. Formulation of criteria for evaluation of Independent Directors and the Board and also criteria for evaluation of performance of the Independent Directors;
- j. Devising a policy on Board diversity;
- k. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- l. To carry out evaluation of every Director's performance.
- m. Such other matters as may be delegated by the Board of Directors of the Company.

#### Composition and Attendance at Meetings:

As on 31<sup>st</sup> March, 2016, the composition of Nomination and Remuneration /Compensation Committee has been as under:

- a) Mr. Adhiraj Harish
- b) Mr. Kishore Biyani
- c) Mr. G.N.Bajpai

During the financial year 2015-16, two meetings of Nomination and Remuneration /Compensation Committee were held on the following dates: 15<sup>th</sup> May, 2015 and 26<sup>th</sup> December, 2015.

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

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. Adhiraj Harish#	Chairman	Independent & Non-Executive Director	1
Mr. G. N. Bajpai	Member	Independent & Non-Executive Director	2
Mr. Kishore Biyani	Member	Promoter, Vice-Chairman & Non-Executive Director	1
Mr. Jagdish Shenoy*	Chairman	Independent & Non-Executive Director	1

# Appointed as Chairman and Member with effect from 1<sup>st</sup> September, 2015

\* Ceased to be Chairman and Member with effect from 1<sup>st</sup> September, 2015

### Performance Evaluation of Board

In terms of the requirements prescribed under the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out the process for evaluation of performance of the entire Board of Directors and that of its Committees and individual Directors.

The performance evaluation exercise for the entire Board of Directors and its Committees was conducted through structured questionnaire having qualitative parameters *inter-alia* comprising of key areas such as competencies and experience, quality of agenda notes circulated for board and committee meetings, composition of members, timelines for circulation of minutes, quality of recording board discussions, deliverance of allocated role and responsibilities, information sharing and communication, corporate governance process and disclosures.

Further, a separate exercise was also carried out to evaluate the performance of each individual Director for which a questionnaire was circulated to other Directors *inter-alia* comprising of key areas such as attendance at Board Meetings and Committee Meetings, preparedness for the Board and Committee Meeting(s), contribution in the Board room using expertise, knowledge, experience and wisdom, independence of views and judgement, ownership of value building.

The responses received to the questionnaires on evaluation of the Board and its Committees and that of the individual Directors were shared with the Board, Chairman of respective Committees and with the individual Directors. The Chairman of respective Committees also shared the results of evaluation with the respective Committee Members. Based on the outcome of the evaluation, the Board and Committees have agreed on an action for possible continuous improvisation to ensure better effectiveness and functioning of the Board and Committees.

**Remuneration Policy:** As disclosed in the Directors' Report as Annexure VI

### Details of remuneration paid to the Directors during the Financial Year 2015-16:

Name of the Director	Sitting Fees* (₹)	Remuneration (₹)	Total (₹)	No of Stock Options
Mr. G. N. Bajpai	4,50,000	Nil	4,50,000	Nil
Mr. Kishore Biyani	2,50,000	Nil	2,50,000	Nil
Ms. Vibha Rishi	2,75,000	Nil	2,75,000	Nil
Mr. Frederic de Mevius	1,50,000	Nil	1,50,000	Nil
Ms. Ashni Biyani	Nil	69,09,477	69,09,477	Nil
Mr. K K Rath	3,75,000	Nil	3,75,000	Nil
Mr. Adhiraj Harish^	2,50,000	Nil	2,50,000	Nil
Mr. Jagdish Shenoy@	1,75,000	Nil	1,75,000	Nil

\*includes fees paid for board and committee meetings

^ Appointed as an Additional Director with effect from 1<sup>st</sup> September, 2015

@ Ceased to be Director with effect from 1<sup>st</sup> September, 2015

### 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 material pecuniary relationship or transactions with the Non-Executive Directors during the financial year 2015-16.

Details of shares held by Non-Executive Directors are as under:

Sr. No.	Name of the Director	No of equity shares held as on 31 <sup>st</sup> March, 2016 (Own or held by / for other persons on a beneficial basis)
1	Mr. G. N. Bajpai	2,50,000
2	Mr. K K Rath	30,25,105

### Whole Time Director

In terms of the resolution passed by the Shareholders of the Company at an Extra Ordinary General Meeting held on 12<sup>th</sup> January, 2015, Ms. Ashni Biyani, Whole Time Director of the Company, shall be paid remuneration by way of salary (plus permissible contribution to provident fund, other funds and payment of gratuity, which shall not be included in computation of the ceiling on perquisites) plus other allowances and reimbursements as per Company policy, for a period of three years beginning from 15<sup>th</sup> November, 2014 to 14<sup>th</sup> November, 2017.

Ms. Ashni Biyani has received remuneration of ₹ 69.09 Lakhs for the period from 1<sup>st</sup> April, 2015 upto 31<sup>st</sup> March, 2016. In terms of the Agreement entered into by the Company with Ms. Ashni Biyani, notice period is six months and severance fees is equal to monthly remuneration payable for six months.



## 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 for admission of Equity Shares of the Company with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL];
- To decide and approve matters relating to Equity Shares and /or any other securities issued by the Company and any other matters as may be specifically authorized by the Board of Directors;
- To oversee and resolve grievances of shareholders and other security holders of the Company;
- To do all acts, deeds and things as may be required to be undertaken in terms of the provisions of Companies Act, 2013 and rules made there under;

### Composition and Attendance at Meeting

As on 31<sup>st</sup> March, 2016, the composition of Stakeholders' Relationship and Share Transfer Committee has been as under:

- Mr. Kishore Biyani
- Mr. Adhiraj Harish

During the financial year 2015-16, one meeting of Stakeholders' Relationship and Share Transfer Committee was held on 21<sup>st</sup> December, 2015.

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

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. Kishore Biyani	Chairman	Promoter, Vice-Chairman & Non-Executive Director	1
Mr. Adhiraj Harish#	Member	Independent & Non-Executive Director	1
Mr. Jagdish Shenoy*	Member	Independent & Non-Executive Director	N.A.

# Appointed as Member with effect from 1<sup>st</sup> September, 2015

\* Ceased to be Member with effect from 1<sup>st</sup> September, 2015

During the year under review, 4 (four) complaints/ correspondences were received by the Company and Link Intime India Private Limited, Registrar and Share Transfer Agent. The shareholder's complaints / correspondences were resolved and there were no pending complaints or un-attended correspondences as on 31<sup>st</sup> March, 2016.

### 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

### RISK MANAGEMENT COMMITTEE

The Company has constituted Risk Management Committee to oversee and monitor risk management plan for the Company.

During the financial year 2015-16, one meeting of the Risk Management Committee was held on 7<sup>th</sup> November, 2015.

### General Body Meetings

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

Year	Day, Date and Time	Venue
2012-13	Monday, 23 <sup>rd</sup> September, 2013 at 10.30 a.m.	Cultural Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2013-14	Tuesday, 26 <sup>th</sup> August, 2014 at 11.00 a.m.	Rangaswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2014-15	Wednesday, 26 <sup>th</sup> August, 2015 at 3.00 p.m.	Rangaswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021

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

AGM	AGM Date	Special Resolutions passed
17 <sup>th</sup>	23 <sup>rd</sup> September, 2013	a) Appointment and payment of remuneration to Mr. Krishan Kant Rathi as Whole Time Director of the Company designated as ' Whole Time Director and Chief Executive Officer'. b) Change in name of the Company
18 <sup>th</sup>	26 <sup>th</sup> August, 2014	a) Appointment of Mr. Arun Kumar Agarwal as Manager of the Company
19 <sup>th</sup>	26 <sup>th</sup> August, 2015	None

### Extra Ordinary General Meeting

During the year under review, one Extra Ordinary General Meeting ("EGM") of the Members of the Company was held on 22<sup>nd</sup> January, 2016.

### Special Resolution(s) passed at the EGM held on 22<sup>nd</sup> January, 2016

1. Issue of Compulsorily Convertible Debentures and Equity Shares on a preferential basis.
2. Issue of Warrants on a preferential basis.
3. Alteration of Articles of Association of the Company.
4. Issue of Non-Convertible Debentures.

### POSTAL BALLOT

#### Special Resolution passed through Postal Ballot:

During the year under review, one Special Resolution was approved by the Shareholders of the Company through postal ballot process.

### SPECIAL RESOLUTION: Re-alignment of the distribution business of the Company

The Company had appointed Mr. Nilesh Shah - Practising Company Secretary as the Scrutinizer for conducting postal ballot process. The postal ballot process was carried out in a fair and transparent manner. E-voting facility was also offered to the Shareholders for the postal ballot alongwith voting through physical forms. The Company had followed the procedure relating to Postal Ballot and E-voting pursuant to applicable provisions of Companies Act, 2013 read with Rules thereto and the provisions of the SEBI Listing Regulations. The result of postal ballot was also posted on the website of the Company - [www.futureconsumer.in](http://www.futureconsumer.in).

The details of the Postal Ballot conducted during the financial year 2015-2016, result of which was announced on 30<sup>th</sup> January, 2016, is provided herein below. No special resolution(s) are proposed to be passed by postal ballot at the 20<sup>th</sup> Annual General Meeting.

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	72,22,12,331	0	0.00	0	0	0.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	<b>Total</b>	<b>72,22,12,331</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Public – Institutions	E-Voting	30,29,66,956	15,91,99,015	52.55	15,20,43,000	71,56,015	95.50	4.50
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		0	0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>30,29,66,956</b>	<b>15,91,99,015</b>	<b>52.55</b>	<b>15,20,43,000</b>	<b>71,56,015</b>	<b>95.50</b>	<b>4.50</b>
Public - Non Institutions	E-Voting	63,22,62,751	15,48,14,705	24.49	15,47,99,142	15,563	99.99	0.01
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		63,925	0.01	63,925	0	100.00	0.00
	<b>Total</b>	<b>63,22,62,751</b>	<b>15,48,78,630</b>	<b>24.50</b>	<b>15,48,63,067</b>	<b>15,563</b>	<b>99.99</b>	<b>0.01</b>
	<b>Total</b>	<b>1,65,74,42,038</b>	<b>31,40,77,645</b>	<b>18.95</b>	<b>30,69,06,067</b>	<b>71,71,578</b>	<b>97.72</b>	<b>2.28</b>

Note: The above results include voting done through physical postal ballot forms and e-voting system provided by NSDL.

## DISCLOSURES

### Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. In its endeavor to provide its employee(s), secure and fearless working environment, the Company has established the 'Vigil Mechanism Policy' for its Directors, Employees and other stakeholders ("Policy").

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

The Policy comprises of matters such as malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence, causing danger to public health and safety, misappropriation of monies and other activities on account of which the interest of the Company is likely to be affected and can be formally reported by whistle blowers.

The Policy is in line with the vision and objectives of the Company and should be read in conjunction with applicable regulations and existing policies and procedures of the Company.

### Related Party Transactions

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 33 under notes to standalone financial statements.

Policy for dealing with Related Party Transaction is placed on the website of the Company - <http://futureconsumer.in/policies-and-code.html>.

### Policy on Material Subsidiary

The Company has adopted a Policy for determining material subsidiary in line with the requirements prescribed under the SEBI Listing Regulations. The Policy for determining material subsidiary is available on the website of the Company - <http://futureconsumer.in/policies-and-code.html>

### Statutory Compliance, Penalties and Strictures

The Company has complied with requirements of Stock Exchanges / 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.

### Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not undertake material trading activities into commodity derivatives. The Commodities are actually bought and sold depending upon the projected business requirements and necessary steps are taken to mitigate the price risks in accordance to the policies of the Company.

The Company has managed the foreign exchange risk with appropriate hedging activities. The aim of the Company's approach to manage currency risk is to leave the Company with the no material residual risk. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31<sup>st</sup> March, 2016 are disclosed in Note 35 under notes to the standalone financial statements.

### Code of Conduct

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

The Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2015-16. A declaration to this effect in terms of Regulation 26 of the SEBI Listing Regulations 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 defined 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 includes discussion on various matters specified under Schedule V of the SEBI Listing Regulations.

### Means of Communication and Shareholder Information

The financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations and published in one english and one regional language newspaper. The financial results are also displayed on the website of the Company - [www.futureconsumer.in](http://www.futureconsumer.in)

The Official news releases and presentations made to institutional investors or analyst are also displayed on the website of the Company [www.futureconsumer.in](http://www.futureconsumer.in), from time to time.

## General Shareholder Information

### Annual General Meeting

Date and Time	29 <sup>th</sup> August, 2016, 2.30 p.m.
Venue	Rangswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai – 400 021
Financial Year	The financial year of the Company is from April 1 to March 31 of the following year.
First Quarter Results	By second week of August, 2016
Second Quarter Results	By second week of November, 2016
Third Quarter Results	By second week of February, 2017
Fourth Quarter / Annual Results	By end of May, 2017
Date of Book Closure	Tuesday, 23 <sup>rd</sup> August, 2016 to Monday, 29 <sup>th</sup> August, 2016 (both days inclusive)
Dividend Payment Date	Not Applicable

Corporate Identity Number (CIN) : L52602MH1996PLC192090

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

### Market Price Data during Financial year 2015-16:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2015	13.80	11.10	13.85	11.05
May, 2015	13.38	10.75	13.35	10.70
June, 2015	13.75	10.80	13.80	10.85
July, 2015	17.75	13.50	17.75	13.30
August, 2015	17.75	12.60	17.60	12.80
September, 2015	17.00	14.20	17.00	13.95
October, 2015	21.10	15.00	21.05	14.95
November, 2015	23.70	16.75	23.70	16.55
December, 2015	27.25	20.75	27.25	18.90
January, 2016	26.40	20.10	26.40	20.10
February, 2016	24.70	18.15	24.75	18.00
March, 2016	22.95	19.10	22.95	19.15

### 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 year 2015-16 has been paid.

### Debentures

The Company has issued and allotted 1000 Secured, Rated, Redeemable, Non- Convertible, Taxable Debentures of ₹ 10 lakh each ("**NCDs**") on 17<sup>th</sup> March, 2015. 400 Series A NCDs are redeemable on 17<sup>th</sup> March, 2017 and 600 Series B NCDs are redeemable on 17<sup>th</sup> March, 2018. The NCDs are listed on the Wholesale Debt Market (WDM) of BSE Limited.

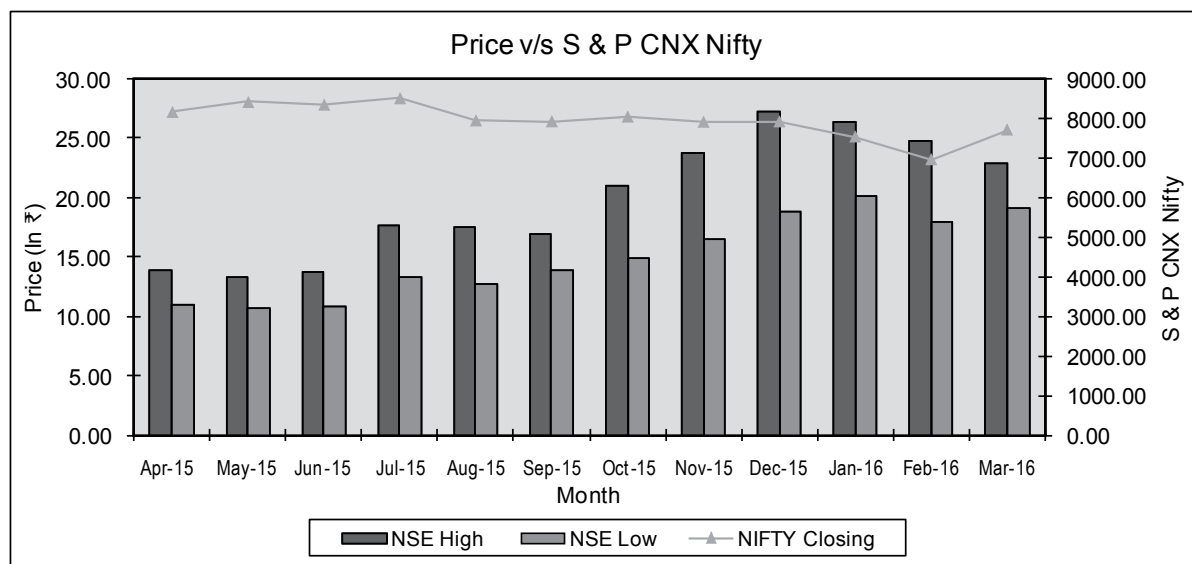
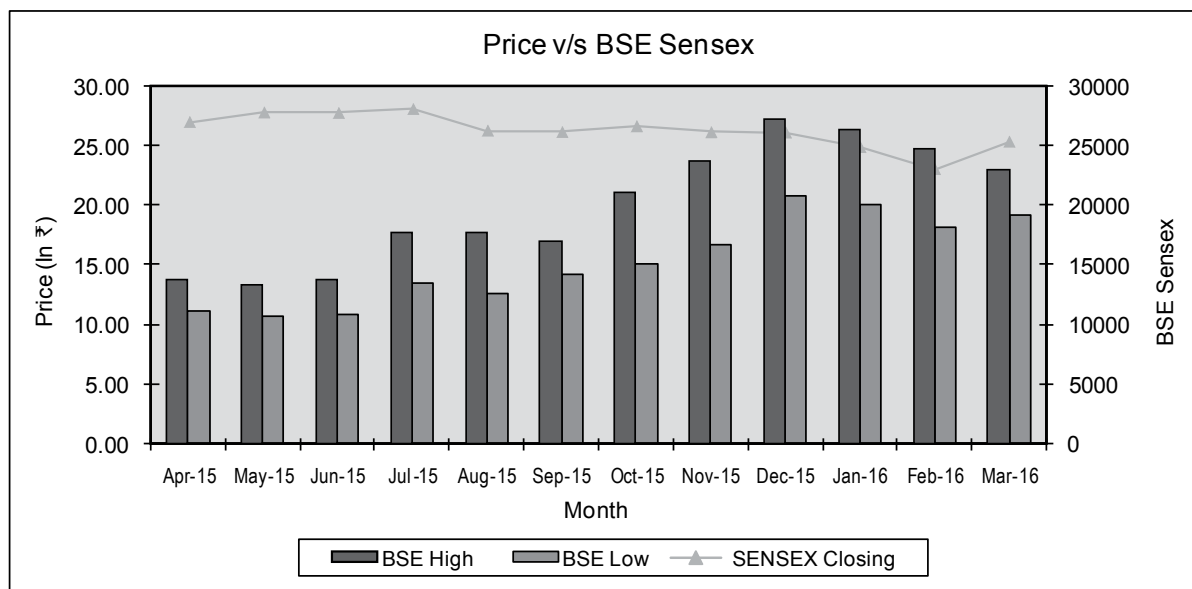
### Security Code and ISIN for NCDs:

NCDs	Security Code	ISIN
400 Series A NCDs	951911	INE220J07014
600 Series B NCDs	951913	INE220J07022

### Debenture Trustee

IL & FS Trust Company Limited  
The IL & FS Financial Centre  
Plot No. C-22, G Block, Bandra Kurla Complex  
Bandra (East), Mumbai-400 051  
Tel.: + 91 22 2659 3535 / 3612  
Fax.: + 91 22 2653 3038

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



### Registrar and Share Transfer Agents

#### LINK INTIME INDIA PRIVATE LIMITED

C-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](mailto:rnt.helpdesk@linkintime.co.in)

### Share Transfer System

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

**Distribution of Shareholding as on 31<sup>st</sup> March, 2016**

Share holding (Number of Shares)	Number of Shareholders	% to total	No. of Shares	% to total
1 - 500	24,143	44.27	5621082	0.34
501 - 1000	11,524	21.13	9533463	0.57
1001 - 2000	7,061	12.95	11102877	0.67
2001 - 3000	2,958	5.42	7864612	0.47
3001 - 4000	1,158	2.12	4263880	0.26
4001 - 5000	1,716	3.15	8260328	0.50
5001 - 10000	2,659	4.88	21194544	1.28
10001 and above	3,316	6.08	1589601252	95.91
<b>Total</b>	<b>54,535</b>	<b>100</b>	<b>1,65,74,42,038</b>	<b>100</b>

**Categories of Shareholding as on March 31, 2016**

Category	No. of Shares	Shareholding %
Promoters and their relatives / Promoter Group Companies	72,22,12,331	43.57
Foreign Institutional Investor	30,20,02,620	18.22
Financial Institutions	4,28,737	0.03
Hindu Undivided Family	1,62,20,335	0.98
Mutual Funds	12,784	0.00
Non Residents Indians	92,94,395	0.56
Non Residents Indians (Non Repatriable)	54,03,036	0.32
Non Nationalised Banks	1,47,630	0.01
Indian Companies	36,57,44,083	22.06
Indian Public	19,93,35,769	12.03
Clearing Members	2,18,32,225	1.32
Directors	30,25,105	0.18
Independent Director	2,50,000	0.02
Employee Benefit Trust - under SEBI (Share Based Employee Benefits) Regulations, 2014	1,15,32,988	0.70
<b>Total</b>	<b>1,65,74,42,038</b>	<b>100.00</b>

**Dematerialization of Shares and Liquidity**

As on 31<sup>st</sup> March, 2016, a total of 1,65,73,07,768 equity shares aggregating to 99.99 % of the total issued, subscribed and paid-up equity share capital of the Company are in dematerialised form.

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

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

6700 warrants of ₹ 1,00,000/- each issued and allotted to Srishti Mall Management Company Private Limited, a promoter group entity, which are convertible into 2,94,76,463 equity shares of ₹ 6/- each at a conversion price of ₹ 22.73 per equity share.

**Plant Location(s) :**

- 1) India Food Park, Vasanthanarasapur Industrial Area, Phase – 3, Kora – Hobli Dist – Tumkur, Karnataka – 572 138
- 2) Plot No. D 222/1A, TTC MIDC, Shirwane, Nerul, Navi Mumbai - 400 706

**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](mailto: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 6644 2200;  
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@futureconsumer.in

**Non Mandatory Requirements**

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

**1. The Board**

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

**2. Shareholders' Rights**

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

**3. Modified Opinion(s) in Audit Report**

There are no modified opinion(s) on the financial statements for the financial year 2015-16. Standard practices and procedures are followed to ensure unmodified financial statements.

**4. Separate Posts of Chairman and CEO**

The Company has held separate post for Chairman and CEO. Currently Chairman of the Board is an Independent Director.

**5. Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

**DECLARATION**

I, Ashni Biyani, Whole Time Director 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 Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March, 2016.

For **Future Consumer Enterprise Limited**

Place: Mumbai  
Date: 19<sup>th</sup> May, 2016

**Ashni Biyani**  
**Whole Time Director**

## INDEPENDENT AUDITOR'S CERTIFICATE

**TO,  
THE MEMBERS OF  
FUTURE CONSUMER ENTERPRISE LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **Future Consumer Enterprise Limited** ("the Company"), for the year ended on 31<sup>st</sup> March, 2016, as stipulated in:
  - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchanges for the period from April 01, 2015 to November 30, 2015.
  - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchanges for the period from April 01, 2015 to September 01, 2015.
  - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
  - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. 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 with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117364W)

**Ketan Vora**  
Partner

(Membership No. 100459)

**MUMBAI**, May 19, 2016

# **STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Future Consumer Enterprise Limited

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **FUTURE CONSUMER ENTERPRISE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in accordance with the generally accepted accounting practice – also Refer Note 38 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Ketan Vora**  
Partner  
(Membership No. 100459)

**MUMBAI**, May 19,2016

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)  
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **FUTURE CONSUMER ENTERPRISE LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

**Ketan Vora**  
Partner  
(Membership No. 100459)

**MUMBAI**, May 19, 2016



## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Future Consumer Enterprise Limited for the year ended 31<sup>st</sup> March, 2016)**

- (i) (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 process of reconciling the book records with the physical verification records is completed, other than in a few cases and discrepancies have been properly dealt with in the books of account. Where such reconciliations are pending, discrepancies if any, will be adjusted on completion of such reconciliations.
  - (c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/conveyance deed/court orders approving schemes of amalgamations provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to the companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the company has not accepted any deposit during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, and Value added tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2009-10	2.62
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2010-11	33.83
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeal	2011-12	1,429.50
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Deputy Commissioner of Sales Tax	2010-11	6.18
Madhya Pradesh Value Added Tax Amendment Act, 2010	Value Added Tax	Deputy Commissioner of Commercial tax (Appeals)	2010-11	4.35

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in Lakhs)
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales tax	2011-12	13.31
Central Sales Tax Act, 1956	Central Sales Tax	Joint Commissioner of Sales tax	2011-12	3.61
West Bengal Value Added Tax Act, 2003	Value Added Tax	Joint Commissioner of Commercial tax	2012-13	3.52
Madhya Pradesh Value Added Tax Amendment Act, 2010	Value Added Tax	Additional Commissioner of Commercial tax (Appeals)	2013-14	1.56
The Central Excise Act, 1944	Excise duty	Custom, Excise & Service Tax Appellate Tribunal	2013-14	1.00

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, government and dues to debenture holders. The company does not have any borrowings from Financial Institutions.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of public offer/further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of Para 3 of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Para 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Ketan Vora**  
Partner  
(Membership No. 100459)

**MUMBAI**, May 19, 2016

## BALANCE SHEET AS AT 31ST MARCH 2016

Particulars	Note	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	99,446.52	99,428.64
(b) Reserves and Surplus	4	(12,987.94)	(6,898.57)
(c) Money received against share warrants	43	1,675.00	-
		<b>88,133.58</b>	<b>92,530.07</b>
<b>Non Current Liabilities</b>			
(a) Long-term borrowings	5	22,557.27	26,931.25
(b) Long Term Provisions	6	383.87	373.45
		<b>22,941.14</b>	<b>27,304.70</b>
<b>Current Liabilities</b>			
(a) Short Term Borrowings	7	16,676.16	27,457.56
(b) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	44	670.74	250.23
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,288.10	6,299.35
		<b>6,958.84</b>	<b>6,549.58</b>
(c) Other Current Liabilities	8	6,724.43	1,100.16
(d) Short Term Provisions	9	182.93	251.39
		<b>30,542.36</b>	<b>35,358.69</b>
<b>TOTAL ASSETS</b>		<b>141,617.08</b>	<b>155,193.46</b>
<b>Non Current Assets</b>			
(a) Fixed Assets (Net Block)			
(i) Tangible Assets	10	5,490.45	4,334.81
(ii) Intangible Assets	10	24,723.52	26,335.08
		<b>30,213.97</b>	<b>30,669.89</b>
(iii) Capital Work-in-progress		2,244.57	31.24
		<b>32,458.54</b>	<b>30,701.13</b>
(b) Non Current Investments	11	63,172.00	62,879.82
(c) Deferred Tax Assets (net)	12	-	-
(d) Long Term Loans and Advances	13	5,380.09	3,186.79
(e) Other non-current assets	14	15.11	-
		<b>101,025.74</b>	<b>96,767.74</b>
<b>Current Assets</b>			
(a) Current Investments	15	2,000.00	10,000.00
(b) Inventories	16	9,074.23	8,112.73
(c) Trade Receivables	17	14,341.17	12,493.38
(d) Cash and Cash Equivalents	18	2,188.03	3,071.44
(e) Short-term Loans and Advances	19	12,283.86	23,748.68
(f) Other Current Assets	20	704.05	999.49
		<b>40,591.34</b>	<b>58,425.72</b>
<b>TOTAL</b>		<b>141,617.08</b>	<b>155,193.46</b>
See accompanying Notes forming part of the financial statements			
	1-50		

In terms of our report attached

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**

Chartered Accountants

**Ketan Vora**

Partner

**G.N.Bajpai**

Chairman

**Ashni Biyani**

Wholtime Director

Place : Mumbai

Date : 19th May 2016

**Manoj Gagvani**

Company Secretary & Head - Legal

**Manoj Saraf**

Chief Financial Officer

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	Note	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
<b>Continuing Operations</b>			
<b>Revenue</b>			
(a) Revenue from operations	21	134,379.99	108,255.39
(b) Other income	22	2,644.81	3,656.94
<b>Total revenue</b>		<b>137,024.80</b>	<b>111,912.33</b>
<b>Expenses</b>			
(a) Cost of materials consumed	23	3,127.99	1,427.27
(b) Purchases of stock-in-trade (traded goods)		114,294.89	94,967.59
(c) Changes in inventories of finished goods and stock-in-trade	24	(618.43)	440.57
(d) Employee benefits expenses	25	6,154.94	5,883.45
(e) Finance costs	26	5,236.55	2,987.06
(f) Depreciation and Amortisation expense	10	3,260.39	3,274.59
(g) Other expenses	27	11,923.48	9,792.71
<b>Total expenses</b>		<b>143,379.81</b>	<b>118,773.24</b>
<b>(Loss) before exceptional items and tax</b>		<b>(6,355.01)</b>	<b>(6,860.91)</b>
Exceptional items		-	2,514.00
<b>(Loss) before tax</b>		<b>(6,355.01)</b>	<b>(9,374.91)</b>
Tax expense		-	-
<b>(Loss) after Tax</b>		<b>(6,355.01)</b>	<b>(9,374.91)</b>
<b>Basic and Diluted Earnings per Share (Face Value ₹ 6/- each)</b>	32	<b>(0.38)</b>	<b>(0.58)</b>
See accompanying Notes forming part of the financial statements	1 - 50		

In terms of our report attached

**For and on behalf of the Board of Directors**

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

**G.N.Bajpai**  
Chairman

**Ashni Biyani**  
Wholetime Director

Place : Mumbai  
Date : 19th May 2016

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

**Manoj Saraf**  
Chief Financial Officer

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
<b>A. Cash Flow From Operating Activities</b>		
Profit / (Loss) before tax as per Statement of Profit and Loss	(6,355.01)	(9,374.91)
<b>Adjustments for :</b>		
Depreciation and Amortisation expense	3,260.39	3,274.59
Finance costs	5,236.55	2,987.06
Expenses on employee stock option (ESOP) scheme	265.64	-
Interest Income	(2,443.85)	(3,128.25)
Dividend Income	-	(0.16)
Loss on Sale/Retirement of Fixed Assets	194.94	262.69
Diminution in Value of Investment and Inter Corporate Deposit written off	-	2,514.00
Provision for Standard Assets written back	(27.36)	(21.83)
Gain on Sale of Investment - Current	(15.66)	(215.18)
Provision no longer required written back	(120.30)	(219.10)
Provision for Doubtful Debts	-	99.19
Net Unrealised Exchange Gain	(8.80)	(7.37)
Sundry Balances written back	(20.68)	(56.96)
<b>Operating Loss before Working Capital changes</b>	(34.14)	(3,886.23)
Adjusted for Working Capital changes :		
(Increase) / Decrease in Trade Receivable	(1,766.89)	(3,235.38)
(Increase) / Decrease in Inventories	(834.92)	385.73
(Increase) / Decrease in Loans and Advances	9,359.40	(12,711.33)
(Increase) / Decrease in Other Current and Non Current assets	63.41	135.15
Increase / (Decrease) in Liabilities and Provisions	529.08	(941.32)
	7,350.08	(16,367.15)
	7,315.94	(20,253.38)
Income Taxes Refund (Paid)	(203.79)	(621.02)
<b>Net Cash flow from /(used in) operating activities (A)</b>	<b>7,112.15</b>	<b>(20,874.40)</b>
<b>B. Cash Flow From Investing Activities</b>		
Sale of Fixed Assets	(79.73)	41.56
Purchase of Fixed Assets including capital advances	(3,645.48)	(858.36)
Bank balances not considered as Cash and Cash Equivalents (net)	(150.03)	(590.50)
Purchase of Long Term Investments - Subsidiaries, Joint Venture and Associates	(292.18)	(31,111.64)
Purchase of Assets and Liabilities - Business Unit	(1,091.42)	-
Proceeds from sale of Long Term Investments	-	756.00
Purchase of Current Investments	(2,590.66)	(22,740.33)
Proceeds from sale of Current Investments	10,606.32	25,339.98
Inter Corporate Deposit (given)/refunded (Net)	(100.01)	6,386.21
Interest Received	2,660.77	2,834.30
Dividend Received	-	0.16
<b>Net Cash flow from / (used in) Investing Activities (B)</b>	<b>5,317.58</b>	<b>(19,942.62)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
<b>C. Cash Flow From Financing Activities</b>		
Interest & Finance Charges Paid (including borrowing costs capitalised - Refer Note 46)	(5,314.48)	(2,711.19)
Proceeds from Long term borrowings	1,098.34	27,357.94
Repayment of Long term borrowings	(154.32)	-
Proceeds / (Repayment) of Short term borrowings (Net)	(10,785.59)	17,170.06
Proceeds from Issue of Equity Shares	17.88	794.94
Money received against share warrants	1,675.00	-
<b>Net Cash flow from / (used in) Financing Activities (C)</b>	<b>(13,463.17)</b>	<b>42,611.75</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,033.44)</b>	<b>1,794.73</b>
Cash and Cash Equivalents as at the beginning of the year	2,473.79	507.40
Adjustment pursuant to the composite scheme of Amalgamation and Arrangement	-	171.66
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>1,440.35</b>	<b>2,473.79</b>
<b>Reconciliation of Cash and Cash equivalent with Balance Sheet:</b>		
Add: In Earmarked Accounts - Margin Money Deposit Accounts	747.68	597.65
<b>Cash and Cash Equivalents as per Balance Sheet (Refer Note 18)</b>	<b>2,188.03</b>	<b>3,071.44</b>

In terms of our report attached

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

**G.N.Bajpai**  
Chairman

**Ashni Biyani**  
Wholetime Director

Place : Mumbai  
Date : 19th May 2016

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

**Manoj Saraf**  
Chief Financial 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, under the name "Subhikshith Finance and Investments Limited". The name of the Company was changed to "Future Ventures India Private Limited" with effect from August 09, 2007 and became a Public Limited Company with effect from September 07, 2007 as "Future Ventures India Limited".

The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited since May 10, 2011. The name of the Company was changed to Future Consumer Enterprise Limited w.e.f. September 30, 2013. The Company is engaged in the business of Sourcing, Manufacturing, Branding, Marketing and Distribution of FMCG, Food and Processed Food Products in Urban and Rural India.

The Reserve Bank of India in terms of application made by the Company has vide its order passed on 21st July, 2015 cancelled Certificate of Registration granted to the Company. Consequently, the Company now ceases to be a Non Banking Financial Company.

### 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 specified under Section 133 of the Companies Act, 2013, read with relevant Rules and the relevant provisions of the Companies Act, 2013, 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 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. Finished goods include appropriate proportion of overheads.

#### 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. Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except leasehold improvement, which are amortized over the lease period and Moulds for which the estimated useful life is assessed as 2 years based on technical evaluation made by the Company.

The Company has adopted the provisions of para 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

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 10 years based on the estimated useful life on straight line method.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

#### 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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 Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. 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) Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) are dealt with in the Statement of Profit and Loss.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Forward exchange contracts entered into to hedge the foreign currency risk and outstanding as on balance sheet date are translated at year end exchange rates. The premium or discount arising at the inception of such forward exchange contracts are amortised as income or expense over the life of the contract. Gains / Losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognized as income or expense.

### m) Derivative Instruments and Hedge Accounting :

The Company enters into derivative contracts in the nature of foreign currency swaps with an intention to hedge its existing assets and liabilities

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

### **n) 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 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.

### **o) 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 comprises 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".

### **p) 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.

### **q) 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 number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

### **r) Taxes on income**

Current tax is determined on the income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

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.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

### **s) 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.

### **t) 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.

### **u) 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 3. Share Capital

a)

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Authorised</b>		
5,650,000,000 (Previous year - 5,650,000,000) Equity Shares of ₹ 6/- each	339,000.00	339,000.00
1,670,000,000 (Previous year - 1,670,000,000) Unclassified Shares of ₹10/- each	167,000.00	167,000.00
<b>Total</b>	<b>506,000.00</b>	<b>506,000.00</b>
<b>Issued, Subscribed and Fully Paid-up Capital</b>		
1,657,442,038 (Previous year - 1,657,144,038) Equity Shares of ₹ 6/- each	99,446.52	99,428.64
<b>Total</b>	<b>99,446.52</b>	<b>99,428.64</b>

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

Particulars	As at 31st March 2016		As at 31st March 2015	
	No of Shares	₹ in Lakhs	No of Shares	₹ in Lakhs
Equity shares at the beginning of the year	1,657,144,038	99,428.64	1,597,976,671	95,878.60
Add : Allotment pursuant to exercise of stock options granted under FVIL Employees Stock Option Plan - 2011	298,000	17.88	13,249,000	794.94
Add : Shares issued without payment being received in cash	-	-	45,918,367	2,755.10
<b>Equity shares at the end of the year</b>	<b>1,657,442,038</b>	<b>99,446.52</b>	<b>1,657,144,038</b>	<b>99,428.64</b>

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

Particulars	As at 31st March 2016		As at 31st March 2015	
	No of Shares	% of Holding	No of Shares	% of Holding
Arisaig Partners (Asia) Pte. Limited. A/c. Arisaig India Fund Limited	152,043,000	9.17	152,043,000	9.18
Future Enterprises Limited (formerly known as Future Retail Limited)	150,000,000	9.05	150,000,000	9.05
Verlinvest SA	140,513,969	8.48	-	-
PIL Industries Limited	132,304,747	7.98	129,804,747	7.83
Gargi Business Ventures Private Limited (Formerly Gargi Developers Private Limited)	128,878,666	7.78	128,878,666	7.78
Bennett, Coleman and Company Limited	105,082,200	6.34	121,641,615	7.34
Central Departmental Stores Private Limited	95,838,700	5.78	95,838,700	5.78
Future Capital Investment Private Limited	84,106,029	5.07	84,106,029	5.08
BNP Paribas Arbitrage	-	-	140,753,144	8.49

d) Rights, Preferences and Restrictions attached to equity shares :

- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to vote in proportion to his share of the paid-up capital of the company. Each holder of equity share is entitled to one vote per share.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- e) As at 31st March, 2016, 4,51,76,463 equity shares (Previous Year - 10,06,000 equity shares) were reserved for issuance as follows:
- (i) 1,57,00,000 equity shares (Previous year 10,06,000 equity shares) of ₹ 6 each towards outstanding employee stock options granted (Refer Note 30)
- (ii) 2,94,76,463 equity shares (Previous year NIL) of ₹ 6 each towards outstanding share warrants (Refer Note 43)
- f) Aggregate number of equity shares allotted as fully paid up without payment being received in cash for the period of 5 years immediately preceding the balance sheet date is 45,918,367 equity shares issued in 2014-15

### 4. Reserves and Surplus

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Capital Redemption Reserve</b>		
As Per last Balance Sheet	5.20	5.20
<b>Share options outstanding account</b>		
Opening Balance	-	-
Add: Amounts recorded on grants during the year (Refer Note 30)	265.64	-
Closing Balance	265.64	-
<b>Statutory Reserve under section 45(IC) of RBI Act, 1934</b>		
As Per last Balance Sheet	1,363.06	1,363.06
Less: Transfer to Deficit in Statement of Profit and Loss on cancellation of registration as an NBFC	(1,363.06)	-
Closing Balance	-	1,363.06
<b>General Reserve</b>		
As Per last Balance Sheet	0.59	0.59
<b>Securities Premium Account</b>		
As Per last Balance Sheet	3,094.90	3,094.90
<b>Deficit in Statement of Profit and Loss</b>		
Opening Balance	(11,362.32)	(1,923.59)
Add: Current Year Loss	(6,355.01)	(9,374.91)
Add : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (net of deferred tax)	-	(63.82)
Add: Transfer from Statutory Reserve under section 45(IC) of RBI Act, 1934	1,363.06	-
	(16,354.27)	(11,362.32)
<b>Total</b>	<b>(12,987.94)</b>	<b>(6,898.57)</b>

### 5. Long-term borrowings

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Secured</b>		
Term Loans From a Bank	16,237.53	16,931.25
Buyer's Credit	319.74	-
1000, 11.95% Redeemable Non convertible Debentures of ₹ 10 lakhs each	6,000.00	10,000.00
<b>Total</b>	<b>22,557.27</b>	<b>26,931.25</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note: Details of security and repayment terms for secured long-term borrowings

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>1</b>	<b>Term Loan:</b>			
(i)	<b>Term loan from bank:</b> a) Secured by First pari passu charge on Movable fixed assets and second charge on current assets of the company b) Pledge of shares of listed entities Future Enterprises Limited (earlier known as Future Retail Limited) and/ or Future Consumer Enterprise Limited and/or Future Lifestyle Fashions Limited to provide cover 1.25 times the outstanding facility amount c) Personal Guarantee of Mr. Kishore Biyani d) DSRA FD for 3 months interest payment e) Subservient charge over tangible assets of other companies.	The loan is repayable in 10 semi-annual installments (next installment due in May 2016) and carry an interest of 11.50% p.a. Interest to be paid separately as and when due. Interest: Base rate + 1.25% i.e. presently 11.50% p.a.	12,187.50	12,500.00
(ii)	<b>Term loan from bank:</b> a) Secured by First pari passu charge on Movable fixed assets and second charge on current assets of the company b) Pledge of shares of listed entities Future Enterprises Limited (earlier known as Future Retail Limited) and/ or Future Consumer Enterprise Limited and/or Future Lifestyle Fashions Limited to provide cover 1.25 times the outstanding facility amount c) Pledge over 30% shareholding of the Nilgiri Dairy Farm Pvt Ltd, Appu Nutritions Private Limited, Nilgiri's Merchandise Bakery Private Limited and Nilgiris Franchise Private Limited. Bank to carry 30% voting rights and 30% economic interest of the shares so pledged. d) Personal Guarantee of Mr. Kishore Biyani e) Subservient charge over tangible assets of other companies. f) DSRA FD for 3 months interest payment.	The loan is repayable in 10 semi-annual installments (next installment due in May 2016) and carry an interest of 11.50% p.a. Interest to be paid separately as and when due. Interest: Base rate + 1.25% i.e. presently 11.50% p.a.	4,143.75	4,250.00
(iii)	<b>Term loan from bank:</b> a) First charge on Movable and Immovable fixed assets of the proposed Rice Unit and Flour/Spice processing units at Tumkur Bangalore b) Second charge on current assets of the proposed Rice unit and Flour/Spice processing units at Tumkur c) Personal Guarantee of Mr. Kishore Biyani d) DSRA FD for 3 months interest payment e) Cross collateralization of shares pledged for Term Loan (ii) above.	The Loan is repayable in 23 quarterly installments (next installment due in June 2016) and carry an interest of 11.50% p.a. Interest to be paid separately as and when due. Interest: Base rate + 1.25% i.e. presently 11.50% p.a.	1,665.39	600.00

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
2	<b>Buyer's Credit from a bank is secured by:</b> a) First charge on Movable and Immovable fixed assets of the proposed Rice Unit and Flour/Spice processing units at Tumkur Bangalore b) Second charge on current assets of the proposed Rice unit and Flour/Spice processing units at Tumkur c) Personal Guarantee of Mr. Kishore Biyani d) DSRA FD for 3 months interest payment e) Cross collateralization of shares pledged for Term Loan (ii) above.	The loan is repayable in June 2018. Fixed rate of Interest @ 8.95% - 9.15% p.a. payable annually (next interest due date in July 2016).	319.74	-
3	<b>NCD:</b> Secured by exclusive First Charge on specific fixed assets of the company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing and unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon.	Series A of ₹ 4,000 lakhs repayable in March 2017 and Series B of ₹ 6,000 lakhs repayable in March 2018. Interest of 11.95% is payable quarterly from date of allotment. These debentures are privately placed with mutual funds and are listed in Wholesale Debt Segment of BSE Limited.	10,000.00	10,000.00
4	<b>Vehicle loan from Bank :</b> Secured against hypothecation of vehicles	Loan is repayable in 2015-16 Rate of interest 9.75%-11.50%	-	7.94
			<b>28,316.38</b>	<b>27,357.94</b>
	Less: Current maturities of long term debt		<b>5,759.11</b>	<b>426.69</b>
	<b>Total</b>		<b>22,557.27</b>	<b>26,931.25</b>

### 6. Long Term Provisions

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Provision for Employee Benefits :</b>		
Provision for Gratuity (Refer Note 28 )	260.72	241.69
Provision for Compensated Absences (Refer Note 28 )	113.89	131.76
Provision for estimated loss on derivatives	9.26	-
<b>Total</b>	<b>383.87</b>	<b>373.45</b>

### 7. Short Term Borrowings

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Secured :</b>		
Loans repayable on demand from banks	12,046.22	13,210.84
Other Loans from Bank	4,418.56	14,246.72
Buyer's Credit	211.38	-
<b>Total</b>	<b>16,676.16</b>	<b>27,457.56</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note : Details of security and repayment terms for secured Short term borrowings

Nature of Security	Terms of Interest and repayment
<b>Loans repayable on demand from banks (Cash Credit)</b>	
Loan is secured by a) First pari passu charge on all existing and future current assets of the company b) Second Charge on Fixed Assets of the company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	The Cash credit is repayable on demand and carries interest at rates varying from 11.40% to 13.25% p.a.
<b>Other Loans from Bank (Bill Discounting and Buyer's Credit)</b>	
Loan is secured by a) First and/or pari passu charge on all existing and future current assets of the company b) Second Charge on Fixed Assets of the company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani.	The Bill Discounting is repayable on due date and carries interest at rates varying from 11.15% to 11.55% p.a. Buyer's Credit is repayable on due date and carries interest at rates varying from 8.95% to 9.15% p.a.

### 8. Other Current Liabilities

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Security and Other Deposits Received	6.34	56.14
Current Maturities of Long Term Debt	5,759.11	426.69
Statutory Remittances		
- Vat Payable	107.23	76.91
- TDS Payable	123.39	128.84
- PF Payable	30.75	34.76
- Service Tax Payable	24.09	15.85
- Other Statutory Payable	28.31	23.56
Payable on purchase of Fixed Assets	322.23	42.76
Interest Accrued but Not Due	293.63	275.87
Advance received from Customers	29.35	18.78
<b>Total</b>	<b>6,724.43</b>	<b>1,100.16</b>

### 9. Short Term Provisions

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Provision for Employee Benefits :</b>		
Provision for Gratuity (Refer Note 28)	28.97	26.85
Provision for Compensated Absences (Refer Note 28)	37.96	43.92
Provision for Bonus	116.00	153.26
<b>Others</b>		
Provision for Standard Assets	-	27.36
<b>Total</b>	<b>182.93</b>	<b>251.39</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 10. Fixed Assets

Description of Assets	Gross Block (At cost)				Depreciation / Amortisation				Net Block	
	As at 1st April 2015	Additions	Deletions	As at 31st March 2016	As at 1st April 2015	For the Period	Deletions	As at 31st March 2016	As at 31st March 2016	
<b>A. Tangible Assets</b>										
Land	302.74	-	-	302.74	-	-	-	-	302.74	
Building	382.86	6.74	-	389.60	6.17	6.17	-	12.34	377.26	
Office Equipments	293.38	110.17	8.70	394.85	125.47	74.21	7.66	192.02	202.83	
Computers	470.47	90.39	24.92	535.94	375.86	75.13	22.99	428.00	107.94	
Furniture & Fixtures	2,149.90	504.67	32.28	2,622.29	521.49	249.48	14.41	756.56	1,865.73	
Vehicles	84.79	2.92	13.73	73.98	23.58	12.14	12.98	22.74	51.24	
Plant & Machinery (Refer note 46)	1,857.87	1,168.14	103.33	2,922.68	387.81	200.27	41.94	546.14	2,376.54	
Leasehold improvement	560.08	53.60	117.12	496.56	326.90	48.39	84.90	290.39	206.17	
<b>Total</b>	<b>6,102.09</b>	<b>1,936.63</b>	<b>300.08</b>	<b>7,738.64</b>	<b>1,767.28</b>	<b>665.79</b>	<b>184.88</b>	<b>2,248.19</b>	<b>5,490.45</b>	
<b>B. Intangible Assets - Acquired</b>										
TradeMark, Brands & Brand Usage Rights	20,205.21	982.48	-	21,187.69	4,799.67	1,155.98	-	5,955.65	15,232.04	
Software	123.71	0.56	-	124.27	109.98	3.87	-	113.85	10.42	
Goodwill	14,319.67	-	-	14,319.67	3,403.86	1,434.75	-	4,838.61	9,481.06	
<b>Total</b>	<b>34,648.59</b>	<b>983.04</b>	<b>-</b>	<b>35,631.63</b>	<b>8,313.51</b>	<b>2,594.60</b>	<b>-</b>	<b>10,908.11</b>	<b>24,723.52</b>	
<b>Grand Total</b>	<b>40,750.68</b>	<b>2,919.67</b>	<b>300.08</b>	<b>43,370.27</b>	<b>10,080.79</b>	<b>3,260.39</b>	<b>184.88</b>	<b>13,156.30</b>	<b>30,213.97</b>	

## Fixed Assets (Previous Year)

Description of Assets	Gross Block (At cost)				Depreciation / Amortisation				Net Block	
	As at 1st April 2014	Acquisition through Business Combination	Additions	Deletions	As at 31st March 2015	As at 1st April 2014	Other adjustments	For the Period	Deletions	As at 31st March 2015
<b>A. Tangible Assets</b>										
Land	-	302.74	-	-	302.74	-	-	-	-	302.74
Building	-	382.86	-	-	382.86	-	-	6.17	-	376.69
Office Equipments	212.36	58.05	31.14	8.17	293.38	36.83	18.48	72.93	2.77	167.91
Computers	426.56	86.52	33.72	76.33	470.47	219.78	37.64	173.46	55.02	94.61
Furniture & Fixtures	1,982.34	219.01	158.28	209.73	2,149.90	337.30	-	222.94	38.75	1,628.41
Vehicles	23.71	69.78	0.05	8.75	84.79	13.94	0.48	16.13	6.97	61.21
Plant & Machinery	974.16	877.29	86.55	80.13	1,857.87	250.78	-	151.61	14.58	1,470.06
Leasehold improvement	545.63	69.22	45.77	100.54	560.08	282.06	7.22	98.94	61.32	233.18
<b>Total</b>	<b>4,164.76</b>	<b>2,065.47</b>	<b>355.51</b>	<b>483.65</b>	<b>6,102.09</b>	<b>1,140.69</b>	<b>63.82</b>	<b>742.18</b>	<b>179.41</b>	<b>4,334.81</b>
<b>B. Intangible Assets - Acquired</b>										
TradeMark, Brands & Brand Usage Rights	20,205.21	-	-	-	20,205.21	3,715.95	-	1,083.72	-	4,799.67
Software	112.63	10.41	0.67	-	123.71	93.26	-	16.72	-	109.98
Goodwill	11,039.87	3,279.80	-	-	14,319.67	1,971.89	-	1,431.97	-	3,403.86
<b>Total</b>	<b>31,357.71</b>	<b>3,290.21</b>	<b>0.67</b>	<b>-</b>	<b>34,648.59</b>	<b>5,781.10</b>	<b>-</b>	<b>2,532.41</b>	<b>-</b>	<b>8,313.51</b>
<b>Grand Total</b>	<b>35,522.47</b>	<b>5,355.68</b>	<b>356.18</b>	<b>483.65</b>	<b>40,750.68</b>	<b>6,921.79</b>	<b>63.82</b>	<b>3,274.59</b>	<b>179.41</b>	<b>30,669.89</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 11. Non Current Investments

### Unquoted (At cost unless stated otherwise)

Particulars	Nominal Value ₹ / Unit	Number of Units		Amount (₹ In Lakhs)	
		As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
<b>i) Subsidiaries - Trade</b>					
- <b>In Fully paid up Equity Shares</b>					
Aadhaar Wholesale Trading and Distribution Limited	10	40,400,000	40,400,000	19,514.01	19,514.01
Future Consumer Products Limited	10	900,000	900,000	2,000.00	2,000.00
Future Food and Products Limited	1	11,300,000	11,300,000	223.67	223.67
Amar Chitra Katha Private Limited	1	369,940	369,940	9,141.44	9,141.44
Star and Sitara Wellness Limited (Net off provision for other than temporary diminution ₹ 1800 Lakhs (Previous Year- ₹ 1800 lakhs))	10	1,809,000	1,809,000	-	-
Express Retail Services Private Limited	10	50,000	50,000	5.79	5.79
Aussee Oats Milling (Private) Limited (a Company incorporated in Sri Lanka, face value LKR 10 each)		11,702,189	11,702,189	544.20	544.20
Aussee Oats India Private Limited	10	5,001	-	0.50	-
Future Food Processing Private Limited (formerly known as Future Personal Care and Hygiene Products Private Limited)	10	10,000	10,000	1.00	1.00
The Nilgiri Dairy Farm Private Limited	100	215,998	215,910	22,741.34	22,732.69
APPU Nutritions Private Limited	1000	240	240	210.00	210.00
Nilgiri's Mechanised Bakery Private Limited	10	21,600	21,600	210.00	210.00
Sublime Foods Private Limited	10	750,000	750,000	75.00	75.00
Integrated Food Park Private Limited	10	21,428,100	21,428,100	2,148.75	2,148.75
Bloom Fruit and Vegetables Private Ltd.	10	10,000	-	1.00	-
MNS Foods Private Limited	10	450,001	-	45.00	-
- <b>In Fully paid up Preference Shares</b>					
Future Consumer Products Limited (redeemable on or before 27th March, 2018)	100	145,000	145,000	145.00	145.00
The Nilgiri Dairy Farm Private Limited (redeemable on or before 19th November, 2034)	100	4,684,270	4,684,270	4,684.27	4,684.27
<b>ii) Joint Venture - Trade</b>					
- <b>In Fully paid up Equity Shares</b>					
Mibelle Future Consumer Products AG (a Company incorporated in Switzerland, face value CHF1000 each)		100	-	237.03	-
<b>iii) Associates - Trade</b>					
- <b>In Fully paid up Equity Shares</b>					
Sarjena Foods Private Limited	10	324,675	324,675	500.00	500.00
<b>iv) Investment in Debentures (Fully Paid up, Trade)</b>					
0% Optional Convertible Debentures of Capital Foods Private Limited (maturing or convertible on or before 30th September, 2031)	100	744,000	744,000	744.00	744.00
<b>Total</b>		<b>95,320,114</b>	<b>94,854,924</b>	<b>63,172.00</b>	<b>62,879.82</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 12. Deferred Tax Asset (Net)

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Deferred tax (liabilities) / assets</b>		
On difference between book balance and tax balance of fixed assets	4,425.52	4,928.72
<b>Tax effect of items constituting deferred tax liabilities</b>	<b>4,425.52</b>	<b>4,928.72</b>
Provision for compensated absences, gratuity and other employee benefits	38.04	132.23
Provision for Standard asset	(8.45)	(6.75)
Provision for doubtful debts / advances	-	30.65
Unabsorbed depreciation carried forward #	4,395.93	4,772.59
<b>Tax effect of items constituting deferred tax assets</b>	<b>4,425.52</b>	<b>4,928.72</b>
<b>Deferred tax (liabilities) / assets (net)</b>	<b>-</b>	<b>-</b>

# The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of 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 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>(Unsecured, Considered Good)</b>		
Advance Income Tax	1,759.40	1,555.60
(Net of Provision ₹ 735.21 lakhs (Previous year - ₹ 735.21 lakhs))		
Loans and advances to Related Party (Refer Note 33)	1,084.32	551.71
Security Deposits	185.09	470.81
Other Deposits	49.41	87.75
Capital Advances	226.87	472.16
Amount Recoverable from ESOP Trust	2,032.30	-
Other Loans and advances	42.70	48.76
<b>Total</b>	<b>5,380.09</b>	<b>3,186.79</b>

### 14. Other non-current assets

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Expenditure for purchase of Non Current Investment	15.11	-
<b>Total</b>	<b>15.11</b>	<b>-</b>

### 15. Current Investments (At lower of cost and fair value)

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Unquoted - Non Trade</b>		
<b>Certificate of Deposits</b>		
Sicom Limited	2,000.00	10,000.00
<b>Total</b>	<b>2,000.00</b>	<b>10,000.00</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 16. Inventories (At lower of cost and net realisable value)

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Raw Materials	281.75	-
Finished Goods (other than those acquired for trading)	99.76	-
Stock - In - Trade	8,384.47	7,865.80
Packing Material	308.25	246.93
<b>Total</b>	<b>9,074.23</b>	<b>8,112.73</b>

### 17. Trade Receivables (Unsecured)

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	61.88	62.12
Considered Doubtful	1.89	101.08
	63.77	163.20
Less: Provision for doubtful debts	(1.89)	(101.08)
	61.88	62.12
Other Trade Receivables (considered good)	14,279.29	12,431.26
<b>Total</b>	<b>14,341.17</b>	<b>12,493.38</b>

### 18. Cash and Cash Equivalents

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Cash on Hand	24.32	110.62
Cheques on Hand	0.53	-
Balances with Banks		
- In Current Accounts	1,415.50	2,363.17
In Earmarked Accounts:		
- As Margin Money against borrowings, guarantees or other commitments #	747.68	597.65
<b>Total</b>	<b>2,188.03</b>	<b>3,071.44</b>

# The margin money deposits with remaining maturity of more than 12 months is ₹ 747.68 Lakhs (previous year ₹ 27.50 Lakhs). Of the above balances which meets the definition of cash and cash equivalents as per AS3 Cash Flow statement is ₹ 1,440.35 Lakhs (Previous Year ₹ 2,473.79 Lakhs)

### 19. Short Term Loan and Advances

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Unsecured - Considered Good</b>		
Loans and advances to employees	21.92	21.55
Loans and advances to Related Party (Refer Note 33)	10,832.89	4,565.28
Inter-Corporate Deposits	239.53	5,776.49
Security Deposits	52.03	12,154.28
Balances with Government authorities	140.72	49.59
Advances given to Suppliers	822.00	1,030.10
Other Loan and Advances	174.77	151.39
<b>Total</b>	<b>12,283.86</b>	<b>23,748.68</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 20. Other Current Assets

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Interest Accrued on Deposits	699.78	916.70
Unbilled Revenue	3.36	45.09
Insurance Claim Receivable	0.91	6.06
Receivables on sale of fixed assets	-	31.64
<b>Total</b>	<b>704.05</b>	<b>999.49</b>

### 21. Revenue from Operations

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Sale of Products	133,312.30	107,207.09
Other Operating Income *	1,067.69	1,048.30
<b>Total</b>	<b>134,379.99</b>	<b>108,255.39</b>

\* Other Operating Income includes royalty income, vendor scheme and discount received, scrap sales, cash discount received etc.

### 22. Other Income

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Lease Rental Income	9.20	10.58
Gain on Sale of Investment - Current	15.66	215.18
Interest Income		
- Bank Deposits	57.59	19.95
- Other Deposits	1,092.16	1,751.73
- Inter Corporate Deposit	1,294.10	1,356.57
Dividend Income		
- Current Investments	-	0.16
Provision no longer required written back	120.30	219.10
Provision for Standard Assets written back	27.36	21.83
Miscellaneous Income	28.44	61.84
<b>Total</b>	<b>2,644.81</b>	<b>3,656.94</b>

### 23. Cost of materials consumed

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Opening Stock of Raw materials and others	246.93	-
Add: Transfer into the Company pursuant to composite scheme of Amalgamation and Arrangement	-	192.09
Add: Purchases	3,471.06	1,482.11
Less: Closing Stock of Raw Materials and others	(590.00)	(246.93)
<b>Total</b>	<b>3,127.99</b>	<b>1,427.27</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 24. Changes in Inventories of Finished Goods and Stock In trade

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Opening Stock:		
Finished Goods	-	-
Stock In trade	7,865.80	2,604.18
	7,865.80	2,604.18
Add: Stock in trade transferred into the Company of pursuant to composite scheme of Amalgamation and Arrangement	-	5,702.19
Less :- Closing Stock:		
Finished Goods	99.76	-
Stock In trade	8,384.47	7,865.80
	8,484.23	7,865.80
<b>Total</b>	<b>(618.43)</b>	<b>440.57</b>

### 25. Employee Benefits Expenses

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Salaries and Wages	5,291.79	5,364.12
Contribution to Provident and Other Funds	307.78	298.26
Expenses on employee stock option (ESOP) scheme (Refer note 30)	265.64	-
Staff Welfare Expenses	289.73	221.07
<b>Total</b>	<b>6,154.94</b>	<b>5,883.45</b>

### 26. Finance Costs

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Interest Expense on:		
- Borrowings	5,172.08	2,763.99
- Others	1.20	2.96
Other borrowing cost	63.27	220.11
<b>Total</b>	<b>5,236.55</b>	<b>2,987.06</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 27. Other Expenses

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Rent	2,573.83	2,567.92
Warehousing and Distribution Expenses	4,497.88	2,814.76
Electricity expenses	448.44	415.90
Advertisement, Publicity & Selling expenses	550.17	290.39
Repairs & Maintenance :		
- Plant and Machinery	5.35	1.09
- Buildings	2.72	1.14
- Others	138.51	140.55
Legal and Professional Charges	518.06	715.39
Provision for Doubtful Debts	-	99.19
Rates and Taxes	529.68	365.02
Insurance	57.57	34.81
Auditor's Remuneration (Refer Note below)	74.26	68.43
Directors Sitting Fees	19.25	22.00
Loss on Sale/Retirement of Fixed Assets	194.94	262.69
Net loss on foreign currency transactions and translation	0.47	31.73
Brand Royalty	575.31	398.83
Donation	0.41	5.82
Miscellaneous Expenses	1,736.63	1,557.05
<b>Total</b>	<b>11,923.48</b>	<b>9,792.71</b>

#### Auditor's Remuneration included in "Other Expenses"

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Audit Fees	52.66	36.48
Tax Audit	5.73	5.70
Other Services	15.11	25.32
Out of Pocket Expenses	0.76	0.93
<b>Total</b>	<b>74.26</b>	<b>68.43</b>

### 28. 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 31<sup>st</sup> March, 2016 are given below:

Particulars	For the Year Ended 31st March 2016 ₹ In Lakhs	For the Year Ended 31st March 2015 ₹ In Lakhs
<b>Net Employee benefit expenses (recognized in Employee cost)</b>		
Current Service Cost	69.94	75.56
Interest cost on benefit obligation	24.64	14.19
Actuarial (Gain)/Loss	(86.40)	62.20
<b>Net benefit Expenses</b>	<b>8.18</b>	<b>151.95</b>
<b>Amounts recognised in Balance sheet</b>		
Closing Defined Benefit obligation	(289.69)	(268.54)
Closing Fair Value of Plan Assets	-	-
<b>Unfunded Net assets/(Liability) recognised in the Balance Sheet</b>	<b>(289.69)</b>	<b>(268.54)</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the Year Ended 31st March 2016 ₹ In Lakhs	For the Year Ended 31st March 2015 ₹ In Lakhs
<b>Change in the present value of the defined benefit obligation are as follows:</b>		
Obligation at period beginning	268.54	104.71
Add : Adjustments on Merger / Acquisition	39.49	72.72
Current service cost	69.95	75.56
Interest on defined Obligation	24.64	14.19
Benefits paid	(26.53)	(60.84)
Actuarial (Gain)/ Losses on obligation	(86.40)	62.20
<b>Obligation at year end</b>	<b>289.69</b>	<b>268.54</b>
<b>Assumptions</b>		
Discount Rate	8.00% p.a.	8.00% p.a.
Salary Increase	8.00% p.a.	8.00% p.a.
Attrition Rate	20% to 2% p.a.	20% to 2% p.a.
Retirement Age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2006-08)Ult	Indian Assured Lives Mortality (2006-08)Ult

Experience adjustments						(₹ In Lakhs)
Particulars	2015-16	2014-15	2013-14	2012-13	2011-12	
Present value of Defined benefit obligation	289.69	268.54	104.71	51.78	13.40	
Fair value of Plan Assets	NA	NA	NA	NA	NA	
Funded Status	NA	NA	NA	NA	NA	
Experience gain/(loss) adjustments on Plan Liabilities	(86.40)	60.84	0.92	(7.18)	(0.61)	
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 ₹ -1.07 lakhs (Previous Year ₹ 122.71 lakhs) for long-term compensated absences in the statement of Profit and Loss. Actuarial Assumption for long-term compensated absences are:

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Discount Rate	8% p.a	8% p.a
Salary Increase	8% p.a	8% p.a
Attrition Rate	20% to 2% p.a.	20% to 2% p.a.
Retirement Age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2006-08)Ult	Indian Assured Lives Mortality (2006-08)Ult

29. The Company has recognised an amount of ₹ 233.37 lakhs (Previous Year ₹ 217.01 lakhs) for Provident Fund contributions and ₹ 70.20 lakhs (Previous Year ₹ 80.84 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

### 30. Employee Stock Option Plan

- a) The ESOP scheme titled "FVIL Employees Stock Option Plan 2011" (ESOP 2011) was approved by the shareholders at the Annual General Meeting held on August 10, 2010. 5,00,00,000 options are covered under the ESOP 2011 for 5,00,00,000 shares. Post listing of equity shares on the stock exchanges, the Shareholders have ratified the pre-IPO scheme.

In the previous years, the Nomination and Remuneration / Compensation Committee of the Company had granted 1,95,35,000 options under the ESOP 2011 to certain directors and employees of the Company and some of its Subsidiaries. During the current year, the Nomination and Remuneration / Compensation Committee at its meeting

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

held on 26<sup>th</sup> December 2015 has granted 1,50,00,000 options under the ESOP 2011 to certain directors / employees of the Company and some of its Subsidiaries. The options allotted under ESOP 2011 are convertible into equal number of equity shares. The exercise price of each option is ₹ 6/-.

The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

- b) The ESOP scheme titled "Future Consumer Enterprise Limited - Employee Stock Option Plan 2014" (ESOP 2014) was approved by the Shareholders vide resolution passed at the Extra Ordinary General Meeting held on 12th January, 2015 and through postal ballot on May 12, 2015 in respect of grant of 3,19,50,000 options under primary route and 7,98,00,000 options under secondary market route. ESOP 2014 has been implemented through a trust route whereby IL&FS Trust Company Limited has been appointed as the Trustee who monitors and administers the operations of the Trust.

The Nomination and Remuneration / Compensation Committee at its meeting held on 15th May 2015 has granted 1,59,50,000 options under the ESOP 2014 to certain directors / employees of the Company and some of its Subsidiaries under the secondary market route. The options allotted under ESOP 2014 are convertible into equal number of equity shares. The exercise price per Option shall not exceed market price of the Equity Share of the Company as on date of grant of Option or the cost of acquisition of such equity shares to the Company applying FIFO basis, whichever is higher.

The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

Particulars	During the year ended 31st March 2016 Options (Numbers)	During the year ended 31st March 2015 Options (Numbers)
Options outstanding at the beginning of the year:		
- ESOP 2011	10,06,000	1,57,85,000
- ESOP 2014	-	-
Granted during the year:		
- ESOP 2011	1,50,00,000	-
- ESOP 2014	1,59,50,000	-
Vested during the year:		
- ESOP 2011	6,90,000	10,47,000
- ESOP 2014	-	-
Exercised during the year:		
- ESOP 2011	2,98,000	1,32,49,000
- ESOP 2014	-	-
Lapsed/Cancelled during the year:		
- ESOP 2011	8,000	15,30,000
- ESOP 2014	-	-
Options outstanding at the end of the year:		
- ESOP 2011	1,57,00,000	10,06,000
- ESOP 2014	1,59,50,000	-
Options available for grant:		
- ESOP 2011	2,07,53,000	3,57,45,000
- ESOP 2014	9,58,00,000	-
The weighted average share price at the date of exercise for stock options exercised during the year		
- ESOP 2011 (In ₹)	18.80	10.80
- ESOP 2014 (In ₹)	NA	NA

### 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. Since options are granted under graded vesting plan with only service conditions, the Company has recognised the share-based compensation cost on a straight-line basis over the requisite service period for the entire award as per para 42A of the ICAI Guidance on Accounting for Employee Share-based Payments. The employee compensation cost as per the intrinsic value method for the financial year 2015-16 is ₹ 265.64 Lakhs (Previous Year ₹ NIL).

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Fair Value Methodology

The fair value of the options has been determined under the Black-Scholes model. The weighted average fair value of ESOP 2014 granted during the year, as on the grant date is ₹ 7.05. The assumptions used in this model for calculating fair value are as below:

Particulars	31st March 2016		31st March 2015
	ESOP 2014	ESOP 2011	ESOP 2011
Risk-Free Interest Rate (Average)	7.55% - 7.91%	7.82% - 8.81%	8.61% - 8.81%
Expected Life (Years)	4-6	4-6	2-4
Expected volatility of Share Price (%)	64.18%	47.15%-56.55%	47.15%
Dividend Yield (%)	0%	0%	0%

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	2015-16 ₹ In Lakhs	2014-15 ₹ In Lakhs
Net Profit/(Loss) (As reported)	(6,355.01)	(9,374.91)
Add: Stock based employee compensation expense included in net profit under intrinsic value method	265.64	-
Less: Stock based compensation expense determined under fair value based method (Proforma)	(633.08)	(12.38)
<b>Net Profit/(Loss) (Proforma)</b>	<b>(6,722.45)</b>	<b>(9,387.29)</b>

### Impact on Earnings per Share:

Particulars	2015-16 ₹ per share	2014-15 ₹ per share
Basic and Diluted Earnings per Share (As reported)	(0.38)	(0.58)
Basic and Diluted Earnings per Share (Proforma)	(0.41)	(0.58)

### 31. Segment Reporting

The Company is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single reporting segment. Hence there is no separate reportable segment under Accounting Standard on "Segment Reporting" (AS 17).

### 32. 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 2016	As at 31st March 2015
Profit / (Loss) for the year (₹ in Lakhs)	(6,355.01)	(9,374.91)
No of equity shares at the beginning of the year	1,65,71,44,038	1,59,79,76,671
No of equity shares at the end of the year	1,65,74,42,038	1,65,71,44,038
Weighted Average number of shares outstanding for Basic EPS	1,65,72,60,470	1,61,51,01,238
Add: Weighted Average number of potential equity shares on account of Employee Stock Options outstanding	28,00,313	5,06,522
Weighted Average number of shares outstanding for diluted EPS	1,66,00,60,783	1,61,56,07,760
<b>Earnings per share</b>		
- Basic	<b>(0.38)</b>	<b>(0.58)</b>
- Diluted	<b>(0.38)</b>	<b>(0.58)</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 33. Related Party Disclosures

#### A) Names of Related Parties and Nature of Relationship

##### a. Subsidiary Companies

- a. Aadhaar Wholesale Trading and Distribution Limited
- b. Future Consumer Products Limited
- c. Future Food and Products Limited
- d. Star and Sitara Wellness Limited
- e. Amar Chitra Katha Private Limited and its subsidiaries:
  - i. IBH Books and Magazines Distributors Limited
  - ii. ACK Edutainment Limited
  - iii. ACK Media Direct Limited
  - iv. Karadi Tales Company Private Limited (upto 16<sup>th</sup> July, 2015 )
  - v. Ideas Box Entertainment Limited
- f. Express Retail Services Private Limited
- g. Future Food Processing Private Limited (Formerly known as Future Personal Care and Hygiene Products Private Limited)
- h. Aussee Oats Milling (Private) Limited
- i. Aussee Oats India Private Limited (w.e.f. 19<sup>th</sup> February, 2016)
- j. The Nilgiri Dairy Farm Private Limited
  - i. Appu Nutritions Private Limited
  - ii. Nilgiri's Mechanised Bakery Private Limited
  - iii. Nilgiris Franchise Private Limited
- k. Sublime Foods Private Limited
- l. Integrated Food Park Private Limited
- m. Bloom Fruit and Vegetables Private Limited (w.e.f. 15<sup>th</sup> January, 2016)
- n. MNS Foods Private Limited (w.e.f. 4<sup>th</sup> August, 2015)
- o. FCEL Overseas FZE\*

##### b. Associates

- a. Sarjena Foods Private Limited
- b. Karadi Path company Private Limited (Associate of Amar Chitra Katha Private Limited) (From 17<sup>th</sup> July, 2015 to 3<sup>rd</sup> October 2015)

##### c. Joint Ventures

- a. Mibelle Future Consumer Products AG (w.e.f. 9<sup>th</sup> October, 2015)

##### d. Key Management Personnel (KMP)

- a. Arun Kumar Agarwal – Manager
- b. Ashni Biyani – Whole Time Director

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

- a. Future Ideas Company Limited
- b. Future Enterprises Limited (Formerly known as Future Retail Limited)
- c. Future Lifestyle Fashions Limited
- d. Srishti Mall Management Company Private Limited

\* Subsidiary by virtue of control through composition of Board

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### B) Transactions with Related Parties

(₹ in Lakhs)

Nature of transactions	Subsidiary	Associates	Joint Venture	Enterprises over which key management personnel can exercise control/ significant influence	Key Management Personnel
Purchase of Investments (Equity Shares)	46.10 (3,154.01)	- (500.00)	237.03 (-)	- (-)	- (-)
Issue of Share Warrants	- (-)	- (-)	- (-)	1,675.00 (-)	- (-)
Loans and Advances Given	1,287.78 (61.96)	- (-)	- (-)	- (-)	- (-)
Inter Corporate Deposits Given	9,594.62 (6,407.01)	- (1,677.00)	- (-)	6,583.97 (-)	- (-)
Inter Corporate Deposits Received back	5,070.09 (4,565.00)	- (935.00)	- (-)	11,034.63 (-)	- (-)
Security Deposit Given	5.40 (40.74)	- (24.60)	- (-)	25.92 (-)	- (-)
Net Transfer of Assets and Liabilities into the Company pursuant to the Scheme of Amalgamation and Arrangement	- (2,920.20)	- (-)	- (-)	- (-)	- (-)
Interest Income	823.03 (313.89)	- (99.33)	- (-)	441.94 (-)	- (-)
Rent Income	8.40 (8.40)	- (-)	- (-)	- (-)	- (-)
Other Operating Income	- (-)	- (-)	- (-)	126.35 (-)	- (-)
Sale of Products	4,293.60 (1,673.77)	- (-)	- (-)	93,018.41 (-)	- (-)
Sale of Inventory and Other transfers	- (-)	- (-)	- (-)	2,401.83 (-)	- (-)
Purchases	1,093.62 (161.16)	161.05 (45.00)	- (-)	42.83 (-)	- (-)
Sale of Fixed Assets	- (31.64)	- (-)	- (-)	- (-)	- (-)
Managerial Remuneration	- (-)	- (-)	- (-)	- (-)	105.85 (59.13)
Other Expenses	3.07 (-)	- (-)	- (-)	98.24 (-)	- (-)
Rent Expenses	398.98 (36.92)	- (31.82)	- (-)	260.75 (-)	- (-)
Brand Royalty Expenses	74.11 (64.90)	- (-)	- (-)	23.56 (-)	- (-)
Purchase of Fixed Assets	- (-)	- (-)	- (-)	82.39 (-)	- (-)
Recovery of Expenses	58.61 (-)	- (-)	7.44 (-)	- (-)	- (-)
Legal & Professional Fees	- (-)	- (-)	- (-)	61.91 (-)	- (-)
Inter Corporate Deposit written off during the year	- (714.00)	- (-)	- (-)	- (-)	- (-)
Interest Receivable	591.96 (163.71)	- (-)	- (-)	42.07 (-)	- (-)
Trade Receivable	1,066.77 (416.13)	- (-)	- (-)	11,106.13 (-)	- (-)
Receivables against Fixed Assets	- (31.64)	- (-)	- (-)	- (-)	- (-)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Nature of transactions	Subsidiary	Associates	Joint Venture	Enterprises over which key management personnel can exercise control/ significant influence	Key Management Personnel
ICDs Outstanding	9,553.02 (5,000.01)	- (-)	- (-)	1,083.97 (-)	- (-)
Trade Payables	198.67 (118.91)	17.85 (-)	- (-)	0.73 (-)	- (-)
Other Payables	- (-)	- (-)	- (-)	11.24 (-)	- (-)
Other Receivables	59.67 (-)	200.00 (178.23)	7.44 (-)	91.85 (-)	- (-)
Security Deposit Outstanding	70.74 (65.34)	- (-)	- (-)	25.92 (-)	- (-)
Loans and Advances Outstanding	1,279.92 (137.79)	- (-)	- (-)	- (-)	- (-)
Corporate Guarantees given	4,730.45 (11,015.98)	- (-)	- (-)	- (-)	- (-)
Corporate Guarantees Outstanding	16,405.05 (11,015.98)	- (-)	- (-)	- (-)	- (-)

Figures in bracket represent previous year's figures.

### C) Disclosure in respect of Material Transactions with Related Parties

(₹ in Lakhs)

Type of Transactions	Particulars	2015-16	2014-15
<b>Purchase of Investments (Equity Shares)</b>	Aadhaar Wholesale Trading and Distribution Limited	-	1,400.00
	Amar Chitra Katha Private Limited	-	1.00
	Aussee Oats Milling (Private) Limited	-	544.20
	Integrated Food Park Private Limited	-	1,133.81
	Sarjena Foods Private Limited	-	500.00
	MNS Foods Private Limited	45.00	-
	Mibelle Future Consumer Products AG	237.03	-
<b>Issue of Share Warrants</b>	Srishti Mall Management Company Private Limited	1,675.00	-
<b>Loans and Advances Given</b>	Express Retail Services Private Limited	-	14.36
	Future Food and Products Limited	647.04	26.78
	Integrated Food Park Private Limited	-	20.82
	Future Food Processing Private Limited	564.37	-
<b>Inter Corporate Deposits Given</b>	Aadhaar Wholesale Trading and Distribution Limited	-	2,380.00
	Integrated Food Park Private Limited	4,700.47	2,097.00
	The Nilgiri Dairy Farm Private Limited	-	1,640.31
	Star and Sitara Wellness Limited	-	819.00
	Future Enterprises Limited	6,583.97	-
<b>Inter Corporate Deposits Received Back</b>	Aadhaar Wholesale Trading and Distribution Limited	-	3,505.00
	Integrated Food Park Private Limited	2,342.00	935.00
	Star and Sitara Wellness Limited	-	710.00
	The Nilgiri Dairy Farm Private Limited	1,690.31	-
	Future Enterprises Limited	11,034.63	-
<b>Security Deposit Given</b>	Integrated Food Park Private Limited	5.40	65.34
	Future Enterprises Limited	25.92	-
<b>Net Transfer of Assets and Liabilities into the Company pursuant to the Scheme of Amalgamation and Arrangement</b>	Future Agrovet Limited	-	2,920.20



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Type of Transactions	Particulars	2015-16	2014-15
<b>Interest Income</b>	Aadhaar Wholesale Trading and Distribution Limited	-	178.68
	Integrated Food Park Private Limited	375.10	133.78
	The Nilgiri Dairy Farm Private Limited	138.32	-
	Future Enterprises Limited	441.94	-
<b>Rent Income</b>	Aadhaar Wholesale Trading and Distribution Limited	8.40	8.40
<b>Other Operating Income</b>	Future Enterprises Limited	119.39	-
<b>Sale of Products</b>	Aadhaar Wholesale Trading and Distribution Limited	-	1,647.66
	Future Enterprises Limited	93,018.41	-
<b>Sale of Inventory and Other Transfers</b>	Future Enterprises Limited	2,401.83	-
<b>Purchases</b>	Sarjena Foods Private Limited	161.05	45.00
	Aadhaar Wholesale Trading and Distribution Limited	571.32	154.64
	The Nilgiri Dairy Farm Private Limited	417.99	-
<b>Sale of Fixed Assets</b>	The Nilgiri Dairy Farm Private Limited	-	31.64
<b>Managerial Remuneration</b>	Mr. Arun Agarwal	35.43	32.63
	Ms. Ashni Biyani	70.41	26.50
<b>Other Expenses</b>	Future Lifestyle Fashions Limited	93.15	-
<b>Rent Expenses</b>	Integrated Food Park Private Limited	398.98	68.75
	Future Enterprises Limited	252.95	-
<b>Brand Royalty Expenses</b>	Future Consumer Products Limited	65.12	55.91
	Amar Chitra Katha Private Limited	-	8.99
	Future Ideas Company Limited	23.56	-
<b>Purchase of Fixed Assets</b>	Future Enterprises Limited	82.39	-
<b>Recovery of Expenses</b>	Future Food and Products Limited	29.31	-
	Future Food Processing Private Limited	29.31	-
	Mibelle Future Consumer Products AG	7.44	-
<b>Legal &amp; Professional Fees</b>	Future Ideas Company Limited	61.46	-
<b>Inter Corporate Deposit written off during the year</b>	Star and Sitara Wellness Limited	-	714.00
<b>Interest Receivable</b>	Aadhaar Wholesale Trading and Distribution Limited	84.22	18.52
	Integrated Food Park Private Limited	257.46	87.75
	The Nilgiri Dairy Farm Private Limited	99.93	37.69
	Future Enterprises Limited	42.07	-
	Aussee Oats Milling (Private) Limited	93.95	-
<b>Trade Receivables</b>	Aadhaar Wholesale Trading and Distribution Limited	-	398.28
	Future Enterprises Limited	11,103.47	-
<b>Receivables against Fixed Assets</b>	The Nilgiri Dairy Farm Private Limited	-	31.64
<b>ICDs Outstanding</b>	Aadhaar Wholesale Trading and Distribution Limited	1,418.12	465.00
	Aussee Oats Milling (Private) Limited	1,084.32	551.71
	Integrated Food Park Private Limited	4,455.47	2,097.00
	The Nilgiri Dairy Farm Private Limited	1,453.11	1,640.31
	Future Enterprises Limited	1,083.97	-
<b>Trade Payables</b>	Future Consumer Products Limited	46.49	39.67
	Integrated Food Park Private Limited	27.07	58.16
	The Nilgiri Dairy Farm Private Limited	61.05	-
	Sublime Foods Private Limited	45.55	-
<b>Other Payables</b>	Future Ideas Company Limited	11.24	-
<b>Other Receivables</b>	Sarjena Foods Private Limited	200.00	178.23
	Future Lifestyle Fashions Ltd.	91.85	-
<b>Security Deposit Outstanding</b>	Integrated Food Park Private Limited	70.41	65.34
	Future Enterprises Limited	25.92	-
<b>Loans and Advances Outstanding</b>	Future Food and Products Limited	606.15	81.54
	Future Food Processing Private Limited	564.37	-
	Express Retail Services Private Limited	-	35.43
	Integrated Food Park Private Limited	-	20.82

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Type of Transactions	Particulars	2015-16	2014-15
Corporate Guarantees given	Aussee Oats Milling (Private) Limited	994.99	5,220.07
	The Nilgiri Dairy Farm Private Limited	1,700.00	-
	Amar Chitra Katha Private Limited	1,300.00	-
	Integrated Food Park Private Limited	-	5,795.91
Corporate Guarantees Outstanding	Integrated Food Park Private Limited	6,142.43	5,795.91
	Aussee Oats Milling (Private) Limited	5,532.16	5,220.07
	The Nilgiri Dairy Farm Private Limited	1,700.00	-

### 34. Foreign Currency Expenditure

Particulars	For the Year ended 31st March 2016 ₹ In Lakhs	For the Year ended 31st March 2015 ₹ In Lakhs
Travelling and Conveyance Expenses	1.95	4.00
Royalty	47.16	42.61
Sitting Fees	1.50	1.00
Marketing Expenses	3.95	-
Reimbursement of Expenses	-	11.25
Interest on Buyer's Credit	5.73	-
<b>Total</b>	<b>60.29</b>	<b>58.86</b>

### 35. Details on derivative instruments and unhedged foreign currency exposures

- a) The following derivative positions are open as at 31st March, 2016. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

Cross Currency Interest rate swaps to hedge against fluctuations in interest rate changes and fluctuation in changes in exchange rate: No. of contracts: 2 (Previous Year : Nil)

- b) The year-end foreign currency exposures are given below:

Particulars	Foreign Currency	As at 31st March 2016			As at 31st March 2015		
		Exchange rate	Amount in Foreign Currency (In Lakhs)	Amount in ₹ (In Lakhs)	Exchange rate	Amount in Foreign Currency (In Lakhs)	Amount in ₹ (In Lakhs)
<b>Receivables:</b>							
Trade Receivable and Advances given (Unhedged)	USD	66.33	18.90	1,253.89	62.59	1.59	99.60
<b>Payables:</b>							
Trade Payables	USD	66.33	0.75	49.58	62.59	4.23	264.68
Trade Payables	EUR	75.10	0.79	59.23	-	-	-
Borrowings	USD	66.33	8.01	531.12	-	-	-
<b>Total Payables</b>				<b>639.93</b>			<b>264.68</b>
Hedged by derivative Contracts				319.74	-	-	-
Unhedged Payables				320.19			264.68

### 36. CIF Value of Imports

Particulars	For the Year ended 31st March 2016 ₹ In Lakhs	For the Year ended 31st March 2015 ₹ In Lakhs
Traded Goods	2,588.48	2,653.73
<b>Total</b>	<b>2,588.48</b>	<b>2,653.73</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 37. Additional Information as per General Instruction for preparation of Statement of Profit and Loss

Particulars	For the Year Ended 31st March 2016 ₹ In Lakhs	For the Year Ended 31st March 2015 ₹ In Lakhs
<b>Purchases</b>		
Food and FMCG	1,14,294.89	94,967.59
<b>Sales</b>		
Food and FMCG	1,33,312.30	1,07,207.09
<b>Raw Material Consumed</b>		
Staples & Others	3,127.99	1,427.27

### 38. Contingent Liabilities

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Corporate Guarantees issued to bank and financial Institution (Loans Outstanding as at 31 <sup>st</sup> March 2016 ₹ 14,067.30 lakhs; PY ₹ 9,752.00 lakhs)	16,405.04	11,015.98
Disputed Income Tax Demand	2,017.58	2,017.58
Disputed Sales Tax Matter	36.93	147.05
Claims not acknowledged as debt*	61.05	50.98
<b>Total</b>	<b>18,520.60</b>	<b>13,231.59</b>

\*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.

39. The estimated amount of contracts remaining to be executed on capital account as at 31st March 2016 is ₹ NIL. (Previous Year ₹ 1,362.53 lakhs).

### 40. Disclosure of Loans and Advances / Investments as per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Company	(₹ In Lakhs)			
	As at 31st March 2016		As at 31st March 2015	
	Outstanding Loan Amount	Maximum Loan Amount Outstanding	Outstanding Loan Amount	Maximum Loan Amount Outstanding
<b>Subsidiaries</b>				
Aadhaar Wholesale Trading and Distribution Limited	1,418.12	1,418.12	465.00	2,325.00
Amar Chitra Katha Private Limited	988.94	988.94	200.00	300.00
Aussee Oats Milling (Private) Limited	1,084.32	1,084.32	551.71	551.71
Aussee Oats India Private Limited	5.00	5.00	-	-
Integrated Food Park Private Limited	4,455.47	4,455.47	2,097.00	2,097.00
Nilgiris Franchise Private Limited	27.06	52.06	25.00	25.00
Star and Sitara Wellness Limited	-	-	-	944.00
Sublime Food Private Limited	101.00	237.79	21.00	21.00
The Nilgiri Dairy Farm Private Limited	1,453.11	1,686.62	1,640.31	1,640.31
MNS Food Private Limited	20.00	20.00	-	-
	<b>9,553.02</b>	<b>9,948.31</b>	<b>5,000.02</b>	<b>7,904.02</b>

### 41. Details of leasing arrangements:

The Company has entered into cancellable operating lease arrangement for its stores and office premises. Operating lease rentals charged to Statement of Profit and Loss aggregate to ₹ 2,573.83 Lakhs (Previous year ₹ 2,567.92 Lakhs.)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. 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.
43. Pursuant to approval granted by the Shareholders of the Company at an Extra Ordinary General Meeting held on 22nd January, 2016, the Committee of Directors of the Board of Directors of the Company had on 5th February, 2016 issued and allotted 6,700 Warrants of ₹ 1,00,000/- each to Srishti Mall Management Company Private Limited ("Srishti"), a promoter group company, on preferential allotment basis upon receipt of ₹ 1,675 lakhs from Srishti being 25% of the total consideration price for the warrants. The warrant holder may exercise the warrants at any time before expiry of 18 months from the date of allotment of warrants. Upon such exercise and on payment of balance 75% of the total consideration amount by the warrant holder, the warrants shall be converted into equity shares at a conversion price of ₹ 22.73 per equity share.

In the event the warrant holder does not exercise the Warrants within the said period, the warrants shall lapse and the amount paid shall stand forfeited by the Company.

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

Particulars	(₹ In Lakhs)	
	As at 31st March 2016	As at 31st March 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	140.03	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1.00	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	1.00	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1.82	0.82
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.82	0.82

45. During the year under review, the Company has re-aligned its business by way of shifting the operations of convenience stores to be undertaken under a Franchisee model. Under the new model all the convenience stores which earlier were operated by the Company and/or its subsidiaries under various format brands "KB's Fair Price", "KB's Conveniently Yours", "Big Apple", "Aadhaar" and "Nilgiris" will be operated by the franchisee appointed by the Company. As a result of the above, the Company shall not hereafter be operating any convenience stores either directly by itself or by any of the above mentioned subsidiaries.
46. Addition to Capital Work in Progress during the year includes borrowing cost - ₹ 81.30 Lakhs (Previous Year - ₹ NIL), adjustment on account of exchange rate fluctuation - ₹ 0.78 Lakhs (Previous Year - ₹ NIL) and other expenditure in the course of construction of the assets - ₹ 414.55 Lakhs (Previous Year - ₹ NIL). Foreign exchange fluctuation included above remaining to be amortised is ₹ 0.78 Lakhs (Previous Year - ₹ NIL).

Addition to Plant & Machinery includes borrowing cost amounting to ₹ 14.39 Lakhs. (Previous Year - ₹ NIL).

47. The Company has interest in the following Joint venture Entity:

Name of the Joint Venture and country of incorporation	% of Interest	Assets	Liabilities	Income	Expenditure	(₹ In Lakhs)	
						Contingent Liability	Capital Commitment
Mibelle Future Consumer Products AG, Switzerland* (w.e.f. October 9, 2015)	50%	203.30	4.77	-	5.94	-	-

\* Limited Audit as per relevant laws

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

48. Pursuant to approval granted by the Shareholders of the Company at an Extra Ordinary General Meeting held on January 22, 2016, the Company has on April 26, 2016 issued and allotted 100 Equity Shares of ₹ 6 each at a premium of ₹ 16.73 per equity share and 29,985 CCDs of ₹ 1,00,000/- each to Black River Food 2 Pte. Ltd ("Black River") upon receipt of ₹ 29,985.02 Lakhs on preferential allotment basis.

The CCDs shall carry a coupon of 8.50% per annum compounded on a quarterly basis. The CCDs shall automatically and compulsorily be converted into equity shares at a conversion price of ₹ 22.73 per equity share on the earlier of occurrence of following events – a) Black River electing to convert the CCDs into equity shares and b) the date that is 18 months from the date of issue of CCDs. In the event of unpaid coupons, if any, the Investor shall be entitled to such number of equity shares, equivalent to the amount of coupons remaining unpaid at a conversion price of ₹ 22.73 for each equity share.

49. Particulars of loans given \ investments made \ guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

Nature	₹ In Lakhs	Period	Interest Rate	Purpose
Inter Corporate Deposit Given	10,876.52 (10,776.50)	240-1095 days	12 % to 13.2%	General corporate purpose
Investments Made	63,172.00 (62,879.82)	Not applicable	Not applicable	Not applicable
Guarantees Given	16,405.04 (11,015.98)	Not applicable	Not applicable	Availment of Term Loan

Figures in bracket represent previous year's figures.

50. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Pursuant to shareholders' approval, w.e.f. February 1, 2016, the Company has re-aligned its business by way of shifting the operations of convenience stores to be undertaken under a Franchisee model. Consequently, the figures for the current year are not comparable with that of the previous year.

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Future Consumer Enterprise Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **FUTURE CONSUMER ENTERPRISE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## Other Matters

- a) We did not audit the financial statements / financial information of 23 subsidiaries (including sub-subsidiaries) whose financial statements / financial information reflect total assets of ₹ 46,528.96 lakhs as at 31st March, 2016, total revenues of ₹ 46,086.35 lakhs and net cash outflows amounting to ₹ 652.53 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 loss of ₹ 111.58 lakhs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports

have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors.

- b) We did not audit the financial statements / financial information of 1 jointly controlled entity, whose financial statements / financial information reflect total assets of ₹ 203.30 lakhs as at 31st March, 2016, total revenues of ₹ Nil and net cash inflows amounting to ₹ 203.27 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been subject to a limited audit as per the laws of its country of incorporation and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity, is based solely on such limited audited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and limited audited financial statements / financial information of the Jointly Controlled entity.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary company's and associate company's (incorporated in India) internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity in accordance with the generally accepted accounting practice –also refer note no. 33 to the Consolidated financial statements.
  - ii. The Group, its associates and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled company incorporated in India.

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

**Ketan Vora**  
Partner

(Membership No. 100459)

**MUMBAI, May 19, 2016**



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **FUTURE CONSUMER ENTERPRISE LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary companies and its associate companies which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 20 subsidiary companies, and 1 associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm's Registration No. 117364W)

**Ketan Vora**

Partner

(Membership No. 100459)

**MUMBAI**, May 19,2016

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

Particulars	Note	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	4	99,446.52	99,428.64
(b) Reserves and Surplus	5	(33,469.43)	(22,470.58)
(c) Money received against share warrants	37	1,675.00	-
		<b>67,652.09</b>	<b>76,958.06</b>
<b>Minority Interest</b>		<b>2,147.02</b>	<b>3,382.76</b>
<b>Non Current Liabilities</b>			
a) Long Term Borrowings	6	32,539.28	36,622.94
b) Deferred Tax Liability (Net)	14	0.02	0.02
c) Other Long Term Liabilities	7	907.33	851.12
d) Long Term Provisions	8	668.43	737.84
		<b>34,115.06</b>	<b>38,211.92</b>
<b>Current Liabilities</b>			
a) Short Term Borrowings	9	20,655.50	29,694.16
b) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		672.16	250.23
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		12,493.51	12,139.21
		<b>13,165.67</b>	<b>12,389.44</b>
c) Other Current Liabilities	10	10,796.58	3,692.80
d) Short Term Provisions	11	337.77	356.05
		<b>44,955.52</b>	<b>46,132.45</b>
<b>TOTAL</b>		<b>148,869.69</b>	<b>164,685.19</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
a) Fixed Assets (Net Block)			
(i) Tangible Assets	12	31,870.02	22,485.83
(ii) Intangible Assets	12	27,154.89	29,485.27
		<b>59,024.91</b>	<b>51,971.10</b>
(iii) Capital Work-in-Progress		3,805.15	4,354.85
(iv) Intangible Assets under development		540.85	693.43
		<b>63,370.91</b>	<b>57,019.38</b>
b) Goodwill on Consolidation		36,420.78	36,849.19
c) Non Current Investments	13	1,205.02	1,163.11
d) Long Term Loans and Advances	15	8,276.11	6,022.75
e) Other Non Current Assets	16	15.11	-
		<b>109,287.93</b>	<b>101,054.43</b>
<b>Current Assets</b>			
a) Current Investments	17	2,000.30	10,000.16
b) Inventories	18	12,239.78	11,147.49
c) Trade Receivables	19	17,909.10	15,458.56
d) Cash and Cash Equivalents	20	2,997.73	4,330.68
e) Short Term Loan and Advances	21	4,238.24	21,766.58
f) Other Current Assets	22	196.61	927.29
		<b>39,581.76</b>	<b>63,630.76</b>
<b>TOTAL</b>		<b>148,869.69</b>	<b>164,685.19</b>

See accompanying Notes forming part of the consolidated financial statements 1-42

In terms of our report attached

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**

Chartered Accountants

**Ketan Vora**

Partner

**G.N.Bajpai**

Chairman

**Ashni Biyani**

Wholetime Director

Place : Mumbai

Date : 19th May 2016

**Manoj Gagvani**

Company Secretary & Head - Legal

**Manoj Saraf**

Chief Financial Officer

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	Note	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
<b>A. Continuing Operations</b>			
<b>Revenue</b>			
(a) Revenue from Operations	23	175,781.29	131,225.82
(b) Other Income	24	2,269.30	3,515.71
<b>Total Revenue</b>		<b>178,050.59</b>	<b>134,741.53</b>
<b>Expenditure</b>			
(a) Cost of materials consumed	25	16,134.48	6,276.49
(b) Purchase of stock-in-trade (traded goods)		131,883.62	107,510.41
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(380.49)	239.46
(d) Employee Benefits Expenses	27	10,757.89	8,519.90
(e) Finance Costs	28	6,108.82	3,193.23
(f) Depreciation and Amortisation expenses	12	6,031.12	4,746.61
(g) Other Expenses	29	19,352.19	13,750.86
		<b>189,887.63</b>	<b>144,236.96</b>
<b>(Loss) before exceptional Items and tax</b>		<b>(11,837.04)</b>	<b>(9,495.43)</b>
Exceptional Items	40	470.14	-
<b>(Loss) before Tax</b>		<b>(12,307.18)</b>	<b>(9,495.43)</b>
<b>Less : Tax Expense</b>			
Current Tax		6.16	0.71
Tax relating to earlier years		-	0.25
Proportionate Share in a Joint Venture		0.13	-
<b>Net Current Tax</b>		<b>6.29</b>	<b>0.96</b>
Deferred Tax (Credit) / Expense		0.01	(1.42)
<b>(Loss) from continuing operations after tax</b>		<b>(12,313.48)</b>	<b>(9,494.97)</b>
<b>B. Discontinuing Operations</b>			
<b>(Loss) from discontinuing operations before tax</b>		-	<b>(1,382.18)</b>
<b>Less : Tax Expense</b>			
Deferred Tax		-	59.88
<b>(Loss) from discontinuing operations after tax</b>		-	<b>(1,442.06)</b>
<b>(Loss) after taxation before minority interest and share of associates</b>		<b>(12,313.48)</b>	<b>(10,937.03)</b>
Add: Share of Associates Profit/(Loss)		(111.58)	(93.67)
Add: Share of Minority Interest		1,146.68	397.20
Add : Adjustment on Acquisition of Subsidiaries		-	357.08
<b>(Loss) after Share of Associates and Minority Interest</b>		<b>(11,278.38)</b>	<b>(10,276.42)</b>
<b>Basic and Diluted Earnings per Share(Face Value ₹ 6/- each)</b>	32	<b>(0.68)</b>	<b>(0.64)</b>
See accompanying Notes forming part of the consolidated financial statements	1-42		

In terms of our report attached

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**

Chartered Accountants

**Ketan Vora**

Partner

**G.N.Bajpai**

Chairman

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Company Secretary & Head - Legal

**Manoj Saraf**

Chief Financial Officer

Place : Mumbai

Date : 19th May 2016

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	For the Year Ended 31st March 2016 ₹ In Lakhs		For the Year Ended 31st March 2015 ₹ In Lakhs	
<b>A. Cash Flow From Operating Activities</b>				
(Loss) before tax, Share of profit/(loss) of Associate and Minority Interest		(12,307.18)		(10,877.61)
<b>Adjustments for :</b>				
Depreciation & Amortisation expense	6,031.12		4,904.43	
Finance costs	6,108.82		3,231.81	
Interest Income	(1,699.49)		(2,860.65)	
Interest on Income tax and Vat Refund	(12.94)		(0.05)	
Dividend Income	-		(0.16)	
Loss on sale of Subsidiary	470.14		-	
Gain on Sale of Investment - Current	(15.66)		(215.18)	
Loss on Sale/Retirement of Fixed Assets	196.36		1,233.52	
Bad Debts / Provision for Doubtful Debts/Advances written off	216.30		152.31	
Provision no longer required written back	(241.90)		(332.04)	
Provision for Standard Assets written back	(27.36)		(21.83)	
Inventory Reserve	(22.03)		37.16	
Sundry Balances written back	(75.60)		(65.83)	
Net Unrealised Exchange Gain	(330.37)		(222.68)	
Impairment of Goodwill on Consolidation	-		90.08	
Expenses on employee stock option (ESOP) scheme	265.64	10,863.03	-	5,930.89
<b>Operating Profit/(Loss) before Working Capital changes</b>		(1,444.15)		(4,946.72)
Decrease / (Increase) in Inventories	(1,107.88)		128.23	
Decrease / (Increase) in Trade Receivables	(1,721.73)		(2,554.75)	
Decrease / (Increase) in Loans & Advances	8,095.08		(13,813.96)	
Increase / (Decrease) in Liabilities and Provisions	2,921.55	8,187.02	(2,482.83)	(18,723.31)
<b>Operating Profit/(Loss) after Working Capital changes</b>		6,742.87		(23,670.03)
Income Taxes paid (Net of refunds)		(337.59)		(640.18)
<b>Net Cash flow from / (used in) operating activities (A)</b>		<b>6,405.28</b>		<b>(24,310.21)</b>
<b>B. Cash Flow From Investing Activities</b>				
Sale of Fixed assets		256.07		97.65
Purchase of Fixed Assets including capital advances		(10,139.77)		(6,016.02)
Bank balances not considered as Cash and Cash Equivalents (net)		(149.75)		(542.94)
Proceeds from sale of Long term Investments		-		756.00
Purchase of Long Term Investments		(40.02)		(30,567.44)
Proceeds from sale of Current Investments		10,606.32		25,339.98
Purchase of Current Investments		(2,590.66)		(22,740.33)
Purchase of Assets and Liabilities - Business Unit		(1,091.42)		-
Inter Corporate Deposit (given)/refunded (Net)		4,452.99		11,386.22
Interest Received		2,344.35		2,730.42
Dividends Received		-		0.16
<b>Net Cash flow from / (used in) Investing Activities (B)</b>		<b>3,648.11</b>		<b>(19,556.30)</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	For the Year Ended 31st March 2016 ₹ In Lakhs	For the Year Ended 31st March 2015 ₹ In Lakhs
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from Issue of Equity Shares	17.88	794.94
Proceeds from Long term borrowings	3,626.77	31,713.44
Repayment of Long term borrowings	(1,166.85)	(29.64)
Proceeds/(Repayment) of Short term borrowings (net)	(9,184.86)	15,851.89
Proceeds from Minority Shareholders towards Equity Shares	45.40	1,138.99
Money received against share warrants	1,675.00	-
Interest and Finance Charges Paid	(6,557.13)	(3,202.58)
<b>Net Cash flow from / (used in) Financing Activities (C)</b>	<b>(11,543.79)</b>	<b>46,267.04</b>
 <b>Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)</b>	 <b>(1,490.40)</b>	 <b>2,400.53</b>
 Cash and Cash Equivalents as at the beginning of the year	 3,730.25	 1,043.93
Add: Adjustment on acquisition of subsidiary	7.70	285.79
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>2,247.55</b>	<b>3,730.25</b>
 <b>Reconciliation of cash and cash Equivalents with Balance Sheet:</b>		
Add: In Earmarked Accounts - Margin Money Deposit Accounts	750.18	600.43
<b>Cash and Cash Equivalents as per Balance sheet (Refer Note 20)</b>	<b>2,997.73</b>	<b>4,330.68</b>

In terms of our report attached

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**

Chartered Accountants

**Ketan Vora**

Partner

**G.N.Bajpai**

Chairman

**Ashni Biyani**

Wholetime Director

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Company Secretary & Head - Legal

**Manoj Saraf**

Chief Financial Officer

Place : Mumbai

Date : 19th May 2016

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. Corporate Information

The Company was incorporated on July 10, 1996, under the name "Subhikshith Finance and Investments Limited". The name of the Company was changed to "Future Ventures India Private Limited" with effect from 9th August, 2007 and 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 BSE Limited since May 10, 2011. The name of the Company was changed to Future Consumer Enterprise Limited w.e.f. September 30, 2013. The Company is engaged in the business of Sourcing, Manufacturing, Branding, Marketing and Distribution of FMCG, Food and Processed Food Products in Urban and Rural India.

The Reserve Bank of India in terms of application made by the Company has vide its order passed on 21st July, 2015 cancelled Certificate of Registration granted to the Company. Consequently, the Company now ceases to be a Non Banking Financial Company.

## 2. A. Basis of Accounting and preparation of Consolidated Financial Statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entity (together "the Group") have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rules and the relevant provisions of the Companies Act, 2013 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 consolidated financial statements are consistent with those followed in the previous year.

### B. Principles of Consolidation:

The consolidated financial statements relate to Future Consumer Enterprise Limited, its subsidiaries, jointly controlled entity and share of Profit / (Loss) in associate. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the subsidiaries, jointly controlled entities and associate used in the consolidation have been drawn up to the same reporting date as that of the Company for the year ended March 31, 2016.
- 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) The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using '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.
- d) Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 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.
- e) The excess of cost to the Company on the acquisition date in the subsidiaries / jointly controlled entities 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 / jointly controlled entity on the acquisition date over its cost of investment is treated as Capital Reserve. The Goodwill / Capital Reserve is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.
- 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 / (loss) 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.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 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	Country of Incorporation	% Holding as at 31st March, 2016	% Holding as at 31st March, 2015
Aadhaar Wholesale Trading and Distribution Limited	Subsidiary	India	100%	100%
Future Consumer Products Limited	Subsidiary	India	90%	90%
Future Food and Products Limited	Subsidiary	India	100%	100%
Star and Sitara Wellness Limited	Subsidiary	India	100%	100%
Express Retail Services Private Limited	Subsidiary	India	100%	100%
Amar Chitra Katha Private Limited (Further referred as ACK)	Subsidiary	India	73.99%	73.99%
- IBH Books and Magazines Distributors Limited	Subsidiary of ACK	India	100%	100%
- ACK Edutainment Limited	Subsidiary of ACK	India	100%	100%
- ACK Media Direct Limited	Subsidiary of ACK	India	100%	100%
- Karadi Tales Company Private Limited (Upto 16 <sup>th</sup> July 2015)	Subsidiary of ACK	India	51%	51%
- Karadi Path Company Private Limited (From 17 <sup>th</sup> July 2015 to 3 <sup>rd</sup> Oct 2015)	Associate of ACK	India	28.21%	-
- Ideas Box Entertainment Limited	Subsidiary of ACK	India	100%	100%
Future Food Processing Private Limited (Formerly known as Future Personal Care and Hygiene Products Private Limited)	Subsidiary	India	100%	100%
Aussee Oats Milling (Private) Limited	Subsidiary	Sri Lanka	50% + 1 share	50% + 1 Share
The Nilgiri Dairy Farm Private Limited (Further referred as NDF)	Subsidiary	India	100%	99.96%
- Appu Nutritions Private Limited	Subsidiary of NDF	India	76% **	76% **
- Nilgiri's Mechanised Bakery Private Limited	Subsidiary of NDF	India	76% **	76% **
- Nilgiris Franchise Private Limited	Subsidiary of NDF	India	100%	100%
Sublime Foods Private Limited	Subsidiary	India	51%	51%
Integrated Food Park Private Limited	Subsidiary	India	73.89%	73.89%
MNS Foods Private Limited (w.e.f 4 <sup>th</sup> August 2015)	Subsidiary	India	50.01%	-
Bloom Fruit and Vegetables Private Limited (w.e.f 15 <sup>th</sup> January 2016)	Subsidiary	India	100%	-
Aussee Oats India Private Limited (w.e.f 19 <sup>th</sup> February 2016)	Subsidiary	India	50% + 1 share	-
Sarjena Foods Private Limited	Associate	India	21.26%	21.26%
Mibelle Future Consumer Products AG (w.e.f 9 <sup>th</sup> October 2015)	Joint Venture	Switzerland	50%	-

\*\* The remaining 24% of the two entities are held by the Company

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 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 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. Finished goods include appropriate proportion of overheads.

#### 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. Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except leasehold improvement, which are

amortized over the lease period and Moulds for which the estimated useful life is assessed as 2 years based on the technical evaluation made by the Company. In case of a foreign subsidiary, the useful lives is considered as follows:-

#### Depreciation Rates

Building	7%
Plant & Machinery	7%
Fire Extinguishers	20%
Furniture & Fittings	20%
Motor Vehicles	25%
Office Equipment	20%
Computer Equipment	25%

The Group has adopted the provisions of para 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

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 10 years based on the estimated useful life on straight line method.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

#### 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. Sales include excise duty but exclude sales tax and value added tax.

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

#### g) Government 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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's Share based payments

The Company has formulated Employee Stock Option Scheme (ESOS) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. 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.

Certain entities in the Group have constituted an Employee Stock Option Plan. Employee Stock Options granted on or after 1 April, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

### l) Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are dealt with in the Statement of Profit and Loss.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Forward exchange contracts entered into to hedge the foreign currency risk and outstanding as on balance sheet date are translated at year end exchange rates. The premium or discount arising at the inception of such forward exchange contracts are amortised as income or expense over the life of the contract. Gains / Losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognized as income or expense.

On consolidation, the assets, liabilities and goodwill or capital reserve arising on the acquisition, of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expenditure items are translated at the average exchange rates for the year/month. Exchange differences arising in case of Integral Foreign operations are recognised in the Statement of Profit and Loss and exchange differences arising in case of Non integral Foreign Operations are recognised in the Group's Translation Reserve classified under Reserves and surplus.

### **m) Derivative Instruments and Hedge Accounting :**

The Company enters into derivative contracts in the nature of foreign currency swaps with an intention to hedge its existing assets and liabilities in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

### **n) 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.

### **o) 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 comprises 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".

### **p) 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.

### **q) 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 number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

### **r) Taxes on income**

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

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/

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

### **s) 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.

### **t) 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.

### **u) 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 4. Share Capital

a)

Particulars	As at 31st March 2016 ₹ In lakhs	As at 31st March 2015 ₹ In lakhs
<b>Authorised</b>		
5,650,000,000 (Previous year - 5,650,000,000) Equity Shares of ₹ 6/- each	339,000.00	339,000.00
1,670,000,000 (Previous year - 1,670,000,000) Unclassified Shares of ₹10/- each	167,000.00	167,000.00
<b>Total</b>	<b>506,000.00</b>	<b>506,000.00</b>
<b>Issued, Subscribed &amp; Fully Paid-up Capital</b>		
1,657,442,038 (Previous year - 1,657,144,038 ) Equity Shares of ₹ 6/- each	99,446.52	99,428.64
<b>Total</b>	<b>99,446.52</b>	<b>99,428.64</b>

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

Particulars	As at 31st March 2016		As at 31st March 2015	
	No of Shares	₹ In Lakhs	No of Shares	₹ In Lakhs
Equity shares at the beginning of the year	1,657,144,038	99,428.64	1,597,976,671	95,878.60
Add : Allotment Pursuant to exercise of stock options granted under FVIL Employees Stock Option Plan - 2011	298,000	17.88	13,249,000	794.94
Add : Shares issued without payment being received in cash	-	-	45,918,367	2,755.10
<b>Equity Shares at the end of the year</b>	<b>1,657,442,038</b>	<b>99,446.52</b>	<b>1,657,144,038</b>	<b>99,428.64</b>

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

Particulars	As at 31st March 2016		As at 31st March 2015	
	No of Shares	% of Holding	No of Shares	% of Holding
Arisaig Partners (Asia) Pte. Limited. A/c. Arisaig India Fund Limited	152,043,000	9.17	152,043,000	9.18
Future Enterprises Limited (formerly known as Future Retail Limited)	150,000,000	9.05	150,000,000	9.05
Verlinvest SA	140,513,969	8.48	-	-
PIL Industries Limited	132,304,747	7.98	129,804,747	7.83
Gargi Business Ventures Private Limited (Formerly Gargi Developers Private Limited)	128,878,666	7.78	128,878,666	7.78
Bennett, Coleman and Company Limited	105,082,200	6.34	121,641,615	7.34
Central Departmental Stores Private Limited	95,838,700	5.78	95,838,700	5.78
Future Capital Investment Private Limited	84,106,029	5.07	84,106,029	5.08
BNP Paribus Arbitrage	-	-	140,753,144	8.49

d) Rights, Preferences and Restrictions attached to equity shares :

- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to vote in proportion to his share of the paid-up capital of the company. Each holder of equity share is entitled to one vote per share.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- e) As at 31st March, 2016, 4,51,76,463 equity shares (Previous Year - 10,06,000 equity shares) were reserved for issuance as follows:
- (i) 1,57,00,000 equity shares (Previous year 10,06,000 equity shares) of ₹ 6 each towards outstanding employee stock options granted
  - (ii) 2,94,76,463 equity shares (Previous year NIL) of ₹ 6 each towards outstanding share warrants (Refer Note 37)
- f) Aggregate number of equity shares allotted as fully paid up without payment being received in cash for the period of 5 years immediately preceding the balance sheet date is 45,918,367 equity shares issued in 2014-15.

### 5. Reserve and Surplus

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	5.20	5.20
<b>Statutory Reserve under section 45 (IC) of RBI Act, 1934</b>		
As per last Balance Sheet	1,363.06	1,363.06
Add: Transfer to Deficit in Statement of Profit and Loss on cancellation of registration as an NBFC	(1,363.06)	-
Closing Balance	-	1,363.06
<b>Securities Premium Account</b>		
As per last Balance Sheet	3,094.90	3,094.90
<b>General Reserve</b>		
As per last Balance Sheet	0.59	0.59
<b>Share options outstanding account</b>		
Opening Balance	-	-
Add: Amounts recorded on grants during the year	265.64	-
Closing Balance	265.64	-
<b>Foreign Currency Translation reserve</b>		
Opening Balance	(19.69)	-
Effect of Foreign Exchange rate Variations during the year	13.89	(19.69)
Closing Balance	(5.80)	(19.69)
<b>Deficit in Consolidated statement of Profit and Loss</b>		
Opening Balance	(26,914.64)	(16,678.96)
Add: Current Year Loss	(11,278.38)	(10,276.42)
Less : Transfer from Statutory Reserve under section 45(IC) of RBI Act, 1934	1,363.06	-
Add : Adjustment pursuant to the composite scheme of Amalgamation and Arrangement	-	273.98
Add : Depreciation on transition to Schedule II of the Companies Act,2013 on tangible fixed assets with Nil remaining useful life (net of deferred tax)	-	(233.24)
	<b>(36,829.96)</b>	<b>(26,914.64)</b>
<b>Total</b>	<b>(33,469.43)</b>	<b>(22,470.58)</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 6. Long Term Borrowings

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>SECURED</b>		
Term Loan from Banks / Financial Institutions	25,407.93	26,079.08
Buyer's Credit	319.74	-
1000, 11.95% Redeemable Non convertible Debentures of ₹ 10 lakhs each	6,000.00	10,000.00
<b>UNSECURED</b>		
Inter Corporate Deposits from others	811.61	543.86
<b>Total</b>	<b>32,539.28</b>	<b>36,622.94</b>

### 7. Other Long Term Liabilities

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Other Liabilities</b>		
Deposit received from customers	832.66	846.60
Security Deposits received	2.80	-
Subsidy from Government	3.62	3.62
Loans and advances from employees	0.55	0.90
Advance received from customers	67.70	-
<b>Total</b>	<b>907.33</b>	<b>851.12</b>

### 8. Long Term Provisions

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Provision for Employee Benefits :</b>		
Provision for Compensated Absences	210.75	240.38
Provision for Gratuity (Refer Note 35)	370.15	379.69
<b>Others</b>		
Provision for estimated loss on derivatives	9.26	-
Provision for claims and contingencies	78.27	117.77
<b>Total</b>	<b>668.43</b>	<b>737.84</b>

### 9. Short Term Borrowings

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>SECURED</b>		
Loans repayable on demand from banks	14,938.46	14,886.51
Other Loans from bank	5,485.66	14,807.65
Buyer's Credit	211.38	-
<b>UNSECURED</b>		
Inter Corporate Deposits from others	20.00	-
<b>Total</b>	<b>20,655.50</b>	<b>29,694.16</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 10. Other Current Liabilities

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Advance received from customers	684.04	579.66
Current Maturities of Long Term Debt	7,601.45	1,023.29
Security & Other Deposits received	470.31	683.41
Interest accrued but not due	459.51	308.84
Book overdraft	115.20	31.41
Statutory Dues	532.89	465.10
Payable on purchase of Fixed Assets	932.17	593.59
Loans and advances from employees	0.83	0.50
Other Liabilities	0.18	7.00
<b>Total</b>	<b>10,796.58</b>	<b>3,692.80</b>

### 11. Short Term Provisions

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Provision for Employee Benefits :</b>		
Provision for Compensated Absences	86.81	80.60
Provision for Gratuity (Refer Note 35)	95.46	65.57
Provision for Bonus, Incentives and others	155.50	182.52
<b>Others</b>		
Provision for Standard Assets	-	27.36
<b>Total</b>	<b>337.77</b>	<b>356.05</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 12. Fixed Assets

Description of Assets	Gross Block (At Cost)						Depreciation / Amortisation				Net Block	
	As at 1st April 2015	Additions	Deletions	Effect of foreign currency exchange differences	As at 31st March 2016	As at 1st April 2015	For the Period	Deletions	Effect of foreign currency exchange differences	Deletion on demerger	As at 31st March 2016	As at 31st March 2016
<b>Tangible Assets</b>												
Freehold Land	1,320.42	-	-	-	1,320.42	-	-	-	-	-	-	1,320.42
Leasehold Land	1,726.28	-	-	(14.62)	1,740.90	-	3.99	-	(0.26)	-	4.25	1,736.65
Building	7,855.73	2,422.76	0.08	(26.34)	10,304.75	556.73	245.48	0.08	(0.46)	-	802.59	9,502.16
Office Equipments	735.79	293.18	140.28	(0.29)	881.23	467.94	119.38	38.77	(0.01)	7.09	541.47	339.76
Computers	1,726.78	184.05	124.29	(0.34)	1,785.44	1,431.78	147.06	97.76	(0.01)	21.24	1,459.85	305.59
Furniture & Fixtures	3,382.24	799.34	191.84	(0.92)	3,957.56	1,096.22	443.87	42.85	(0.05)	31.01	1,466.28	2,491.28
Vehicles	210.70	5.44	17.48	(0.16)	193.66	126.55	17.20	15.44	0.02	4.90	123.39	70.27
Plant & Machinery	9,204.31	7,907.29	224.93	(76.82)	16,963.49	2,137.60	869.72	84.92	(1.25)	-	2,923.65	14,039.84
Leasehold improvement	1,504.10	94.87	128.62	-	1,470.35	565.28	75.84	91.61	-	-	549.51	920.84
Signage	197.02	-	-	-	197.02	195.87	0.56	-	-	-	196.43	0.59
Hydraulic works and pipelines	672.62	42.32	-	-	714.94	1.11	46.10	-	-	-	47.21	667.73
Roads	531.54	58.14	-	-	589.68	2.62	112.17	-	-	-	114.79	474.89
<b>Total</b>	<b>29,067.53</b>	<b>11,807.39</b>	<b>827.52</b>	<b>(119.49)</b>	<b>40,095.44</b>	<b>6,581.70</b>	<b>2,081.37</b>	<b>371.43</b>	<b>(2.02)</b>	<b>64.24</b>	<b>8,229.42</b>	<b>31,870.02</b>
<b>Intangible Assets</b>												
TradeMark, Brand and Others	24,608.45	1,826.90	-	-	25,912.28	7,304.87	2,089.41	-	-	273.47	9,120.81	16,791.47
Software	2,092.44	43.73	1.66	-	2,134.51	1,894.66	58.39	-	-	-	1,953.05	181.46
Goodwill	17,981.70	-	-	-	17,981.70	5,997.79	1,801.95	-	-	-	7,799.74	10,181.96
<b>Total</b>	<b>44,682.59</b>	<b>1,870.63</b>	<b>1.66</b>	<b>-</b>	<b>46,028.49</b>	<b>15,197.32</b>	<b>3,948.75</b>	<b>-</b>	<b>-</b>	<b>273.47</b>	<b>18,873.60</b>	<b>27,154.89</b>
<b>Grand Total</b>	<b>73,750.12</b>	<b>13,678.02</b>	<b>829.18</b>	<b>(119.49)</b>	<b>86,127.93</b>	<b>21,779.02</b>	<b>6,031.12</b>	<b>371.43</b>	<b>(2.02)</b>	<b>337.71</b>	<b>27,103.02</b>	<b>59,024.91</b>

## Fixed Assets (Previous Year)

Description of Assets	Gross Block (At Cost)						Depreciation / Amortisation				Net Block	
	As at 1st April 2014	Acquisition through Business Combination	Additions	Deletions	Effect of foreign currency exchange differences	As at 31st March 2015	As at 1st April 2014	For the Period ##	Deletions	Effect of foreign currency exchange differences	Other Adjustments	As at 31st March 2015
<b>Tangible Assets</b>												
Freehold Land	562.28	758.14	-	-	-	1,320.42	-	-	-	-	-	1,320.42
Leasehold Land	-	1,608.73	117.55	-	-	1,726.28	-	-	-	-	-	1,726.28
Building	1,170.15	548.51	6,137.07	-	-	7,855.73	179.13	31.35	-	-	556.73	7,299.00
Office Equipments	600.56	76.81	89.50	31.04	0.04	735.79	136.74	105.95	11.66	-	167.30	467.94
Computers	1,145.41	600.85	70.41	89.85	0.04	1,726.78	754.35	238.89	65.50	0.01	67.78	1,431.78
Furniture & Fixtures	3,320.79	234.77	407.96	581.26	0.02	3,382.24	728.73	361.05	132.29	-	0.40	1,096.22
Vehicles	150.14	67.17	2.27	8.85	0.03	210.70	62.17	19.80	7.01	-	0.48	126.55
Plant & Machinery	2,201.64	2,310.18	4,985.55	293.05	0.01	9,204.31	410.21	1,543.08	69.94	-	2,137.60	7,066.71
Leasehold improvement	1,153.42	-	672.05	321.37	-	1,504.10	519.08	166.94	127.96	-	7.22	585.28
Signage	196.20	-	0.82	-	-	197.02	193.72	2.15	-	-	-	195.87
Hydraulic works and pipelines	-	-	672.62	-	-	672.62	-	1.11	-	-	-	671.51
Roads	-	-	531.54	-	-	531.54	-	2.62	-	-	2.62	528.92
<b>Total</b>	<b>10,500.59</b>	<b>6,205.16</b>	<b>13,687.34</b>	<b>1,325.42</b>	<b>0.14</b>	<b>29,067.53</b>	<b>2,984.13</b>	<b>1,184.11</b>	<b>414.36</b>	<b>0.01</b>	<b>243.18</b>	<b>22,485.83</b>
<b>Intangible Assets</b>												
Trade Mark, Brand and Others	23,910.23	-	698.22	-	-	24,608.45	5,493.10	1,811.77	-	-	-	7,304.87
Software	587.27	1,460.01	56.56	11.40	-	2,092.44	482.05	55.61	11.40	-	-	1,894.66
Goodwill	15,271.90	3,279.80	-	570.00	-	17,981.70	4,289.87	1,855.17	147.25	-	-	5,997.79
<b>Total</b>	<b>39,769.40</b>	<b>4,739.81</b>	<b>754.78</b>	<b>581.40</b>	<b>-</b>	<b>44,682.59</b>	<b>10,265.02</b>	<b>3,722.55</b>	<b>158.65</b>	<b>-</b>	<b>-</b>	<b>15,197.32</b>
<b>Grand Total</b>	<b>50,269.99</b>	<b>10,944.97</b>	<b>14,442.12</b>	<b>1,906.82</b>	<b>0.14</b>	<b>73,750.12</b>	<b>13,249.15</b>	<b>4,906.66</b>	<b>573.01</b>	<b>0.01</b>	<b>243.18</b>	<b>51,971.10</b>

## Includes an amount of ₹ 2.23 lakhs (previous year ₹ Nil) capitalised a project development costs.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 13 Non Current Investments (At cost unless stated otherwise)

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>a) Investment - Trade Unquoted</b>		
(i) In Equity Shares		
Associate		
Cost of Investment	500.00	500.00
(Includes ₹ 354.08 lakhs (Previous year - ₹ 354.08 lakhs)) representing Goodwill on Consolidation		
Add: Accumulated Share of Profit/(Loss) of Associates	(187.20)	(93.67)
Add: Adjustment on Conversion of Associate into Subsidiary	0.15	0.15
Others	146.90	11.46
(ii) In Debentures (Fully Paid up)		
0% Optional Convertible Debentures of Capital Foods Private Limited	744.00	744.00
	<b>1,203.85</b>	<b>1,161.94</b>
<b>b) Non Trade Investments</b>		
(i) Quoted		
Equity Shares - Others	0.74	0.74
(Market Value of quoted investment is ₹ 1.54 lakhs (Previous year ₹ 2.14 lakhs))		
(ii) Unquoted		
National Savings Certificate (Liened with Sales Tax Authorities)	0.43	0.43
<b>Total</b>	<b>1,205.02</b>	<b>1,163.11</b>

### 14. Deferred Tax Liability (Net)

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Deferred tax (liabilities) / assets</b>		
On difference between book balance and tax balance of fixed assets	6,757.62	5,192.38
<b>Tax effect of items constituting deferred tax liabilities</b>	<b>6,757.62</b>	<b>5,192.38</b>
Provision for compensated absences, gratuity and other employee benefits	83.70	188.59
Provision for doubtful debts / advances	113.92	141.25
Disallowances under Sections of the Income Tax Act, 1961	42.18	38.72
On difference between book balance and tax balance of fixed assets	185.90	-
Provision for Expenses	21.21	-
Provision for Standard Asset	(8.45)	(6.75)
Unabsorbed depreciation carried forward #	6,319.14	4,830.55
<b>Tax effect of items constituting deferred tax assets</b>	<b>6,757.60</b>	<b>5,192.36</b>
<b>Deferred tax (liabilities) / assets (net)</b>	<b>(0.02)</b>	<b>(0.02)</b>

# The Company has recognized deferred tax asset on unabsorbed depreciation to the extent of 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 15. Long Term Loans and Advances

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>a) Unsecured, Considered Good</b>		
Advance Income Tax (Net of Provision)	2,787.94	2,409.59
Advance to Creditors	-	72.33
Inter Corporate Deposits	-	1.05
Security Deposits	1,308.36	1,609.16
Other Deposits	50.11	113.45
Balances with Government authorities	211.82	159.42
Capital Advances	1,840.93	1,598.15
Amount Recoverable from ESOP Trust	2,032.30	-
Other Loan and Advances	44.65	59.60
	<b>8,276.11</b>	<b>6,022.75</b>
<b>b) Unsecured, Considered Doubtful</b>		
Other loans and advances	147.26	761.03
Less: Provision for doubtful loans & Advances	(147.26)	(761.03)
	-	-
Security and Other Deposits	1.41	1.41
Less: Provision for doubtful deposits	(1.41)	(1.41)
	-	-
<b>Total</b>	<b>8,276.11</b>	<b>6,022.75</b>

### 16. Other Non Current Assets

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Expenditure for purchase of Non Current Investment	15.11	-
<b>Total</b>	<b>15.11</b>	<b>-</b>

### 17. Current Investments (At lower of cost and fair value)

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>Unquoted - Non Trade</b>		
National Savings Certificate (Lodged with Sales Tax Authorities)	0.30	0.16
Certificate of Deposits	2,000.00	10,000.00
<b>Total</b>	<b>2,000.30</b>	<b>10,000.16</b>

### 18. Inventories (At lower of cost and net realisable value)

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Raw Materials	1,196.73	491.39
Work-in-Progress	93.94	184.28
Finished Goods (other than those acquired for trading)	615.16	515.32
Stock - In - Trade	9,964.24	9,669.90
Packing Material and Others	369.71	286.60
<b>Total</b>	<b>12,239.78</b>	<b>11,147.49</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 19. Trade Receivables (Unsecured)

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Outstanding for a period exceeding six months from the date they are due for Payment		
Considered Good	1,007.73	1,516.50
Considered Doubtful	1,062.25	4,523.48
Less: Provision for Doubtful Debts	(1,060.28)	(4,523.48)
	<b>1,009.70</b>	<b>1,516.50</b>
Other Trade Receivables		
Considered Good	16,899.37	13,942.06
Considered Doubtful	233.50	246.66
Less: Provision for Doubtful Debts	(233.50)	(246.66)
	-	-
Proportionate Share in Joint Ventures	0.03	-
<b>Total</b>	<b>17,909.10</b>	<b>15,458.56</b>

### 20. Cash and Cash Equivalents

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Cash and Cheques on Hand	49.73	141.39
Balances with Banks		
- In Current Accounts	1,888.10	3,328.42
- In Fixed Deposit Accounts	106.45	260.44
In Earmarked Accounts		
- As Margin Money against borrowings, guarantees or other commitments	750.18	600.43
Proportionate Share in Joint Ventures	203.27	-
<b>Total</b>	<b>2,997.73</b>	<b>4,330.68</b>

Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash flow Statement is ₹ 2,247.55 lakhs (Previous year ₹ 3,730.25 lakhs).

### 21. Short Term Loan and Advances

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
<b>a) Unsecured, Considered Good</b>		
Loans and advances to employee	46.69	60.37
Loans and advances to Related Parties (Refer note 31)	1,083.97	-
Inter-Corporate Deposits	239.53	5,776.49
Advances given to Suppliers	1,036.92	2,328.63
Security Deposits	220.42	12,292.79
Other Deposits	25.90	30.80
Balances with Government authorities	918.22	765.15
Other Loan and Advances	666.59	512.35
	<b>4,238.24</b>	<b>21,766.58</b>
<b>b) Unsecured, Considered Doubtful</b>		
Other Advances	4.35	8.98
Less: Provision for doubtful loans & advances	(4.35)	(8.98)
	-	-
<b>Total</b>	<b>4,238.24</b>	<b>21,766.58</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 22. Other Current Assets

Particulars	As at 31st March 2016 ₹ In Lakhs	As at 31st March 2015 ₹ In Lakhs
Accrued income	341.80	345.54
Less: Provision for doubtful accrued income	(264.61)	(264.61)
	<b>77.19</b>	<b>80.93</b>
Interest accrued on Deposits and others	115.15	758.55
Insurance Claim Receivables	0.91	8.97
Less: Provision for doubtful assets	-	(1.32)
	<b>0.91</b>	<b>7.65</b>
Receivables on sale of fixed assets	-	35.07
Unbilled Revenue	3.36	45.09
<b>Total</b>	<b>196.61</b>	<b>927.29</b>

### 23. Revenue from Operations

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Sales of Products and services	173,143.92	129,044.01
Less : Excise Duty	(89.98)	(35.72)
	<b>173,053.94</b>	<b>129,008.29</b>
Other Operating Income *	2,727.35	2,217.53
<b>Total</b>	<b>175,781.29</b>	<b>131,225.82</b>

\* Other Operating Income includes royalty income, vendor scheme and discount received, scrap sales, cash discount received, franchisee fees, revenue from subscription etc.

### 24. Other Income

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Lease Rental Income	139.49	68.71
Gain on Sale of Investment - Current	15.66	215.18
Interest Income:		
- Bank Deposits	68.79	27.58
- Other Deposit	1,093.99	1,751.75
- Inter Corporate Deposit	536.71	1,080.99
Dividend Income		
- On Current Investments	-	0.16
Interest on Income tax and Vat Refund	12.94	0.05
Provision No Longer Required Written Back (net)	241.90	231.10
Provision for Standard Assets written back	27.36	21.83
Gain on Foreign Exchange (Net)	0.61	-
Miscellaneous Income	131.85	118.36
<b>Total</b>	<b>2,269.30</b>	<b>3,515.71</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 25. Cost of materials consumed

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Opening Stock of Raw Materials and Others	777.99	203.22
Add: Adjustment on acquisition of subsidiary	-	430.36
Add: Purchases	16,922.93	6,420.90
Less: Closing Stock of Raw Materials and Others	(1,566.44)	(777.99)
<b>Total</b>	<b>16,134.48</b>	<b>6,276.49</b>

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

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Opening Stock of Work In Progress	184.28	108.05
Less: Closing Stock of Work In Progress	(93.94)	(184.28)
	<b>90.34</b>	<b>(76.23)</b>
Opening Stock of Finished Goods	515.32	317.20
Add: Adjustment on Sale of subsidiary	(76.65)	-
Add: Adjustment on acquisition of subsidiary	-	324.73
Less: Closing Stock of Finished Goods	(615.16)	(515.32)
	<b>(176.49)</b>	<b>126.61</b>
Opening Stock of Traded Goods	9,669.90	9,766.71
Less: On account of discontinuing operations	-	(19.22)
Add: Adjustment on acquisition of subsidiary	-	111.49
Less: Closing Stock of Traded Goods	(9,964.24)	(9,669.90)
	<b>(294.34)</b>	<b>189.08</b>
<b>Total</b>	<b>(380.49)</b>	<b>239.46</b>

### 27. Employee Benefits Expenses

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Salaries Wages & Bonus	9,444.60	7,751.15
Contribution to Provident and Other Funds	614.62	477.10
Expenses on employee stock option (ESOP) scheme	265.64	-
Staff Welfare Expenses	433.03	291.65
<b>Total</b>	<b>10,757.89</b>	<b>8,519.90</b>

### 28. Finance Costs

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Interest Expenses on :		
- Borrowings	6,030.07	2,958.92
- Others	12.33	2.96
Other borrowing cost	66.42	231.35
<b>Total</b>	<b>6,108.82</b>	<b>3,193.23</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 29. Other Expenses

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
Rent	3,098.69	3,067.95
Consumables and Packing Material	416.73	410.09
Warehousing and Distribution expenses	5,520.66	3,119.98
Other purchase of materials & Publishing expenses	224.46	246.19
Electricity expenses	1,131.51	627.54
Advertisement, Publicity and Selling expenses	1,403.95	777.68
Commission and Brokerage	25.30	15.83
Labour contract charges	1,056.77	314.82
Repairs and Maintenance		
- Plant and Machinery	138.13	28.76
- Buildings	57.43	13.67
- Others	431.94	286.90
Legal and Professional Charges	955.85	921.52
Rates & Taxes	622.04	409.53
Insurance	92.64	52.90
Auditor's Remuneration	150.91	129.54
Directors Sitting Fees	19.25	22.00
Loss on Sale/Retirement of Fixed Assets	196.36	291.77
Net loss on foreign currency transactions and translation	-	118.79
Donation	0.41	5.82
Brand Royalty	863.96	673.67
Bad Debts and Advances Written Off	216.30	152.31
Pre-operational expenses	-	31.92
Miscellaneous expenses	2,723.09	2,031.68
Proportionate Share in Joint Ventures	5.81	-
<b>Total</b>	<b>19,352.19</b>	<b>13,750.86</b>

### 30. Segmental Reporting

The Company is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single reporting segment. Hence there is no separate reportable segment under Accounting Standard on "Segment Reporting" (AS 17).

### 31. Related Party Disclosures

#### A. Names of Related Parties and Nature of Relationship

##### 1. Associates

- Sarjena Foods Private Limited
- Karadi Path company Private Limited (Associate of Amar Chitra Katha Private Limited) (From 17<sup>th</sup> July, 2015 to 3<sup>rd</sup> October 2015)

##### 2. Joint Venture

- Mibelle Future Consumer Products AG (w.e.f. 9<sup>th</sup> October, 2015)

##### 3. Key Management Personnel (KMP)

- Arun Kumar Agarwal - Manager
- Ashni Biyani – Whole Time Director

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

- Future Ideas Company Limited
- Future Enterprises Limited (Formerly known as Future Retail Limited)
- Future Lifestyle Fashions Limited
- Srishti Mall Management Company Private Limited



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### B. Transactions with related parties during the year

(₹ In Lakhs)

Particulars	Associates	Joint Venture	KMP has Significant influence	Key Managerial Personnel
Purchase of Investments	- ( 500.00)	237.03 (-)	- ( -)	- ( -)
Issue of Share Warrants	- (-)	- (-)	1,675.00 (-)	- (-)
Inter Corporate Deposits Given	- (1,677.00)	- (-)	6,583.97 (-)	- ( -)
Inter Corporate Deposits Received Back	- (935.00)	- (-)	11,034.63 (-)	- ( -)
Security Deposit Given	- (24.60)	- (-)	25.92 ( -)	- ( -)
Interest Income	- (99.33)	- (-)	441.94 ( -)	- ( -)
Other Operating Income	- (-)	- (-)	126.35 (-)	- (-)
Sale of Products	- (-)	- (-)	97,440.74 (-)	- (-)
Sale of Inventory and other transfers	- (-)	- (-)	2,401.83 (-)	- (-)
Purchases	161.05 (45.00)	- (-)	421.17 ( -)	- ( -)
Managerial Remuneration	- (-)	- (-)	- ( -)	105.85 (59.13)
Other Expenses	- (-)	- (-)	98.24 ( -)	- ( -)
Rent Expenses	- (31.82)	- (-)	260.75 (-)	- ( -)
Brand Royalty Expenses	- (-)	- (-)	23.56 (-)	- ( -)
Purchase of Fixed Asset	- (-)	- (-)	96.21 (-)	- (-)
Recovery of Expenses	- (-)	7.44 (-)	- (-)	- (-)
Legal and Professional Fees	- (-)	- (-)	61.91 (-)	- (-)
Interest Receivable	- (-)	- (-)	42.07 (-)	- (-)
Trade and Other Receivables	200.00 (178.23)	7.44 (-)	12,075.01 ( -)	- ( -)
Trade and Other Payables	17.85 (-)	- (-)	603.14 (-)	- (-)
Security Deposit Outstanding	- (-)	- (-)	25.92 (-)	- (-)
Inter Corporate Deposit Outstanding	- (-)	- (-)	1,083.97 (-)	- (-)

Figures in bracket represent previous year's figures.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### c) Disclosure in respect of Material Transaction with Related Parties

	(₹ In Lakhs)	
Particulars	2015-16	2014-15
<b>Purchase of Investments</b>		
Sarjena Foods Private Limited	-	500.00
Mibelle Future Consumer Products AG	237.03	-
<b>Issue of Share Warrants</b>		
Srishti Mall Management Company Private Limited	1675.00	-
<b>Inter Corporate Deposits Given</b>		
Integrated Food Park Private Limited	-	1,677.00
Future Enterprises Limited	6,583.97	-
<b>Inter Corporate Deposits Received back</b>		
Integrated Food Park Private Limited	-	935.00
Future Enterprises Limited	11,034.63	-
<b>Security Deposit Given</b>		
Integrated Food Park Private Limited	-	24.60
Future Enterprises Limited	25.92	-
<b>Interest Income</b>		
Integrated Food Park Private Limited	-	99.33
Future Enterprises Limited	441.94	-
<b>Other Operating Income</b>		
Future Enterprises Limited	119.39	-
<b>Sale of Products</b>		
Future Enterprises Limited	97,440.74	-
<b>Sale of Inventory and Other Transfers</b>		
Future Enterprises Limited	2,401.83	-
<b>Purchases</b>		
Sarjena Foods Private Limited	161.05	45.00
Future Enterprises Limited	421.17	-
<b>Managerial Remuneration</b>		
Ms. Ashni Biyani	70.41	26.50
Mr. Arun Agarwal	35.43	32.63
<b>Other Expenses</b>		
Future Lifestyle Fashions Limited	93.15	-
<b>Rent Expenses</b>		
Integrated Food Park Private Limited	-	31.82
Future Enterprises Limited	252.95	-
<b>Brand Royalty Expenses</b>		
Future Enterprises Limited	23.56	-
<b>Purchase of Fixed Assets</b>		
Future Enterprises Limited	96.21	-
<b>Recovery of Expenses</b>		
Mibelle Future Consumer Products AG	7.44	-
<b>Legal &amp; Professional Fees</b>		
Future Ideas Company Limited	61.46	-
<b>Interest Receivable</b>		
Future Enterprises Limited	42.07	-
<b>Trade and Other Receivables</b>		
Sarjena Foods Private Limited	-	178.23
Future Enterprises Limited	11,980.50	-
<b>Trade and Other Payables</b>		
Future Enterprises Limited	436.58	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ In Lakhs)	
Particulars	2015-16	2014-15
<b>Security Deposit Outstanding</b>		
Future Enterprises Limited	25.92	-
<b>Inter Corporate Deposit Outstanding</b>		
Future Enterprises Limited	1,083.97	-

### 32. 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 2016	As at 31st March 2015
(Loss) for the year (₹ In Lakhs)	(11,278.38)	(10,276.42)
No of equity shares at the beginning of the year	1,65,71,44,038	1,59,79,76,671
No of equity shares at the end of the year	1,65,74,42,038	1,65,71,44,038
Weighted Average number of shares outstanding for Basic EPS	1,65,72,60,470	1,61,51,01,238
Add: Weighted Average number of potential equity shares on account of Employee Stock Options outstanding	28,00,313	5,06,522
Weighted Average number of shares outstanding for diluted EPS	1,66,00,60,783	1,61,56,07,760
<b>Earnings per share</b>		
- Basic	(0.68)	(0.64)
- Diluted	(0.68)	(0.64)

### 33. Contingent Liabilities

Particulars	As at 31st March 2016 (₹ In Lakhs)	As at 31st March 2015 (₹ In Lakhs)
Disputed Central Excise and Sales Tax Demand	96.11	200.98
Disputed Income Tax Demand Notice	4,231.18	2,564.23
Claims not acknowledged as debt *	66.45	64.38
	<b>4,393.74</b>	<b>2,829.59</b>

\*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.

34. The estimated amount of contracts remaining to be executed on capital account as at 31<sup>st</sup> March 2016 is ₹ 576.42 lakhs. (Previous Year ₹ 1,416.01 lakhs)

35. The Group has a defined benefit gratuity plan and the details of actuarial valuation as on 31<sup>st</sup> March 2016 are given below:

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
<b>Net Employee benefit expenses (recognized in Employee cost):</b>		
Current Service Cost	122.66	105.53
Interest cost on benefit obligation	46.28	26.06
Benefits Paid	-	-
Expected Return on plan assets	(10.85)	(5.85)
Net actuarial (Gain)/Loss recognised in the period	(98.92)	61.60
Net benefit expenses	<b>59.17</b>	<b>187.34</b>
<b>Amounts recognised in balance sheet:</b>		
Defined benefit obligation	595.09	570.80
Fair Value of Plan assets	(131.78)	(125.54)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the year ended 31st March 2016 ₹ In Lakhs	For the year ended 31st March 2015 ₹ In Lakhs
<b>Unfunded net liability Recognised in the Balance Sheet</b>	<b>463.31</b>	<b>445.26</b>
Obligation at period beginning	570.80	295.36
Less: Adjustment on account of demerger	-	-
Add: Adjustment on account of Merger /Acquisition	32.41	163.69
Current service cost	122.66	105.53
Interest on defined Obligation	46.28	26.06
Benefits paid	(63.85)	(81.27)
Actuarial (Gain) / Loss on obligation	(113.21)	61.43
<b>Obligation at period end</b>	<b>595.09</b>	<b>570.80</b>
<b>Changes in Fair value of Assets</b>		
Fair value of plan asset at the beginning of the year	125.54	65.12
Add: Adjustment on acquisition of subsidiary	-	56.44
Expected return on plan assets	10.79	5.85
Actuarial gain / Loss	(2.53)	(0.16)
Contribution by Employer	33.45	10.22
Benefits Paid	(35.83)	(11.93)
<b>Fair value of plan asset at the end of the year</b>	<b>131.42</b>	<b>125.54</b>
Discount Rate ( % )	7.73% - 8%	7.85% - 9%
Salary escalation rate	5% - 10%	5% - 10%
Expected Return on Plan Assets	7.50% - 8%	7.50% - 8%
Attrition Rate	20% - 2%	20% - 1%
Retirement Age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

The above data has been disclosed on the basis of information available with the Group and to the extent such information has been disclosed in the financial statements of the components.

### 36. Details of leasing arrangements:

The Company has entered into operating lease arrangement for its stores and office premises, the details of which are as follows:

Particulars	As at 31st March 2016	As at 31st March 2015
Lease payments for the year	3,508.24	3,308.72
<b>Minimum Lease Payments</b>		
Not later than one year	176.96	216.68
Later than one year but not later than five years	432.39	257.57
Later than five years	153.26	10.17

37. Pursuant to approval granted by the Shareholders of the Company at an Extra Ordinary General Meeting held on 22nd January, 2016, the Committee of Directors of the Board of Directors of the Company had on 5th February, 2016 issued and allotted 6,700 Warrants of ₹ 1,00,000/- each to Srishti Mall Management Company Private Limited ("Srishti"), a promoter group company, on preferential allotment basis upon receipt of ₹ 1,675 lakhs from Srishti being 25% of the total consideration price for the warrants. The warrant holder may exercise the warrants at any time before expiry of 18 months from the date of allotment of warrants. Upon such exercise and on payment of balance 75% of the total consideration amount by the warrant holder, the warrants shall be converted into equity shares at a conversion price of ₹ 22.73 per equity share.

In the event the warrant holder does not exercise the Warrants within the said period, the warrants shall lapse and the amount paid shall stand forfeited by the Company.

38. During the year under review, the Company has re-aligned its business by way of shifting the operations of convenience stores to be undertaken under a Franchisee model. Under the new model all the convenience stores which earlier were operated by the Company and/or its subsidiaries under various format brands "KB's Fair Price", "KB's Conveniently Yours", "Big Apple", "Aadhaar" and "Nilgiris" will be operated by the franchisee appointed by the Company. As a result of the above, the Company shall not hereafter be operating any convenience stores either directly by itself or by any of the above mentioned subsidiaries.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

39. Pursuant to approval granted by the Shareholders of the Company at an Extra Ordinary General Meeting held on January 22, 2016, the Company has on April 26, 2016 issued and allotted 100 Equity Shares of ₹ 6 each at a premium of ₹ 16.73 per equity share and 29,985 CCDs of ₹ 1,00,000/- each to Black River Food 2 Pte. Ltd ("Black River") upon receipt of ₹ 29,985.02 Lakhs on preferential allotment basis.

The CCDs shall carry a coupon of 8.50% per annum compounded on a quarterly basis. The CCDs shall automatically and compulsorily be converted into equity shares at a conversion price of ₹ 22.73 per equity share on the earlier of occurrence of following events – a) Black River electing to convert the CCDs into equity shares and b) the date that is 18 months from the date of issue of CCDs. In the event of unpaid coupons, if any, the Investor shall be entitled to such number of equity shares, equivalent to the amount of coupons remaining unpaid at a conversion price of ₹ 22.73 for each equity share.

40. During the year Amar Chitra Katha Private Limited, subsidiary of the Company has acquired equity stake in Karadi Path Education Company Private Limited through a share swap of its equity stake in its subsidiary Karadi Tales Company Private Limited. The resultant loss has been recognized as an exceptional item.
41. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entities	Net assets, i.e., total assets minus total liabilities As at 31st March 2016		Share in profit or (loss) For the Year Ended 31st March 2016		Net assets, i.e., total assets minus total liabilities As at 31st March 2015		Share in profit or (loss) For the Year Ended 31st March 2015	
	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated profit or (loss)	Amount (₹ In Lakhs)	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated profit or (loss)	Amount (₹ In Lakhs)
Future Consumer Enterprise Limited	72.21%	48,852.15	(56.35%)	(6355.00)	78.52%	60,430.05	(74.59%)	(7,664.98)
<b>Subsidiaries</b>								
<b>Indian</b>								
Aadhaar Wholesale Trading and Distribution Limited	4.91%	3,319.26	(7.97%)	(898.53)	3.52%	2,706.70	(8.49%)	(872.03)
Future Consumer Products Limited	0.05%	35.97	0.02%	2.30	0.05%	40.50	0.02%	1.56
Future Food and Products Limited	0.94%	637.22	(0.01%)	(1.08)	0.11%	84.38	(0.01%)	(1.12)
Star and Sitara Wellness Limited	(0.32%)	(218.01)	(0.00%)	(0.20)	(0.38%)	(289.88)	(6.58%)	(676.56)
Express Retail Services Private Limited	0.04%	24.56	(0.02%)	(2.76)	0.03%	25.83	(0.05%)	(5.52)
Amar Chitra Katha Private Limited	2.67%	1,803.39	(20.21%)	(2,279.50)	4.48%	3,449.30	(12.22%)	(1,255.38)
Future Food Processing Private Limited (Formerly known as Future Personal Care and Hygiene Products Private Limited)	0.88%	592.97	(0.01%)	(0.61)	(0.00%)	(0.10)	(0.00%)	(0.06)
Aussee Oats India Private Limited	(0.01%)	(6.00)	(0.08%)	(8.96)	-	-	-	-
The Nilgiri Dairy Farm Private Limited	2.69%	1,822.00	(7.58%)	(855.28)	3.50%	2,690.14	0.41%	41.96
Sublime Foods Private Limited	0.27%	181.21	(0.46%)	(51.89)	0.21%	163.01	(0.01%)	(1.23)
Integrated Food Park Private Limited	15.72%	10,637.12	(12.99%)	(1,464.68)	12.40%	9,542.38	(0.23%)	(23.82)
Bloom Fruit and Vegetables Private Limited	0.00%	0.43	(0.01%)	(0.97)	-	-	-	-
MNS Foods Private Limited	0.15%	103.52	(0.06%)	(6.79)	-	-	-	-
<b>Foreign</b>								
Aussee Oats Milling (Private) Limited	2.68%	1,812.39	(3.40%)	(383.59)	1.95%	1,498.52	(1.19%)	(122.79)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the entities	Net assets, i.e., total assets minus total liabilities As at 31st March 2016		Share in profit or (loss) For the Year Ended 31st March 2016		Net assets, i.e., total assets minus total liabilities As at 31st March 2015		Share in profit or (loss) For the Year Ended 31st March 2015	
	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated profit or (loss)	Amount (₹ In Lakhs)	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated profit or (loss)	Amount (₹ In Lakhs)
<b>Minority Interests in all subsidiaries</b>								
The Nilgiri Dairy Farm Private Limited	-	-	-	-	-	-	(0.02%)	(1.55)
Amar Chitra Katha Private Limited	(0.29%)	(198.42)	4.79%	540.64	(1.20%)	(924.23)	3.15%	324.11
Sublime Foods Private Limited	(0.07%)	(44.12)	0.23%	25.42	(0.09%)	(69.55)	0.01%	0.60
Integrated Food Park Private Limited	(2.27%)	(1537.01)	3.39%	382.44	(2.49%)	(1919.45)	0.06%	6.24
MNS Foods Private Limited	(0.06%)	(41.60)	0.03%	3.39	-	-	-	-
Aussee Oats India Private Limited	-	-	(0.01%)	(1.06)	-	-	-	-
<b>Foreign</b>								
Aussee Oats Milling (Private) Limited	(0.48%)	(325.86)	1.74%	195.85	(0.61%)	(469.54)	0.66%	67.82
<b>Joint Venture</b>								
<b>Foreign</b>								
Mibelle Future Consumer Products AG	0.30%	200.92	(0.05%)	(5.94)	-	-	-	-
<b>Associates</b>								
<b>Indian</b>								
Sarjena Foods Private Limited	-	-	(0.83%)	(93.54)	-	-	(0.91%)	(93.67)
Karadi Path Company Private Limited	-	-	(0.16%)	(18.04)	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>67,652.09</b>	<b>(100.00%)</b>	<b>(11,278.38)</b>	<b>100.00%</b>	<b>76,958.06</b>	<b>(100.00%)</b>	<b>(10,276.42)</b>

42. 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 are not comparable with those of the corresponding previous year on account of acquisition of various subsidiaries and associates in the previous and current year and events mentioned in the note 38 above.

**Form AOC - 1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

**Financial information with respect of Subsidiary Companies for the Year Ended 31st March 2016**

( ₹ In Lakhs except % of share holding)												
Sr. No	Name of the Company	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invetments (Except Investment in Subsidiaries)	Turnover	Profit/(loss) Before taxation	Provision for Taxation	Profit/ (loss) After Taxation	Proposed Dividend	% of Share Holding
1	Aadhaar Wholesale Trading and Distribution Limited	4,040.00	(3,035.82)	5,457.88	5,457.88	-	19,148.72	(879.24)	-	(879.24)	-	100%
2	Future Consumer Products Limited	245.00	(162.54)	120.91	120.91	-	65.12	3.48	(1.18)	2.30	-	90%
3	Future Food and Products Limited	113.00	(111.22)	640.54	640.54	0.43	-	(1.08)	-	(1.08)	-	100%
4	Star and Sitara Wellness Limited	180.90	(470.98)	9.59	9.59	-	-	(0.20)	-	(0.20)	-	100%
5	Express Retail Services Private Limited	5.00	(17.36)	25.83	25.83	-	-	(2.76)	(0.01)	(2.76)	-	100%
6	Amar Chitra Katha Private Limited (Further referred as ACK)	5.00	3,580.81	6,443.20	6,443.20	244.88	2,363.72	(1,910.42)	-	(1,910.42)	-	73.99%
7	IBH Books and Magazines Distributors Limited (Subsidiary of ACK)	50.00	(1,032.45)	2,057.40	2,057.40	-	2,817.82	(432.10)	-	(432.10)	-	100%
8	FCEL Food Processors Limited (Formerly known as ACK Edutainment Limited) (Subsidiary of ACK)	14.00	(10.56)	3.44	3.44	-	-	(0.37)	-	(0.37)	-	100%
9	ACK Media Direct Limited (Subsidiary of ACK)	6.00	(533.22)	297.55	297.55	-	715.02	(96.39)	-	(96.39)	-	100%
10	Ideas Box Entertainment Limited (Subsidiary of ACK)	90.00	(431.45)	317.40	317.40	-	402.66	(121.44)	-	(121.44)	-	100%
11	Future Food Processing Private Limited (Formerly known as Future Personal Care and Hygiene Products Private Limited)	1.00	(2.61)	595.32	595.32	-	-	(0.61)	-	(0.61)	-	100%
12	Aussee Oats Milling (Private) Limited (in USD) *	1,179.07	(527.35)	8,570.11	8,570.11	-	42.61	(383.59)	-	(383.59)	-	50% + 1 Equity Share
13	Aussee Oats India Private Limited	1.00	(12.08)	1.30	1.30	-	-	(11.68)	-	(11.68)	-	50% + 1 Equity Share
14	The Nilgiri Dairy Farm Private Limited (Further referred as NDF)	4,900.27	(3,782.79)	8,344.05	8,344.05	-	19,752.76	(520.98)	-	(520.98)	-	100%
15	Appu Nutritions Private Limited (Subsidiary of NDF)	10.00	(22.65)	421.80	421.80	-	1,432.61	44.15	(2.72)	41.43	-	#100%
16	Nilgiri's Mechanised Bakery Private Limited (Subsidiary of NDF)	1,009.00	(1,305.66)	366.85	366.85	0.74	1,903.98	(111.72)	-	(111.72)	-	#100%
17	Nilgiris Franchise Private Limited (Subsidiary of NDF)	25.00	(480.92)	758.25	758.25	-	2,384.55	(261.46)	(2.26)	(263.72)	-	100%
18	Sublime Foods Private Limited	147.06	(57.01)	511.97	511.97	-	84.01	(51.89)	-	(51.89)	-	51%
19	Integrated Food Park Private Limited	2,900.00	2,986.67	17,275.92	17,275.92	-	705.05	(1,464.68)	-	(1,464.68)	-	73.89%
20	Bloom Fruit & Vegetables Private Limited	1.00	(0.97)	0.88	0.88	-	-	(0.97)	-	(0.97)	-	100%
21	MNS Foods Private Limited	90.00	(6.79)	145.91	145.91	-	-	(6.79)	-	(6.79)	-	50.01%

\* Converted into India Rupees at the exchange rate USD 1 = ₹ 66.33

# Holding by the Company alongwith its subsidiary.

Note :- 1. The reporting period for all the subsidiaries is 31st March 2016.

2. Bloom Fruit & Vegetables Private Limited and MNS Foods Private Limited, subsidiaries of the Company, are yet to commence operations.

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associate/Joint Venture	Sarjena Foods Private Limited	* Mibelle Future Consumer Products AG
1. Latest audited Balance Sheet Date	31st March 2016	31st March 2016
2. Shares of Associate/Joint Venture held by the Company as on 31st March 2016	324,675	100
Amount of Investment in Associate /Joint Venture	₹ 500.00 Lakhs	₹ 237.03 Lakhs
Extend of Holding %	21.26%	50%
3. Description of how there is significant influence	Shareholders Agreement	Shareholders Agreement
4. Reason why the Associate / Joint venture is not Consolidated	Not Applicable	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	₹ (41.46) Lakhs	₹ 200.92 Lakhs
6. Profit / (Loss) for the year ended 31st March 2016		
i. Considered in Consolidation	₹ (93.54) Lakhs	₹ (5.94) Lakhs
ii. Not Considered in Consolidation	₹ (346.43) Lakhs	₹ (5.94) Lakhs

\* Converted into India Rupees at the exchange rate CHF 1 = ₹ 69.01

**For and on behalf of the Board of Directors**

**G.N.Bajpai**  
Chairman

**Ashni Biyani**  
Wholtime Director

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

**Manoj Saraf**  
Chief Financial Officer

Place : Mumbai

Date : 19th May 2016

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

**Information in terms of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31<sup>st</sup> March, 2016**

Sr. No	Name	Age	Qualification	Date of Commencement of employment	Designation	Remuneration (In ₹)	Experience (Years)	Previous Employment
1	Arun Gupta	44	M.Com, MCSD, MCSE, Adobe Certified Expert	17-10-2011	President - Business Development & Investments	1,57,57,853	24	Equirus Capital-Investment Bank
2	Ashni Biyani	31	Graduate in Textile Designing	15-11-2014	Whole Time Director	69,09,477	9	Future Corporate Resources Limited
3	Jacob Peter*	43	MBA	12-1-2016	Chief People Officer	25,90,061	20	KPMG
4	Manoj Gagvani	49	C.S LLB	23-6-2008	Company Secretary & Head- Legal	76,34,729	30	Pidilite Industries Limited
5	Manoj Saraf	44	C.A	2-1-2015	Chief Financial Officer	97,95,960	19	Parag Milk Foods Pvt. Ltd
6	Narendra Baheti	48	B.Com	13-4-2005	Business Head – Agri Division	85,63,000	26	Self Employed
7	Rajendra Baheti	49	B.Com, C.A. Intermediate	13-4-2005	Head Operations – Agri Division	75,82,000	29	Self Employed
8	Saurabh Kumar Lal**	42	B.E Mechanical	27-1-2016	CEO – Manufacturing & Supply Chain	50,09,197	21	Avery Dennison India Pvt Ltd.
9	Sumit Saran	45	Post Graduate	01-4-2015	Chief Executive Officer	1,08,74,538	21	SCS Group

\* appointed with effect from 12<sup>th</sup> January,2016

\*\* appointed with effect from 27<sup>th</sup> January,2016

Note:

- All appointments are contractual and can be terminated by notice on either side.
- None of the employees mentioned above are related to any Director of the Company save and except Ms. Ashni Biyani. Ms. Ashni Biyani is the daughter of Mr. Kishore Biyani.



[illegible]

[illegible]



