Science of Supply Chain DELIVERED

August 23, 2018

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

<u>Scrip Code: 540798</u>

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

<u>Script Symbol: FSC</u>

<u>Ref.: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</u>

Dear Sir / Madam,

<u>Sub.: Annual Report for the financial year ended March 31, 2018</u>

Pursuant to the above referred regulation, we herewith submit electronic copy of the Annual Report of the Company for the financial year 2017-18.

Kindly take the same on records.

Thanking you,

Yours faithfully,

For **Future Supply Chain Solutions Limited**

Vimal Dhruve
Company Secretary

Encl.: As above.

FSC

Science of Supply Chain. DELIVERED

SMART. INNOVATIVE. INTEGRATED.

Future Supply Chain Solutions Limited
Annual Report 2017-18

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED (FSC)

is amongst India's leading third-party supply chain solution specialist and logistics service provider.

FSC covers the entire gamut of supply chain services across logistics value chain including smart warehousing, an efficient transportation and distribution system, temperature controlled logistics and last mile delivery logistics. The solution architecture is orchestrated through sophisticated and highly automated state-of-the-art technology systems, pan-India distribution network, integrated warehouse management systems and hub and spoke transportation model enabling innovative service offerings to the customers in an optimised and cost efficient manner.

CORPORATE INFORMATION

Board of Directors

Rakesh Biyani
Chairman and Non-Executive Director
DIN: 00005806

Mayur Toshniwal
Managing Director
DIN: 01655776

Bala Deshpande
Independent Director
DIN: 00020130

C P Toshniwal
Non-Executive Director
DIN: 00036303

Janat Shah
Independent Director
DIN: 01625535

Amar Sapra
Independent Director
DIN: 05178849

Rahul Garg
Independent Director
DIN: 06939695

Shyam Maheshwari
Non-Executive Director
DIN: 01744054

Statutory Auditors
NGS & Co. LLP

Chief Executive Officer
P V Sheshadri
Effective April 25, 2018

Chief Financial Officer
Samir Kedia

Company Secretary and Compliance Officer
Vimal K Dhruve

Share Transfer Agents
Link Intime India Private Limited
C 101, 247 Park, LBS Marg
Vikhroli (West),
Mumbai: 400083
Tel: +91 22 49186270
Website: www.linkintime.co.in

Bankers
State Bank of India
IDFC Bank
Kotak Mahindra Bank

Registered Office
Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road
Jogeshwari (East), Mumbai: 400060, **Tel**: +91 22 66442200, **Fax**: +91 22 66442201

Corporate Office
7th floor, 349 Business Point, Western Express Highway, Andheri (East), Mumbai: 400069
Tel: +91 22 71429100, **Website**: www.futuresupplychains.com

READING BETWEEN THE PAGES

Corporate OVERVIEW

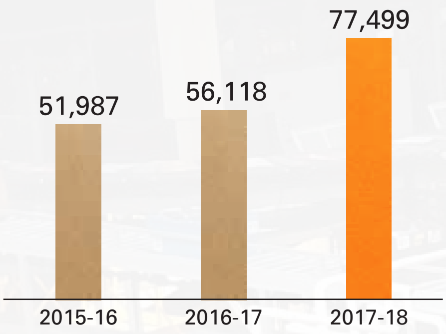
Statutory REPORTS

Financial SECTIONS

SCAN QR CODE TO DOWNLOAD THE ONLINE VERSION OF THE REPORT

HIGHLIGHTS 2017-18
FINANCIAL
(STANDALONE)

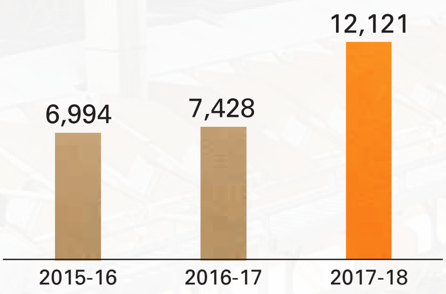
Revenue
(₹ Lakh)



38.1% YOY Growth

22.1% 2-year CAGR

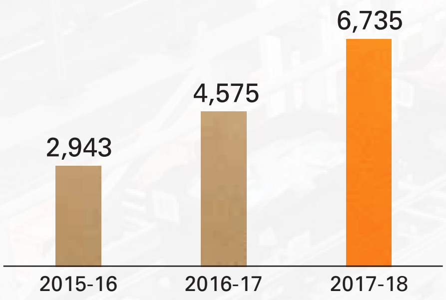
EBITDA
(₹ Lakh)



63.2% YOY Growth

31.6% 2-year CAGR

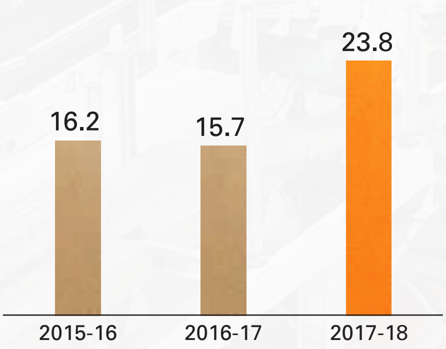
PAT
(₹ Lakh)



47.2% YOY Growth

51.3% 2-year CAGR

ROCE
(%)



HIGHLIGHTS 2017-18
OPERATIONAL
(STANDALONE)

4.58
MILLION SQ. FT.
Warehouse Space [1]

55
Distribution Centres

14 / **129**
Hubs / Branches

622
Containerised Vehicles (Dedicated)[2]

4
Temperature-controlled Distribution Centres

144
Owned Reefer Trucks[3]

Notes:
1. Includes one distribution centre of customer operated by FSC with an area of 0.29 million square feet
2. For Contract and Express Logistics for the month of March 2018
3. As of March 31, 2018

CHAIRMAN'S MESSAGE

Dear Stakeholders,

We take pleasure in presenting you the Thirteenth Annual Report of your Company for 2017-18. During the year, we have successfully listed your Company on the BSE Limited and the National Stock Exchange of India Limited. We thank all our investors for their incessant support and trust shown on us. It will be our endeavour to be on a journey of learning and continuous improvement for the operational and financial health of the Company, while maintaining the highest standards of corporate governance and responsibility towards the stakeholders.

India is expected to be the fastest growing major developing economy over the next few years. Growth in manufacturing and high consumer demand along with increased per capita income and higher propensity to spend will exponentially drive the need for organised end-to-end and customised logistics solution service in the country.

With the domestic logistics space majorly cluttered by unorganised participants and the Indian logistics industry being almost twice less efficient than global standards, there is higher opportunity to optimise the logistics spend in the country. With GST implementation in the country taking firm shape on the ground level, we are all poised to leverage the opportunities. We believe GST is likely to create multi-dimensional prospects for the organised logistics service providers by improving performance of all logistics sub sectors. This apart, the increasing trend of outsourcing the non-core business verticals amongst the companies will also provide us the required fillip to grow exponentially.

We believe GST is likely to create multi-dimensional prospects for the organised logistics service providers by improving performance of all logistics sub sectors.

During the last decade, the strong growth in consumerism has fuelled the need for specialised logistics solution providers with pan-India distribution reach and ability to provide customised solutions in a cost-efficient manner. We at FSC always focus on this prime objective in an organised and efficient manner with the help of our best-in-class technology solutions, integrated systems and infrastructure. Given our strong presence in fast-growing consumption-driven sectors, it will act as a catalyst towards attaining a positive growth curve.

Future Group's diverse business in fashion, homeware and food and grocery sectors, is the key source of our revenue. The Company fulfils the need of a specialised supply chain solution provider with end-to-end service offerings in the domestic retail space. This synergy-led business model is expected to be amongst the key growth drivers for the Company in the years to come.

At FSC, we are grateful to our stakeholders for ushering in trust, support and encouragement since the beginning of our journey. With transformation in our constitution of being a listed entity, we expect to receive the same faith and reliance from you as we move ahead to redefine the logistics services sector in India.

With Warm Regards,

Rakesh Biyani

MD'S DESK

With a strong foundation and growth-centric acumen, we are strongly positioned to leverage the growth opportunities ahead of us.

Dear Shareholders,

This is my first message post our listing. I am extremely grateful to our entire shareholder fraternity for investing their resources and believing in the Company's potential. I would walk you through the Company's performance and key strategic and business highlights during the year.

The Company achieved standalone revenue from operations of ₹ 77,499 Lakh in 2017-18, a growth of 38.1% over the previous year. It also has posted a net profit of ₹ 6,735 Lakh during the current year, a growth of 47.2% over the previous year. Your Company's net profit after tax has witnessed a 2-year CAGR of 51.3%; the net profit margin also improved by 300 basis points during the same period. This year's strong growth in operating and financial numbers is generated through a culmination of several operational and technology-based upliftment efforts throughout the organisation. Your Company's best-in-class service offerings with the aid of its technological prowess have proved as the game-changers in extracting optimal synergies within the value chain of our customers.

In line with our constant drive to become a tech-leader in the logistics solutions space, we installed a high-speed cross belt sorter system at our distribution centre in Nagpur. This unique sorter system is first-of-its-kind in India and has the ability to sort almost 16,000 pieces and 2,000 cases per hour, resulting in improved efficiency and throughput. We have also created a state-of-the-art integrated infrastructure with presence of cutting-edge technology enabled facilities and systems in place. During the year, the Company has set up a few Integrated Food Distribution Centres (IFDC) to cater to multiple clients and sub-categories for the food industry. This would enable higher throughput, lower inventory, faster refills and cost optimisation for the client.

To leverage further synergies from the internal value chain of our customers and bridging the gap to reach the last mile delivery capability in our service portfolio, we completed the acquisition of Vulcan Express Private Limited (Vulcan) on February 2, 2018. Vulcan has operations across more than 2,200 pin codes in India. Service capabilities such as cash-on-delivery, derived from the Vulcan's business expertise shall enable FSC to focus on new clientele and offer more comprehensive supply chain solutions.

With a strong foundation and growth-centric acumen, we are strongly positioned to leverage the growth opportunities ahead of us. We are thankful to our vendors, customers and bankers for their continued patronage. A special note of thanks to our Board of Directors for their able guidance, our leadership team for driving the Company's vision, and to our employees for their determination and energy to deliver outstanding performance and driving the Company's growth engine. With this support, we will continue to build newer milestones going ahead.

Best wishes,

Mayur Toshniwal

CONTRACT LOGISTICS

Integrated Tech-enabled Warehousing, Distribution and Value-Added Services

55
Distribution Centres

4.58 MN SQ. FT.
Warehouse Space

OVER 900 MN PIECES
Throughput in 2017-18

₹113
2017-18 Monthly Average Revenue Per Square Feet

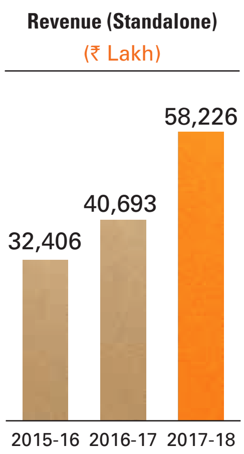
As of March 31, 2018

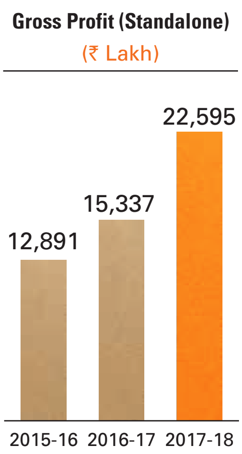
The Company offers warehousing, distribution, supply chain solutions and several value-added services, such as packaging, kitting, bundling, and unit cartonisation services. It operates technology-enabled and multi-user distribution centres across India. These distribution centres are generally built-to-suit and are customised with varied technologies, sizes and features based on industry-specific requirements. The distribution centres are on common technology platform (Warehouse Management System or WMS) and can be integrated very easily with customer's Enterprise Resource Planning (ERP) systems.

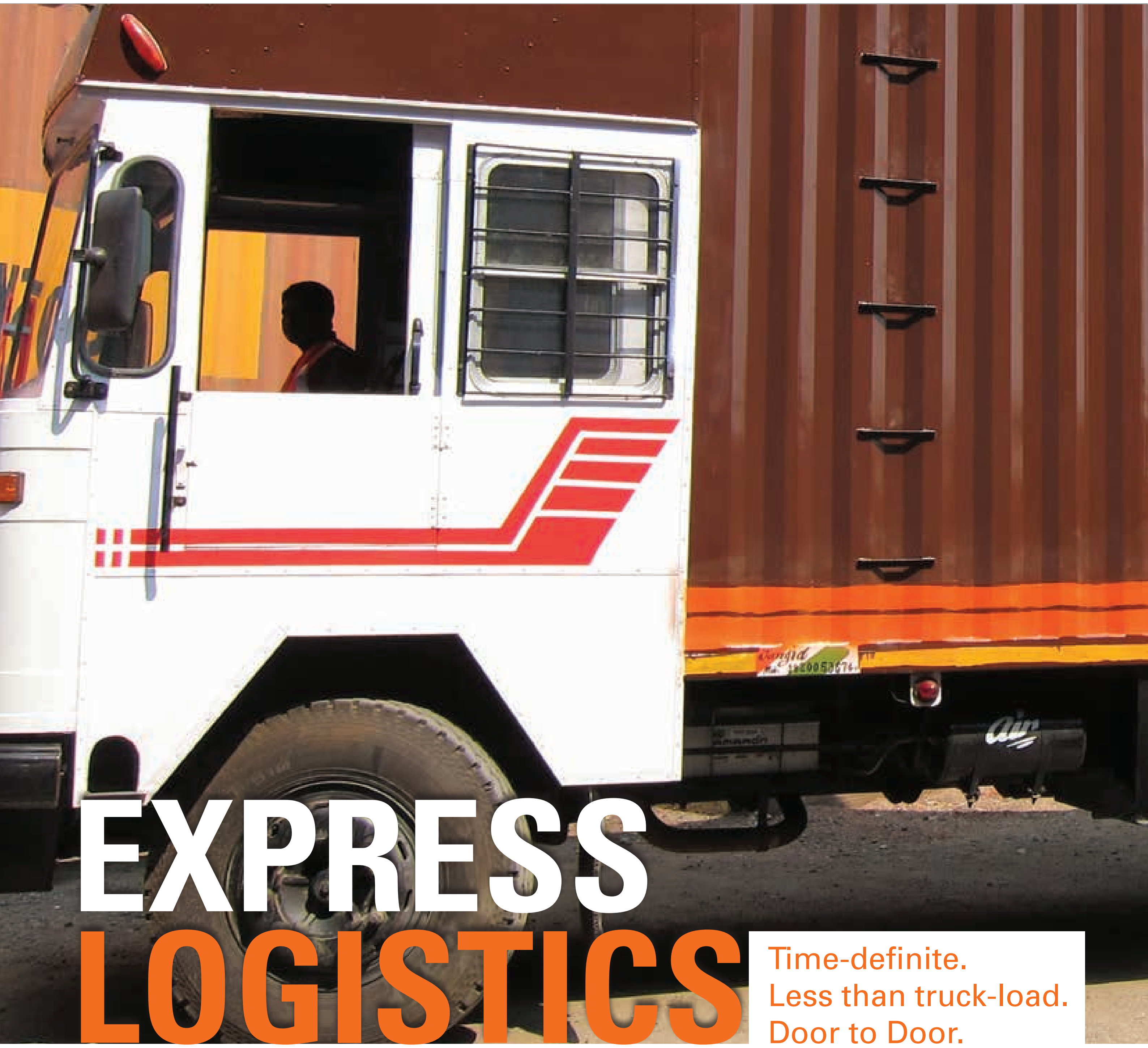
FSC provides contract logistics services to diverse clientele in fast-growing consumption driven sectors, including fashion and apparel, food and beverages, consumer durables and electronics, home and furniture, FMCG, etc. The Company operates certain best-in-class distribution centres, that enable the Company to maintain high throughput in a cost efficient manner.

Key features of Distribution centres:

- Building height of 7 to 12 meters, going up to18 meters in the centre
- Quality flooring, thermal insulation, louvres and ridge vents to ensure multiple air changes, ventilation to combat extreme temperatures, preserve customer inventory and maintain quality working conditions
- G+7 "Selective Pallet Racking System" and G+4 "Multi-Tier Shelving Storage System, automated conveyor systems for sorting and processing of goods
- Material handling equipment such as reach trucks, forklifts, Very-Narrow Aisle ("VNA") trucks and battery-operated pallet trucks
- Weight checking and cubing systems to ensure order accuracy
- Automatic print and apply systems to track and manage inventory
- Sky lighting to reduce electricity consumption
- Dock levellers to adapt to a variety of different types and sizes of transport vehicles
- Advanced fire safety systems (hydrant and sprinklers)







Time-definite.
Less than truck-load.
Door to Door.

11,322
Pin Codes Covered

164K TONS
Weight Handled in 2017-18

231
Containerised Vehicles in March 2018

14 / 129
Hubs / Branches

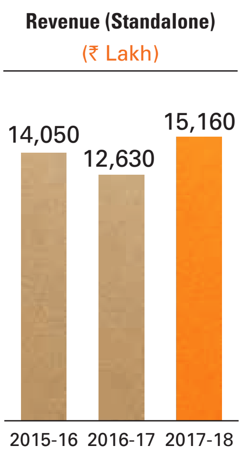
As of March 31, 2018

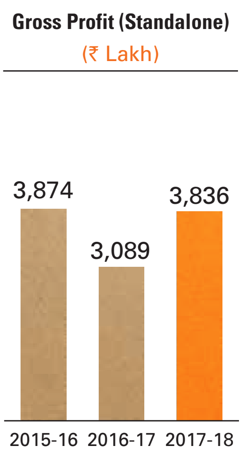
Express Logistics offering involves time definite, less than a truck load transportation services using our "hub and spoke" distribution network. For Express Logistics customers for whom the speed to market is crucial for converting sales across regions, the Company provides customised logistics solutions that meet the customers' expectations.

The hubs serve as junctions where shipments arrive and are sorted and grouped based on their ultimate destinations and shipping routes. The hubs are equipped with logistics tools, including pallets and forklifts to allow for efficient movement of goods. The branches are smaller operating units where the Company carries out booking and delivery of shipments to the end customers.

The Company operates a fleet of containerised GPS-enabled vehicles that are integrated with Transport Management System (TMS) for online shipment tracking on real time basis, from docket generation to point-of-delivery downloads to e-bills. All these vehicles ensure timely transport with minimal damage to goods, regardless of weather conditions. In March 2018, the Company operated a fleet of 231 containerised vehicles. The Company intends to expand the reach of its Express Logistics distribution network through increasing number of hubs, branches and feeder routes in order to increase the reach of its fleet of technology-enabled vehicles to wider locations across India.

The Company's robust TMS and real time application-based mobility platforms ensure real time information and visibility to its customers seeking services.





TEMPERATURE-CONTROLLED LOGISTICS

Cold Storage & Reefer Transportation.

4
Temperature-controlled Distribution Centres

9,650
Pallets

144
Owned Reefer Trucks

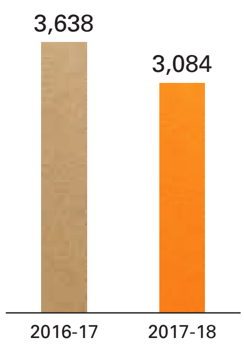
As of March 31, 2018

FSC's temperature-controlled logistics offering provides well-organised product-handling solutions for temperature-sensitive perishable products through temperature-controlled warehousing and transportation in refrigerated (reefer) trucks. Its temperature-controlled logistics distribution centres can maintain perishable goods in the frozen temperature range (-25 to 0 degrees Celsius), chilled temperature range (0 to +4 degrees Celsius), cold temperature range (+2 to +8 degrees Celsius) and cool temperature range (+8 to +25 degrees Celsius), depending on the requirements of the customer, maintaining complete adherence to contractual requirements and regulatory compliances. The Company's temperature-controlled warehouses are FSSAI-compliant.

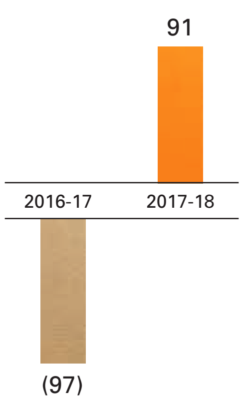
Its facilities are strategically located based on the availability of electrical supply grids to minimise power outages, and also maintains adequate power backups with diesel-powered generators. Storage sites utilise refrigeration and temperature-control systems equipped with certain features, including insulation on walls and floors; dock levellers for all dock doors to ensure temperature preservation; mobile racking systems and ultra-flat reinforced flooring and technology to ensure quick opening and closing of doors to prevent temperature fluctuations.

The Company owns fleet of 144 temperature-controlled reefer trucks that maintain a temperature-controlled environment to ensure proper handling of perishable products throughout the transportation process.

Revenue (Standalone)
(₹ Lakh)



Gross Profit (Standalone)
(₹ Lakh)



VULCAN EXPRESS

Last Mile Delivery.

0.88 MN SQ. FT.
Warehouse Space

15
Distribution Centres

166
Hubs and Branches

OVER 2,200
Pin Codes Covered

Information as of March 31, 2018

During the year, the Company acquired 100% stake in Vulcan Express Private Limited (Vulcan) from Jasper Infotech Private Limited (operates e-commerce portal – www.snapdeal.com) – a successful endeavour to develop and gain expertise on the *Last Mile Delivery* capability.

Vulcan provides logistics services to retail companies with specific focus on the e-commerce industry in India. It offers last mile delivery services in the form of end-to-end delivery of shipment to the distributor, retail outlets or customers. In addition, it offers many other services viz. collection of shipments and consolidation at fulfilment centres (first-mile) especially for e-commerce market place business, warehousing solutions, services such as quality testing and packaging and intercity movement of shipments.

It also provides different value added services to its customers such as kitting, packing, order fulfilment and invoicing. Vulcan has imbibed a strong information technology infrastructure in its DNA thereby providing it a competitive edge over other traditional players. Its warehousing infrastructure is highly customised and flexible enabling efficient handling of e-commerce shipments, break pack and case pack cargo.

Benefits of Vulcan acquisition

- Provides FSC foothold in the currently-untapped Last Mile Delivery segment
- Business operations across more than 2,200 pin codes pan-India
- Service capabilities such as cash-on-delivery, derived from the Vulcan's business expertise shall enable FSC to acquire new clientele and offer comprehensive supply chain solutions
- Potential for FSC to optimise operational costs and improve operational efficiencies post integration of Vulcan's warehouses & transportation

₹16,282 LAKH

Vulcan Revenue for 2017-18

₹2,910 LAKH

Vulcan Gross Profit for 2017-18

FOCUS ON CONSUMPTION DRIVEN SECTORS

FSC has consciously developed supply chain domain expertise in several consumption driven sectors, including fashion, food, FMCG, furniture and electronics. These sectors are less cyclical in nature and continue to witness strong secular growth, unlike many other sectors such as manufacturing or industrials. The size of 3PL opportunity in these sectors is expected to grow at 18-20% CAGR over the next 3-5 years. The supply chain management for such sectors is highly complex in nature due to the presence of thousands of stock keeping units and hundreds of retail stores to service, thus providing a 3PL service provider, especially FSC, with an opportunity to add significant value to clients. The Company's supply chain strategy for its anchor customer's fashion business is a classic example and a success story that demonstrates the same. The Company is now looking to bring a radical change in the supply chain for its customers in the food and FMCG retail sector by setting up IFDCs.

FASHION & FOOTWEAR

Consolidate and centralise warehouse operations

The supply chain for anchor customer's fashion business is extremely complex in nature, with presence of over 1,00,000 stock keeping units and over 500 retail stores to service. Improving the product availability at the stores while reducing the overall inventory holding period and managing the tail inventory are some critical success factors for the client. FSC rehashed their supply chain strategy and consolidated several warehouses into one large state-of-the-art warehouse in Nagpur to cater to stores all across the country. This facility houses the first of its kind cross-belt sorter and can handle throughput of up to 300 million garments per annum.

Key Characteristics

- Highly complex: 1,00,000 SKUs over 500 stores
- Large warehouse requiring need for technological sophistication
- Seasonal demand spurts

Benefits

- Lower inventory holding days
- Increased product availability on shelf
- High reliability in supply chain
- Increase in sales

SECTOR SPLIT

Non Anchor Customers Revenue in 2017-18

36%
Fashion & Footwear

21%
Automotive & Engineering

12%
Food & Beverage

11%
Home & Furniture

9%
FMCG

11%
Others

FOOD & FMCG

The supply chain for food & FMCG retailers is chaotic as a retail store receives tens of deliveries during the day that disrupts store operations. There are several intermediaries such as C&F agents and distributors in the value chain, that increase the supply chain cost. An IFDC will aim to source the products directly from the product company. An IFDC will receive all the deliveries on behalf of the store and send out one consolidated delivery per day to the store, typically before the store opens. This would improve store efficiency, increase product availability, lower store manpower requirement and reduce inventory required at the store level.

Key Characteristics

- Large volume, low value
- High velocity
- 8,000-10,000 SKUs
- Regional consumption patterns

Benefits

- Smooth store operations
- Better inventory management
- Improved customer experience
- Increased assortment

TECHNOLOGY

The Company's high-speed cross-belt sorter at its distribution centre in Nagpur is the first of its kind in India and offers sorting capacity of approximately 16,000 pieces and 2,000 cases per hour. This gives FSC the ability to handle higher volumes for its client without the need for setting up additional distribution centres thus enabling cost optimisation for the client.

FSC uses technology and automation processes through the entire facet of its logistics offerings to enable efficient and cost-effective operational management and reach the ultimate objective to serve its customers' supply chain requirements better. This includes:

- Warehouse Management System
- Sortation system to allow picking of orders with precision
- Integration with customers' systems for automated inventory replenishment
- GPS-enabled trucks that provide real-time tracking of shipments
- Mobility application (on smart-phones) to allow customers real-time visibility

The Company's WMS provides customers with a tool that can be integrated directly with a customer's ERP system, providing visibility of inventory and other order processing activities in the distribution centre. Its TMS provides shipment-level visibility from pick-up to delivery to billing as well as routing solutions and is linked to the ERP system. The Company also integrates its customers' technologies with its own systems so as to provide the customers with proper visibility into their supply chain and enable real-time tracking.

The Company has adopted several technologies and automation in its day-to-day business operations, including a "Dynamic Put-to-Light" sortation system (a light-directed sortation system), which is an effective mid-level sorting technology and provides almost 40% higher speed as compared to conventional manual sortation methods, increasing processing capacity of distribution centres and enabling higher accuracy of packing and labelling. It facilitates category-specific segregated packaging prior to shipment, in order to enable inventory to be properly packaged and be shelf-ready at its end destination with no further sortation needed at the end retail level.

Management Discussion and Analysis

The purpose of this discussion is to provide an understanding of the Financial Statements and a composite summary of performance of our business and the eco-system in which these are operating.

Management Discussion and Analysis is structured to comprise:

- Economy Overview
- Industry Overview
- Competitive Landscape
- Business and Performance Overview
- Risks and Internal Adequacy
- Review of Standalone Financial Performance

Some statements in discussion may be forward looking. Future performance may, however, differ from those stated in the Management Discussion and Analysis on account of various factors such as changes in the Government regulations, tax regimes, impact of competition and demand-supply constraints.

ECONOMY OVERVIEW

India's GDP was recorded 6.7% in 2017-18. The International Monetary Fund (IMF) projected a growth rate of 7.3 % in 2018-19 and 7.5 % in 2019-20 for India as against 6.7% in the current year, making it the fastest growing country among major economies. The growth is likely to be driven by several factors such as robust private consumption and GST implementation. Manufacturing and trade are expected to see strong growth on account of several government initiatives. According to the Ministry of Road Transport and Highways, around 9,829 kilometres of National Highways were constructed during the year, which represents a growth of over 20% over last year.

The inflation rate was noted at 4.28% in March 2018 while the Index of Industrial Production (IIP) was recorded at 4.3% in March 2018. There was also an improvement in India's ranking in the World Bank's 'Ease of Doing Business' by 30 places to be within the top 100.

The year saw the implementation of GST, which helped reduce internal trade barriers and further increase efficiency and improved tax norms. The country further made a strong progress in recent structural reforms. The growth was derived from revival in rural demand post normal monsoons and agricultural output momentum.

INDUSTRY OVERVIEW

The Indian logistics sector is estimated to be at ₹ 9,100 billion (US$ 140 billion) in 2016-17, as per the report by Alvarez & Marsal titled "Future of Organised Logistics in India- Contract, Express and Cold Chain" dated June 26, 2017 (A&M report). As per the A&M report, the Indian logistics sector is estimated to reach ₹ 15,230 billion by 2021-22, growing at a CAGR of 10.8%. This is driven by strong demand and supply-side drivers and the key factors contributing to the future growth including growth of the Indian economy, increasing urbanisation, increasing consumerism due to higher per capita income and higher propensity to spend, favourable regulatory changes, incentives from the Government for infrastructure investment and higher levels of outsourcing of logistics activities. On the back of these drivers, organised logistics service providers are expected to grow faster than the otherwise unorganised logistics market. Currently, the industry is significantly fragmented and the un-organised sector constitutes around 85% of the total market.

The introduction of GST in India is expected to favour growth in outsourced logistics, and in particular, large-scale logistics operations that will be capable of handling multi-industry customers.

BENEFITS OF GST IMPLEMENTATION

Larger Scale	Higher Efficiency
• Higher scale of operations for warehouses as planning for efficiency and not tax, leading to consolidation and increased use of technology	• Reduced congestion and improved productivity
• Centralisation of hub operations using "hub and spoke" model	• Reduced paperwork
• Increase in average size of truck unit	• Reduced transportation delays
• Reduction in average handling cost	• Need for automation
	• Efficient inventory management

Management Discussion and Analysis (Contd.)

Growth drivers for organised logistics service:

- Growth in the underlying economy and the resultant increase in logistics demand
- Urbanisation and population growth leading to increased consumerism
- Evolving customer requirements and related sophistication
- Regulatory drivers, such as the introduction of GST and grant of infrastructure status
- Increased scale of logistics service providers to match increasing customer scale
- Adoption and availability of affordable but cutting-edge technology

Challenges:

- Large number of unorganised players in the sector
- High cost of operation for non-integrated entities
- Nascent material handling infrastructure
- Fragmented warehousing management network
- Poor integration with modern information technology

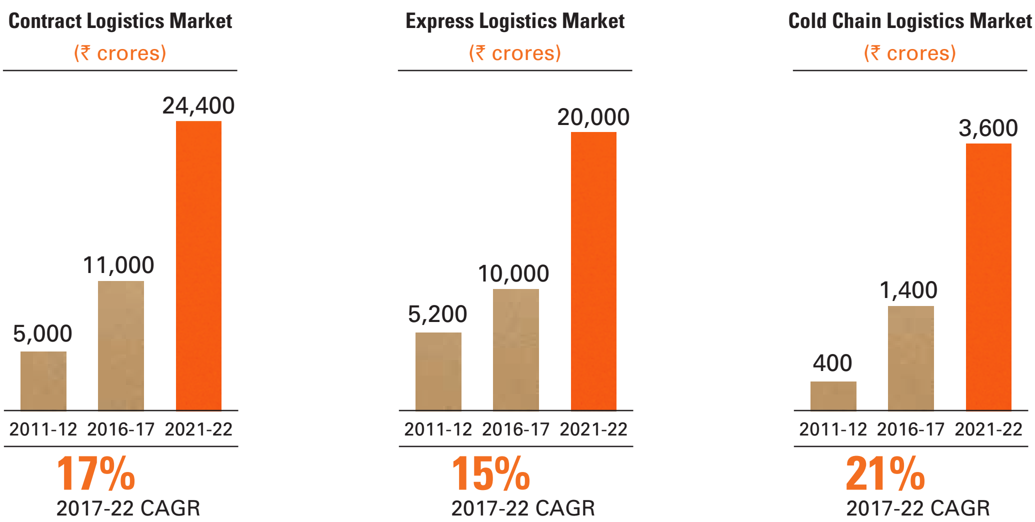
FSC Services Market Size - Organised Segment

Segment	Service	End user industry	Market size (2016-17)
Contract Logistics	Inbound and outbound logistics services to various manufacturing and service companies; Take responsibility for transportation, warehousing and other value-added activities such as packaging, kitting, sorting, labelling, reverse logistics and consolidation, among others	• Auto • Retail • Pharmaceuticals • FMCG & CDIT • Telecom • E-commerce and e-tailing	₹ 11,000 crores (US$ 1.7 bn)
Express Logistics	Offers door-to-door delivery across domestic regions along with real-time shipment tracking facilities, and serves the need for time-sensitive logistics services for customers requiring transport of less than truck load cargo	• Auto components • Banking and financial services • IT components • Apparel • Pharmaceuticals • Telecom products • E-commerce	₹ 10,000 crores (US$ 1.5 bn)
Cold Chain Logistics	Temperature-controlled supply chain offering services including refrigerated storage, transportation and distribution services along with associated value-added support activities	• Frozen food • Dairy • Confectionery • High-value fruits and vegetables • Pharmaceuticals • B2B segments	₹ 1,400 crores (US$ 0.2bn)

Source: A&M report

Management Discussion and Analysis (Contd.)

TARGET INDUSTRY SEGMENTS - MARKET SIZE



Source: A&M report

COMPETITIVE LANDSCAPE

The Indian logistics industry is highly fragmented in nature. Competitiveness of various industry players is determined by key factors such as reliability, service quality, price competitiveness and the ability to comprehensively address sector specific needs of the customers. The Company faces competition from various players catering to different business verticals in different geographic locations as well as several regional and unorganised service providers.

At present, there are only a few organised players in India who have a comprehensive nationwide presence. Various industry participants have also focused on specific sectors. Hence, the Company believes that with its pan-India presence, automated technology systems and integrated offerings, it is well-poised to cater to serve the requirements of its customers.

BUSINESS AND PERFORMANCE OVERVIEW

FSC, promoted by Future Enterprises Limited, which is promoted by Kishore Biyani, is India's one of the leading organised third-party supply chain and logistics (3PL) service provider, offering warehousing, distribution and other logistics solutions to a wide range of customers. Its service offerings, warehousing infrastructure, pan-India distribution network, a hub-and-spoke transportation model and automated technology systems give it a competitive market position. The Company's customers operate primarily in consumption-driven sectors in India, including retail, fashion and apparel, food and beverage, FMCG, e-commerce, electronics and technology and home and furniture.

The Company offers services in the following key areas:

Contract logistics: The core of contract logistics business involves offering technology-enabled distribution centres across India. FSC's distribution centres are generally multi-user, built-to-suit and scalable based on a customer's supply chain requirements and value chain needs.

Express logistics: FSC's express logistics business offers time-definite, part truck load distribution services using hub-and-spoke distribution network and containerised fleet of GPS-enabled trucks.

Temperature-controlled logistics: FSC established its temperature-controlled logistics business in 2016 by entering into a long-term operating lease for assets. FSC's temperature-controlled logistics business offering involves temperature-controlled warehousing and transportation for temperature sensitive perishable products.

The Company has been ahead of the curve by adopting cutting-edge technology and advanced automation systems in its logistics operations. The Company leverages technological supremacy to manage logistical complexities associated with consumption-driven products. The Company's facility at Nagpur is one of the largest and the most automated distribution centres in India. It is centrally located with efficient linkage to several production and consumption clusters in India covering approximately 0.37 million square feet of warehousing space. The facility is installed with high-speed cross-belt sorter system, the first of its kind in India, having a sorting capacity of approximately 16,000 pieces and 2,000 cases per hour, which became operational in July 2017.

Management Discussion and Analysis (Contd.)

The Company continued to invest time and effort in expanding warehousing infrastructure so as to be better-ready for the strong growth outlook ahead, primarily driven by GST implementation and increased outsourcing of supply chain activities by product companies. During the year, your Company added 0.60 million square feet of net warehousing space and ended the year at 4.58 million square feet of warehousing space under contract logistics that managed a throughput of over 900 million pieces.

The Company has set up three IFDCs, which cater to multiple clients and sub-categories for the food and FMCG industry enabling higher throughputs, lower inventory, faster refills and cost optimisation for the clients. An IFDC is capable of handling both dry and temperature-controlled products.

During the year under review, the Company set up a dedicated business development team to accelerate the pace of new customer acquisitions, especially for contract logistics. The Company on-boarded several marquee clients for contract logistics and many more clients for express logistics during the year.

Business outlook

The business outlook for third party logistics sectors continues to be strong driven by product companies' increased focus on their core competencies and outsourcing of the non-core activities including supply chain management.

With GST now becoming a well-entrenched reality, product companies are re-thinking about their supply chain strategy and are likely to consolidate their warehousing operations. This will create a need for managing large scale warehouses, which requires specific domain expertise. Hence the role of 3PL is likely to increase in future.

Various consumption led sectors such as apparel, footwear, FMCG and consumer durables as well as sectors such as automobiles are growing at a faster rate than raw material centric industries in value terms, indicating premiumisation in these industries. Increased premiumisation in end user industries results in a higher requirement for organised logistics service providers, such as FSC and increase in adoption of value-added logistics services.

The Company believes with its pan-India network and GST readiness, automated technology systems and integrated service offerings, that is well poised to cater to the strong growth ahead.

Standalone Performance Overview

As of March 31, 2018, the Company's operations are run through 55 distribution centres across India, covering approximately 4.58 million square feet of warehouse space. The Company utilises a "hub-and-spoke" distribution model comprising 14 hubs and 129 branches across India, covering 11,322 pin codes across 29 states and 5 union territories. During March 2018, FSC operated approximately 622 containerised vehicles and 144 Company owned reefer trucks.

The Company recorded a revenue of ₹ 77,499 Lakh and EBITDA of ₹ 12,121 Lakh during 2017-18 as against revenue of ₹ 56,118 Lakh and EBITDA of ₹ 7,428 Lakh in 2016-17. Net profit was recorded at ₹ 6,735 Lakh in 2017-18 as against ₹ 4,575 Lakh in 2016-17.

RISKS AND INTERNAL ADEQUACY

The business in which your Company operates has some inherent risks. This requires identifying, monitoring and mitigating risks predominantly in the areas of business, operations, finance and compliance. Your Company addresses such risks through mitigating actions on a continuous basis through a system-based approach of risk management. The Internal Control systems of the Company are commensurate with the nature of its business and the size and complexity of its operations. These risks are regularly tested and are certified by the Statutory and Internal Auditors.

The Audit Committee reviews adequacy and effectiveness of the internal control process and systems and monitors the implementation of audit recommendations, with the perspective of strengthening the risk management systems of the Company.

The Management Assurance team additionally carries out quarterly reviews to assess the internal control environment and their adequacy concerning the business environment and make recommendations.

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

REVIEW OF STANDALONE FINANCIAL PERFORMANCE

Revenue

Total Income comprises (i) revenue from operations and (ii) other income.

(i) Revenue from Operations

Revenue from operations increased 38.1% from ₹ 56,118 Lakh in 2016-17 to ₹ 77,499 Lakh in 2017-18.

Management Discussion and Analysis (Contd.)

(ii) Other income

Other income decreased from ₹ 1,581 Lakh in 2016-17 to ₹ 942 Lakh in 2017-18.

Expenses

Expenses consist of:

(i) cost of logistics services

(ii) employee benefit expenses

(iii) finance costs

(iv) depreciation and amortisation expenses

(v) other expenses

Cost of Logistics Services

Cost of logistics services comprises warehouse operating charges, transportation expenses and freight forwarding expenses. Cost of logistics services as percentage of revenue from operations declined from 66.9% in 2016-17 to 65.5% in 2017-18.

Employee Benefit Expenses

Employee benefit expenses comprise salary and wages to the employees, cost of employee welfare programs, expenses incurred in providing training exercises and other speciality skill building activities and performance bonus and reward programs. Employee benefit expenses as percentage of revenue from operations declined from 10.1% in 2016-17 to 9.6% in 2017-18.

Other Expenses

Other expenses primarily include power and fuel, repairs and maintenance, traveling and conveyance expenses, security expenses etc. Other expenses as percentage of revenue from operations declined from 9.8% in 2016-17 to 9.3% in 2017-18.

Depreciation and Amortisation Expense

Depreciation and amortisation expenses increased from ₹ 1,914 Lakh in 2016-17 to ₹ 2,324 Lakh in 2017-18.

Finance Costs

Finance costs reduced 31.7% from ₹ 1,276 Lakh in 2016-17 to ₹ 871 Lakh in 2017-18.

Profit before Tax

As a result of the foregoing factors, profit before tax increased 69.6% from ₹ 5,819 Lakh in 2016-17 to ₹ 9,868 Lakh in 2017-18.

Income Tax Expense

Income tax expenses increased 151.9% in 2017-18 as compared to previous year.

Profit for the Year

As a result of the foregoing factors, profit after tax increased 47.2% from ₹ 4,575 Lakh in 2016-17 to ₹ 6,735 Lakh in 2017-18.

Earnings Per Share (EPS)

The Company's Basic and Diluted EPS was ₹ 17.06 and ₹17.05, respectively for 2017-18.

Human Resources

Being a progressive organisation, your Company firmly believes in its vital assets – The People. The Human Resource (HR) team of the Company plays a vital role to attract and retain leading talents in the logistics industry. The HR team ensures conducting both, technical as well as soft skill trainings for employees to sharpen their skill sets. Key training programs include functional training programs, IT training programs such as WMS, SAP, TMS etc. and various behavioural training programs. These programs are essential for achieving better performance, improvement in throughput delivery and productivity, self-development of employees and better team-work and bonding across various teams. The Company has built its leadership team from within the organisation and most of its senior management team members have been long associated with the Company. The Company gears its training efforts towards developing its personnel to allow for advancement and success within its organisation. The training programs are aimed at holistic development of employees to facilitate their career progression within the Company. FSC takes pride in building a culture of rewarding the merits within the organisation. The fact that most of its senior organisation members have grown within the organisation is a testimony of its continuous efforts in this direction. FSC places a strong emphasis on building a healthy and rewarding work environment. The Company also undertakes number of initiatives to ensure a healthy balance between business needs and individual aspirations. It has in place a variety of measures to improve employee engagement and enable their career progression in right direction.

FSC's employee strength as of March 31, 2018 stood at 1,155.

Directors' report

To,
The Members,
Future Supply Chain Solutions Limited

The Directors of your Company are pleased to present the 13th annual report for the financial year ended March 31, 2018.

STANDALONE FINANCIALS HIGHLIGHTS

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	77,498.63	56,118.34
Other income	942.12	1,580.90
Total Income	**78,440.75**	**57,699.24**
Depreciation & amortisation	2,324.19	1,914.02
Total expenditure	68,572.65	51,880.06
Profit before tax	**9,868.10**	**5,819.18**
Tax and provisions including deferred tax	3,133.55	1,243.76
Profit after tax	**6,734.55**	**4,575.42**
Other Comprehensive Income	(4.96)	18.50
Earnings Per Share-Basic (₹)	17.06	11.64
Earnings Per Share-Diluted (₹)	17.05	11.19

OPERATIONAL PERFORMANCE

During the financial year under review, your Company's revenues increased by 38.1% as compared to the previous year on account of better operational efficiencies through optimum use of the automation and technologies, increased velocity in deliverables, addition of new clientele supported by the increased volume from anchor customers. Net profits of the Company during the year also jumped by 47.2% compared to the previous year supported by increased revenue, controlled operational costs, redesigning of operational verticals, lower finance costs, and other measures taken by the management to improve the overall service delivery and increased internal consistency.

FUTURE OUTLOOK

The business outlook for third party logistics companies, such as FSC, continues to be strong driven by GST implementation and increased outsourcing of non-core activities by product companies. Various consumption led sectors continue to grow at a faster pace than raw material centric industries in value terms, indicating premiumisation in these industries. This is likely to result in increased need for organised tech-enabled logistics and increased adoption of value-added logistics services.

With the implementation of indirect tax reforms in the country i.e. Goods and services tax, your Directors are very optimistic about the growth of the overall business and higher efficiency in the operations, which all together would enhance the stakeholders' value.

DIVIDEND & RESERVES

Your Directors are pleased to recommend the maiden dividend of ₹ 1 (Rupee One only) per equity share of face value of ₹ 10/- i.e. 10% out of the profits for the financial year 2017-18, subject to approval by the members in the ensuing Annual General Meeting. The total dividend outflow would be ₹ 482.90 Lakh inclusive of applicable taxes. No amount is proposed to be transferred to the General Reserves.

SHARE CAPITAL

During the year under review, the following alterations were made to the share capital structure of the Company:

- Increased the authorised share capital of the Company from ₹ 40 crore to ₹ 50 crore;
- Allotted 9,17,955 equity shares of ₹ 10/- at a premium of ₹ 589.16 per equity share on conversion of compulsory convertible debentures. Post such conversion, the paid-up share capital increased to ₹ 40,05,62,380/-.

Directors' report (Contd.)

PUBLIC OFFER (OFFER FOR SALE)

During the year under review, the existing shareholders in the Company had divested 97,84,570 equity shares of ₹ 10/- each through offer for sale at an offer price of ₹ 664/- per equity share in compliance with the provisions of the Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended **('Offer')**. Pursuant to the said Offer, the equity shares of the Company were listed on the BSE Limited and the National Stock Exchange of India Limited on December 18, 2017. Your Directors place their appreciation for the impressive response received to the Offer from the various categories of investors.

HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

During the financial year under review, the holding company Future Enterprises Limited had divested a part of its shareholding in the Company. However, the Company continues to be a subsidiary of Future Enterprises Limited.

During the year under review, the Company acquired the entire share capital of Vulcan Express Private Limited thereby making it as wholly owned subsidiary of the Company. The acquisition would help the Company to venture into 'last mile delivery' logistics business for various online retailers. The management believes that the integration of the business of Vulcan will help the Company to boost its revenues, optimise total operational costs and improve operational efficiencies. For the financial year 2017-18, Vulcan registered a total income of ₹ 16,281.87 Lakh and net loss of ₹ 6,763.82 Lakh.

During the year under review, the Company has made strategic investments in Leanbox Logistics Solutions Private Limited ('Leanbox'), which uses technology to improve delivery capabilities for general trade / small retail stores. The technology platform of Leanbox would support an asset light delivery platform through efficient order processing and fulfilment in a seamless manner.

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a statement in Form AOC-1 containing the salient features of the financial statements of the said Subsidiary company and Associate company is appended hereto as Annexure 1.

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENT

The particulars of investments, loans, and guarantees covered under the provisions of Section 186 of the Companies Act, 2013 read with rules made thereunder are given in the Notes to the Standalone Financial Statements of the Company.

PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES

All transactions entered into with related parties (as defined under Section 188 of the Companies Act, 2013) during the financial year under review were in the ordinary course of business and on arm's length pricing basis. The Audit Committee also reviews and authenticates/ approves, wherever applicable, transactions with the related parties. As there were no transactions during the financial year under review attracting the provisions of section 188(1), hence, information in Form AOC-2 is not applicable.

DIRECTORS & KEY MANAGEMENT PERSONNEL

In terms of section 152 of the Companies Act, 2013, C P Toshniwal and Shyam Maheshwari, Directors of the Company, would retire at the ensuing annual general meeting of the Company and being eligible, have offered themselves for re-appointment. The Company has received necessary disclosure and confirmation from the concerned Directors with respect to their re-appointment. Additional information on re-appointment of Directors as required under Regulation 36 of the Listing Regulations, is given in the Notice convening the annual general meeting.

Changes amongst Directors & KMPs during the year under review

The Board appointed Mayur Toshniwal as Managing Director & CEO of the Company for a period of 3 years with effect from August 5, 2017. The said appointment was further approved by the members at the previous annual general meeting.

Pursuant to section 149 of the Companies Act, 2013, Bala Deshpande, Amar Sapra and Rahul Garg were appointed as non-executive and Independent Directors with effect from May 10, 2017, August 5, 2017 and August 5, 2017 respectively. Their appointments were further approved

Directors' report (Contd.)

by the shareholders in previous annual general meeting. Further, the Company has received requisite declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming the criteria of independence met by them as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dinesh Goel and Vivek Biyani, Directors of the Company resigned with effect from August 5, 2017. The Board places on record its sincere appreciation for the contribution made by them during their tenure.

During the year under review, P V Sheshadri acted as a Chief Executive Officer for a brief period from May 10, 2017 till August 5, 2017. However, he was re-appointed as CEO of the Company after close of the financial year under review.

Kailash Chand Sharma ceased to be Chief Financial Officer of the Company with effect from March 1, 2018. The Board, subsequent to the recommendation of Nomination and Remuneration Committee and Audit Committee, appointed Samir Kedia as Chief Financial Officer of the Company with effect from March 1, 2018.

MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company's business policies and strategy apart from other businesses. The Board met five times during the year, details of which are given in the Corporate Governance report forming part of this annual report.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Committee of Directors

The details of the Committees along with the composition, number of meetings and attendance at the meetings are provided in the report on the Corporate Governance which forms part of this annual report.

PERFORMANCE EVALUATION OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Directors individually. At the meeting of the Board, all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed. A separate exercise was also carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board except the Independent Director under evaluation. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors. The Directors have expressed their satisfaction with the evaluation process.

CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance together with a certificate from Statutory Auditors of the Company regarding the compliance with the conditions of Corporate Governance, is enclosed herewith and forms part of this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on the Management's Discussion and Analysis is appended hereto and forms part of this annual report.

DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of section 73 of the Companies Act, 2013.

RISK MANAGEMENT & ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations and are routinely tested by the Auditors. All locations across the country are subject to continued audit on risk based methodology appropriately in sync with the business verticals, operational design, financial model, systems & process

Directors' report (Contd.)

and other relevant subjects. Your Directors believe that such audit process add values to the business in addition to the statutory compliance. Major risks, if any, identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Further, the internal controls at each location are discussed at regular interval engaging the respective zonal auditor, internal auditor, top management team including the directors and chief financial officer. The audit reports detailing the efficacy of the internal controls are brought to the notice of the members of the Audit Committee and subsequently, the Board of Directors for their review, discussion, suggestions and recommendations. Necessary changes and modifications are also carried out as may be recommended by the Audit Committee. In the opinion of the Board, there is no element of risk which threatens the existence of the Company.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of Bala Deshpande - Independent Director as Chairperson, Rahul Garg and Janat Shah - Independent Directors as members. There are no instances where the Board did not accept the recommendations and suggestions of the Audit Committee. The terms of reference, powers and roles of the Audit Committee are disclosed in the Corporate Governance report forming part of this annual report.

VIGIL MECHANISM

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

AUDITORS

NGS & Co. LLP; Chartered Accountants, statutory auditors of the Company shall hold office as such till the conclusion of the ensuing annual general meeting. However, pursuant to the provisions of the Companies Act, 2013, they shall not be eligible to be appointed/ re-appointed in view of their expiration of term permissible under the Companies Act, 2013.

The Board proposes to appoint GMJ & Co., Chartered Accountants, as the auditors of the Company in place of the retiring auditors, for a period of 5 years subject to approval of members at the ensuing annual general meeting.

SECRETARIAL AUDIT

The Company appointed K. Bindu & Associates, Company Secretaries in wholetime Practise, to conduct secretarial audit of the Company for the financial year 2017-18 in terms of provisions of section 204 of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The secretarial audit report for the financial year under review is appended hereto as Annexure 2.

SECRETARIAL STANDARDS

The Company has devised a system to ensure compliance with the provisions of Secretarial Standards on Meetings of the Board of Directors and General Meetings.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREX EARNINGS AND OUTGO

The particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to energy conservation, technology absorption and foreign exchange earnings and outgo, are provided in Annexure 3 appended hereto. The Company being focused on operations within the country and does not render any services outside India, hence, there are no particulars be given on export initiative.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Directors appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 are given in the Corporate Governance report, which forms part of this annual report.

DISCLOSURES ON POLICIES

Details of programs for familiarisation of Independent Directors with the Company are available on the website of the Company at http://www.futuresupplychains.com/pdf/independent-director-familiarization-program.pdf.

Policy for determining material subsidiaries of the Company is available on the website of the Company at

Directors' report (Contd.)

http://www.futuresupplychains.com/pdf/materiality-for-subsidiary-policy.pdf.

Policy for determining Materiality of Events and the Information is available on website of the Company at http://futuresupplychains.com/pdf/FSC_Policy for_determination_of_materiality_of_events_and information.pdf.

Archival policy of the Company is available on the website of the Company at http://www.futuresupplychains.com/pdf/archival-policy.pdf.

Code of conduct of Board of Directors and senior management personnel of the Company is available on the website of the Company at http://www.futuresupplychains.com/pdf/code-of-conduct-for-key-mangaerial-persons.pdf.

Policy on dealing with related party is available on the website of the Company at http://www.futuresupplychains.com/pdf/policy-for-dealing-with-related-party-transactions.pdf.

The Dividend Distribution Policy is given as Annexure 4 to this report. The same is also available on the website of the Company at http://www.futuresupplychains.com/pdf/dividend-policy.pdf.

The Remuneration Policy of the Company is available on the website of the Company at http://www.futuresupplychains.com/pdf/remuneration-policy.pdf.

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

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors of the Company has, based on recommendations made by CSR Committee, formulated and approved CSR Policy for the Company. A Foundation at Group level has been created to undertake CSR initiatives. The CSR Committee is chaired by C P Toshniwal, Non - Executive Director. Other members of the CSR Committee are Amar Sapra - Independent Director and Rakesh Biyani - Non-Executive Director. The CSR Committee at its meeting held on August 5, 2017 had identified the programs to be undertaken for spending the CSR amount and recommend to the Board. Accordingly, the Company has utilised and spent on such CSR programs all the amount accrued till the end of the financial year under review. The disclosures as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in prescribed form which is appended hereto as Annexure 5.

SCHEME OF ARRANGEMENT

After closure of the year under review, the Board of Directors has approved the Scheme of Arrangement amongst the Company and its wholly owned subsidiary - Vulcan Express Private Limited (**"Vulcan"**) and their respective shareholders and creditors under section 230-232 read with section 66 of the Companies Act, 2013 (**"Scheme"**). The arrangements involve, inter alia, the demerger of Fulfilment Business and Last Mile Delivery Business Undertakings of Vulcan and vest into the Company. Further, Vulcan being the wholly owned subsidiary of the Company, no consideration is proposed to be paid/ discharged for the arrangements embodied in the Scheme. The Scheme is subject to approval of the requisite authorities.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS

Except as disclosed in this report, there are no material changes, commitments or events affecting the financial position of the Company, which have occurred after the closure of financial year under review till the date of this report.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided under Annexure 6 appended hereto.

In terms of the provisions of 134 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules are provided in annual report. However, in terms of the first proviso to Section 136(1) of the Companies Act, 2013, information pursuant

Directors' report (Contd.)

to Section 197 of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is excluded from the annual report being sent to the members of the Company but available for inspection by the members at registered office of the Company during business hours on all working days up to the date of the ensuing annual general meeting. Any member interested in obtaining a copy thereof, may write to the Company Secretary and the same will be furnished on request. The complete annual report including aforesaid information is being sent electronically to all those members who have registered their e-mail addresses and is also available on the website of the Company.

EMPLOYEE STOCK OPTION PLAN

Pursuant to the approval of the Nomination and Remuneration Committee, the Board of Directors and shareholders, the Company has instituted Employee Stock Option Plan (FSC ESOP 2017) for issue of up to 4,00,000 options to eligible employees. Further, the Nomination and Remuneration Committee has made 2,83,763 grants to the employees and directors of the Company. Details required to be provided under section 62 of the Companies Act, 2013 and Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014) and SEBI (Share Based Employee Benefits) Regulations, 2014 are appended hereto as Annexure 7.

EXTRACT OF ANNUAL RETURN

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of your Company for the financial year ended March 31, 2018 is given in Annexure 8.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India are appended to this annual report. Pursuant 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 the Subsidiary company have been placed on the website of the Company – www.futuresupplychains.com. The audited financial statements in respect of Subsidiary company shall also be kept open for inspection at the registered office of the Company during working hours for a period of 21 days before the date of ensuing annual general meeting. The aforesaid documents relating to Subsidiary company can be made available to any member interested in obtaining the same upon a request in that regards made to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors of the Company state that –

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that year;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts for the financial year ended March 31, 2018 on a going concern basis; and
- they have laid down internal financial controls to be followed by the Company and such financial controls are adequate and were operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AWARDS AND RECOGNITION

During the year under review, your Company was awarded with the following recognitions:

- ***Best Cold Chain 3PL Service Provider*** at Cold Chain Strategy Summit 2017;

Directors' report (Contd.)

- ***Best 3PL Company of the Year*** at The Goa State Logistics, Supply Chain & Warehousing Leadership Awards 2017;
- ***Best 3PL Company of the Year*** at ELSC 2017 held by Kamikaze B2B Media;
- ***Industry Excellence in Supply Chain – FMCG*** at ELSC 2017 held by Kamikaze B2B Media;
- ***Excellence Award Position under Industrial / Retail Warehousing*** at SCALE Awards by CII – Institute of Logistics;
- ***Best 3PL Solutions Award*** at World Innovation Congress held by World Innovation Congress & Awards;
- ***Most innovation Supply Chain Provider of the year*** held by World Innovation Congress & Awards;
- ***Digital transformation & Supply Chain Excellence*** in Warehousing Management at Global Logistics Excellence Awards;
- ***Indian 3PL of the year*** at Global Logistics Excellence Awards;
- ***Operational Excellence in Safety Initiative*** at the 8th edition of Manufacturing Supply Chain Summit & Awards;
- ***Quality Excellence in Reverse Logistics*** at the 8th edition of Manufacturing Supply Chain Summit & Awards;
- ***Financial Express CFO Award 2018 – Medium Enterprise*** by Financial Express

SEXUAL HARASSMENT POLICY

Your Company believes in providing a safe and harassment free workplace to every individual working in the Company through various means including training, awareness and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place a policy on prevention of sexual harassment at workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. The Company has an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. ICC conducts training workshop mainly focusing on investigation skills, basic counselling skills such as listening, paraphrasing and dealing with biases through various kind of case studies, role plays activities based on real life examples, role of ICC, critical attitudes of an ICC member and investigation process & report writing, etc. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors desire to place on record, their appreciation to all employees at all levels, who during the year under review, with sustained dedicated effort, enabled the Company to deliver a good performance.

Your Directors also wish to place on record their appreciation and acknowledge with gratitude for the support and co-operation extended by the Government, clients, bankers, shareholders and other Government agencies and look forward to their continued patronage in future.

For and on behalf of the Board of Directors of
Future Supply Chain Solutions Limited

Rakesh Biyani
Chairman

Place: Mumbai
Date: April 25, 2018

Annexure 1

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART A: SUBSIDIARY

(₹ in Lakh)

Name of the Subsidiary company	Vulcan Express Private Limited
Date of acquisition	February 2, 2018
Reporting period for the Subsidiary	March 31, 2018
Reporting currency	INR
Share capital	23,006.01
Reserves & Surplus	(16,806.01)
Total assets	11,074.91
Total liabilities	4,874.91
Investments	Nil
Turnover	16,281.87
Profit before taxation	(6,763.82)
Provision for taxation	Nil
Profit after taxation	(6,763.82)
Proposed dividend	Nil
% of shareholding	100.00

PART B: ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of Companies Act, 2013 related to Associate & Joint Ventures

Name of Associate	Leanbox Logistics Solutions Private Limited
Latest audited balance sheet date	March 31, 2018
No. of shares of Associate held by the Company on the year end	1,78,500
Amount of investment in Associate (₹ in Lakh)	899.99
Extent of holding (%)	50.00
Description of how there is significant influence	Shareholding more than 20%
Reason why the Associate is not consolidated	Not Applicable
Net worth attributable to shareholding as per latest audited balance sheet (₹ In Lakh)	445.88
Profit/ (Loss) for the year (₹ in Lakh)	
- Considered in consolidation	(57.10)
- Not considered in consolidation	-

For **Future Supply Chain Solutions Limited**

Rakesh Biyani
Chairman

Place: Mumbai
Date: April 25, 2018

Annexure 2

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Future Supply Chain Solutions Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Supply Chain Solutions Limited (hereinafter called **"the Company"**). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 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 March 31, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **to the extent applicable**

v. The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (Including any modification thereto from time to time or any re-enactment thereof for the time being in force): -

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

(e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008; **Not applicable.**

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable.**

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

Annexure 2 (Contd.)

to the industry in which the Company operates.

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

- Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;
- SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

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

I further report that:

- The Board of Directors of the Company was duly constituted with adequate balance of Executive Directors and Independent Directors. The changes, if any, in the composition of the Board of Directors / Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act;
- Based on the representation given by the management of the Company and as verified by us, it is observed that there are no such laws which are specifically applicable to the industry in which the Company operates;
- Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- Decisions of the Board were carried out unanimously/ with requisite majority as recorded in the minutes of the meetings of the Board of Directors and no dissenting views were carried out.
- 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.

I further report that during the audit period of the Company:

The Company has made initial public offer through Offer for Sale of existing 97,84,570 equity shares of ₹ 10 each in compliance with the provisions of the Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended. The equity shares of the Company were listed on BSE Limited and the National Stock Exchange of India Limited on December 18, 2017. There was conversion of Compulsory Conversion Debentures into 9,17,955 equity shares of ₹ 10/- each aggregating to ₹ 55 crore.

Further there were no instances of:

1. Demerger/ Restructuring/ Scheme of Arrangement
2. Redemption/ Buy-Back of Securities
3. Foreign Technical Collaborations

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

Annexure I to Secretarial Audit Report

To,
The Members,
Future Supply Chain Solutions Limited

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 audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever 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 the corporate and other applicable laws, rules, regulations and norms 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 and on behalf of the Board of Directors of
For **K Bindu & Associates**
Company Secretaries

Bindu Darshan Shah
Proprietor
Membership No. A20066 / CP No. 7378

Place: Mumbai
Date: April 25, 2018

Annexure 3

Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY:

(I) The steps taken or impact on conservation of energy:

Adequate measures have been taken to reduce energy consumption. The Company, to the extent possible, uses the energy saver electronic equipment to conserve the energy.

(II) The steps taken by the Company for utilising alternate source of energy:

All efforts are made to use more natural lights at office/ warehouse locations to optimise the consumption of energy.

(III) The capital investment on energy conservation equipment:

Nil

B. TECHNOLOGY ABSORPTION:

The Company has installed high speed cross belt sorter system at MIHAN distribution centre in Nagpur, which is the first of its kind in India, with a sorting capacity of approximately 2,000 cases and 16,000 pieces per hour. The cross-belt sorter was developed by Germany-headquartered Beumer Group, Germany and which became operational in July 2017. The said sorter system has resulted in higher efficiency, reduced costs and minimal operational shortcomings. No further expenses were incurred on research and development on such technology.

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

(₹ in Lakh)

Foreign Exchange Earnings & Outgo	**2017-18**	**2016-17**
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo:		
Travel	3.82	3.14
Freight cost	37.07	32.25
Software license	30.37	8.07
Professional fees	215.97	62.14
Consumables	9.24	Nil
Fixed asset purchase	162.63	43.92

Annexure 4

Dividend Policy

COMPANY'S PHILOSOPHY:

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

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

DECLARATION OF DIVIDEND:

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

PER SHARE BASIS:

The dividend will be declared on per share basis only.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE LISTED ENTITIES MAY NOT EXPECT DIVIDEND:

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

FINANCIAL PARAMETERS CONSIDERED WHILE DECLARING DIVIDEND:

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

INTERNAL AND EXTERNAL FACTORS CONSIDERED WHILE DECLARING DIVIDEND:

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

Internal:

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

External

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

USAGE OF RETAINED EARNINGS:

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

PARAMETERS THAT ARE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES:

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

Annexure 5

Statement on Corporate Social Responsibility

Pursuant to section 134(O) of the Act and Rule 9 of the Corporate Social Responsibility Rules, 2014

I. A BRIEF OUTLINE ON COMPANY'S CSR POLICY:

The policy on corporate social responsibilities ("CSR Policy") of the Company includes, inter alia, activities and programs to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013 through itself or any other trust/ implementing agencies. The CSR policy is available on the website of the Company at http://www.futuresupplychains.com/pdf/CSR_Policy.pdf.

II. THE COMPOSITION OF THE CSR COMMITTEE AS AT MARCH 31, 2018 IS AS UNDER:

a) C P Toshniwal (Chairman & Non-Executive Director)

b) Amar Sapra (Independent Director)

c) Rakesh Biyani (Non-Executive Director)

III. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS: ₹ **2,386.91 Lakh**

IV. PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AMOUNT AS IN ITEM 3 ABOVE) : ₹ **47.74 Lakh**

V. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2017-18:

(a) Total amount to be spent for the financial year: ₹ **47.74 Lakh***

(b) Amount unspent, if any: **Nil**

(c) Manner in which the amount spent during the financial year is detailed below.

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise (₹ in Lakh)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Amount spent : Direct or through implementing agency#
1	Program 'Odha do Zindagi' undertaken by Non-Government Organisation 'Goonj'	Measures for reducing inequalities faced by socially and economically backward groups.	Thane (Maharashtra)	23.25	23.25	23.25	Implementing Agency
2	Development and welfare of socially and economically challenged people by Non-Government Organisation Seva Sahyog Foundation	Measures for reducing inequalities faced by socially and economically backward groups.	Palghar, Karjat, Navi Mumbai, Mumbai, Raigad, Thane, (Maharashtra)	6.08	6.08	6.08	Implementing Agency

Annexure 5 (Contd.)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise (₹ in Lakh)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Amount spent : Direct or through implementing agency#
3	Development and welfare of socially and economically challenged people by Non-Government Organisation Salam Balak Trust	Measures for reducing inequalities faced by socially and economically backward groups.	New Delhi	30.21	30.21	30.21	Implementing Agency
4	Welfare of underprivileged slum children under 'Happy Kids'program undertaken by Non-Government Organisation Savitribai Phule Majhila Ekatma Samaj Mandal	Happy Kids- addressing basic needs of the underprivileged slum children	Aurangabad (Maharashtra)	7.86	7.86	7.86	Implementing Agency
5	Education	- Renovation of Adiwasi School - Enhancing vocational skills among differently abled people	- Mira Road; - Wada, Palghar (Maharashtra)	11.00	11.00	11.00	Direct / Implementing Agency
6	Development, education and welfare of socially and economically challenged people under a program undertaken by Friends of Tribal Society	Measures for reducing inequalities faced by socially and economically backward groups.	Palghar (Maharashtra)	10.34	10.34	10.34	Implementing Agency

Annexure 5 (Contd.)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise (₹ in Lakh)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure up to the reporting period (₹ in Lakh)	Amount spent : Direct or through implementing agency#
7	Welfare of economically challenged people under project 'Shantivan' undertaken by Non-Government Organisation Bhavani Vidyarthi Kalyan	Project Shantivan- addressing basic needs of the underprivileged children	Beed (Maharashtra)	4.88	4.88	4.88	Implementing Agency

* Excludes the unspent amount of previous year(s)

\# Sone Ki Chidiya Foundation ('SKC Foundation') – implementing agency, has been set up with objective of empowering communities in various ways by engaging the people around strong social relevance of inclusive growth. SKC Foundation aims towards supporting economically challenged people to meet their social needs. In order to attain the objective, SKC Foundation aligns its activities and works towards promoting, encouraging, supporting and assisting education and medical activities while reducing inequalities in society. The aforesaid spending by the Company includes the stated projects undertaken with support of several non-governmental organisations (NGOs) namely Goonj, Savitribai Phule Mahila Ekatma Samaj Mandal, Friends of Tribal Society, Bhavani Vidyarthi Kalyan Pratisthan, Salaam Balak Trust, Keshavshrusti Gram Vikas Yojana and Seva Sahayog Foundation.

VI. REASONS FOR UNSPENT AMOUNT, IF ANY: Not Applicable

VII. THE CSR COMMITTEE AFFIRMS THAT THE IMPLEMENTATION AND MONITORING OF CSR POLICY IS IN COMPLIANCE WITH CSR OBJECTIVES AND POLICY OF THE COMPANY.

For and on behalf of the Board of Directors of
Future Supply Chain Solutions Limited

Mayur Toshniwal	**C P Toshniwal**
Managing Director	Chairman – CSR Committee

Place: Mumbai
Date: April 25, 2018

Annexure 6

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

I. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2017-18:

Name of the Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2017-18 (₹ in Lakh)	% increase in Remuneration in the Financial Year 2017-18 **	Ratio of remuneration of each Director to MRE for Financial Year 2017-18
	1	2	3 = (1/ MRE)
Mayur Toshniwal – Managing Director *	115.13	N.A.	27
P V Sheshadri – Chief Executive Officer #	24.73	N.A.	6
Kailash Sharma – Chief Financial Officer^	68.21	8.00	16
Samir Kedia – Chief Financial Officer^^	4.38	N.A.	1
Vimal K Dhruve – Company Secretary	27.15	8.00	6

II. In the financial year 2017-18, there was an increase of 10% in the MRE.

III. There were 1,155 permanent employees on the rolls of Company as on March 31, 2018.

IV. The average percentage increase made in the remuneration of employees other than the managerial personnel for the financial year 2017-18 was 12% whereas the increase in managerial remuneration for the same financial year was 8%.

V. There was no variable component in remuneration for any other non-executive directors. The Comapny has not paid any remuneration to the non-executive directors during the year 2017-18 or during the perevious year. The variable component in the remuneration of the executive directors is in line with the remuneration policy of the Company taking into consideration the performance of the Company as well of the concerned director.

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

For **Future Supply Chain Solutions Limited**

Place: Mumbai
Date: April 25, 2018

Rakesh Biyani
Chairman

* Since August 5, 2017
# From May 10, 2017 till August 5, 2017
^ Till February 28, 2018
^^ Since March 01, 2018
** Does not include perquisite, if any, arising out of the stock options

Annexure 7

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED EMPLOYEES STOCK OPTION PLAN – 2017

Future Supply Chain Solutions Limited has granted stock options to eligible employees under Employee Stock Option Plan (**“FSC ESOP 2017”**) with a view to attract and retain key talents working with the Company, by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

- Disclosure with respect to FSC ESOP 2017 as at March 31, 2018

I	Date of Shareholders’ approval	August 8, 2017
II	Total number of options approved	4,00,000 stock options exercisable into equal number of equity shares of ₹ 10/- each.
III	Vesting requirements	Options granted under FSC ESOP 2017 would vest in accordance with the terms of grant, subject to maximum period of 3 years from the date of grant of such options.
IV	Exercise price or pricing formula	₹ 350/-
V	Maximum term of options granted	3 years from the date of vesting
VI	Source of shares (primary, secondary or combination)	Primary
VII	Variation in terms of options	None
VIII	Method used to account for ESOP	Fair value under Black Scholes Method

- The stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the Financial Statements for the year 2017-18: ₹179.44 Lakh

- Option movement during the year ended on March 31, 2018

Sl. No.	Particulars	Details of FSC ESOP 2017
1	Details Number of options outstanding at the beginning of the year	Nil
2	Number of options revised during the year	Nil
3	Number of options granted during the year	2,83,763
4	Number of options forfeited / cancelled /lapsed during the year	14,063
5	Number of options vested during the year	Nil
6	Number of options exercised during the year	Nil
7	Number of shares arising as a result of exercise of options	Nil
8	Exercise Price	₹ 350/-
9	Money realised by exercise of options, if scheme is implemented directly by the Company	N.A.
10	Loan repaid by the Trust during the year from exercise price received	N.A.
11	Total number of options outstanding (in force) at the end of the year	2,69,700
12	Number of options exercisable at the end of the year	Nil

- Weighted average exercise price and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock: Refer Note No.35 in Notes to the Standalone Financial Statements.

Annexure 7 (Contd.)

- Employee-wise details of options granted during the year on March 31, 2018

  I. Senior Managerial Personnel

Name of the Employee	No. of options
Mayur Toshniwal	42,000
P V Sheshadri	42,000
C P Toshniwal	35,000
Sougato Shome	21,600
Vimal K Dhruve	15,000
A S R Prasad	15,000
Divyansh Rathore	15,000
Sanjeev Mandal	14,400
Kailash Chand Sharma	14,063

  II. Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year:

Name of the Employee	No. of options
Mayur Toshniwal	42,000
P V Sheshadri	42,000
C P Toshniwal	35,000
Sougato Shome	21,600
Vimal K Dhruve	15,000
A S R Prasad	15,000
Divyansh Rathore	15,000
Sanjeev Mandal	14,400

  III. Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grants: - None

- Method and Assumptions used to estimate the fair value of options granted during the year: Refer to Note No. 35 in the Notes to Standalone Financial Statements.

- Details of the Company's Employees' Welfare Trust: None

Annexure 8

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L63030MH2006PLC160376
Registration Date	:	March 8, 2006
Name of the Company	:	Future Supply Chain Solutions Limited
Category / Sub-Category of the Company	:	Public company limited by shares
Address of the Registered office and contact details	:	Knowledge House, Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400060 Tel.: +91 22 66442200
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent	:	Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10% or more of the total turnover of the Company: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Logistics Services (Warehousing and Storage, Support Service for Transportation)	5210	97.26

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	**Future Enterprises Limited** Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari East, Mumbai 400060	L52399MH1987PLC044954	Holding company	51.22	Section 2(46) & 2(87)(ii)
2	**Vulcan Express Private Limited** 61/1, Block III, Kirti Nagar, WHS New Delhi 110015	U63090DL2013PTC261203	Subsidiary company	100.00	Section 2(87)(ii)
3	**Leanbox Logistics Solutions Private Limited** 1904, 19th Floor, Amanda 'A' Hiranandani Meadows, Gladys Alwares Road, Thane 400610	U74999MH2016PTC282290	Associate company	50.00	Section 2(6)

Annexure 8 (Contd.)

IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/HUF	Nil	200	200	0.00	200	Nil	200	0.00	0.00
Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	2,29,72,631	2,29,72,631	58.70	2,10,15,717	Nil	2,10,15,717	52.47	(6.23)
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	Nil	2,29,72,831	2,29,72,831	58.70	2,10,15,917	Nil	2,10,15,917	52.47	(6.23)
(2) Foreign									
NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other….	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**Nil**	**2,29,72,831**	**2,29,72,831**	**58.70**	**2,10,15,917**	**Nil**	**2,10,15,917**	**52.47**	**(6.23)**
B. Public Shareholding									
1. Institutions									
Mutual Funds	Nil	Nil	Nil	Nil	52,51,223	Nil	52,51,223	13.11	13.11
Banks / FI	Nil	Nil	Nil	Nil	90,315	Nil	90,315	0.23	0.23
Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Venture Capital Funds/Alternate Investment Fund	Nil	Nil	Nil	Nil	19,81,211	Nil	19,81,211	4.94	4.94
Insurance Companies	Nil	Nil	Nil	Nil	24,331	Nil	24,331	0.06	0.06
FIIs/ FPIs	Nil	Nil	Nil	Nil	22,88,004	Nil	22,88,004	5.71	5.71
Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	96,35,084	Nil	96,35,084	24.05	24.05

Annexure 8 (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
- Indian	Nil	Nil	Nil	Nil	5,55,071	Nil	5,55,071	1.39	1.39
- Overseas	1,56,54,681	Nil	1,56,54,681	40.00	67,81,430	Nil	67,81,430	16.93	(23.07)
b) Individuals									
Individual shareholders holding nominal share capital up to Rs.2 Lakh	Nil	Nil	Nil	Nil	10,61,484	5	10,61,489	2.65	2.65
Individual shareholders holding nominal share capital in excess of Rs.2 Lakh	5,10,771	Nil	5,10,771	1.30	9,17,260	Nil	9,17,260	2.29	0.99
HUF	Nil	Nil	Nil	Nil	62,070	Nil	62,070	0.16	0.15
Firm	Nil	Nil	Nil	Nil	8,209	Nil	8,209	0.02	0.02
NRI	Nil	Nil	Nil	Nil	9,553	Nil	9,553	0.02	0.02
Clearing members	Nil	Nil	Nil	Nil	10,133	Nil	10,133	0.02	0.03
Director	Nil	Nil	Nil	Nil	22	Nil	22	0.00	0.00
Sub-total (B)(2):-	1,61,65,452	Nil	1,61,65,452	41.30	94,05,232	5	94,05,237	23.48	(17.82)
Total Public Shareholding (B)=(B)(1)+(B)(2)	**1,61,65,452**	**Nil**	**1,61,65,452**	**41.30**	**1,90,40,316**	**5**	**1,90,40,321**	**47.53**	**6.23**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**1,61,65,452**	**2,29,72,831**	**3,91,38,283**	**100.00**	**4,00,56,233**	**5**	**4,00,56,238**	**100.00**	**2.35**

Annexure 8 (Contd.)

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in shareholding during the year
1	Future Enterprises Limited	2,24,72,831	57.42	Nil	2,05,15,917	51.22	Nil	(6.20)
2	Suhani Trading & investment Consultants Pvt Ltd*	4,99,700	1.28	Nil	4,99,700	1.25	Nil	(0.03)
3	Future Retail Limited	100	0.00	Nil	100	0.00	Nil	Nil
4	Kishore Biyani	100	0.00	Nil	100	0.00	Nil	Nil
5	Vijay Biyani	100	0.00	Nil	100	0.00	Nil	Nil
6	Infra Trust	0	0.00	Nil	0	0.00	Nil	Nil
7	Retail Trust	0	0.00	Nil	0	0.00	Nil	Nil
Total		**2,29,72,831**	**58.70**	**Nil**	**2,10,15,917**	**52.47**	**Nil**	**(6.23)**

* Since Future Corporate Resources Limited merged with Suhani Trading & Investment Consultants Private Limited

(iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	2,29,72,831	58.70	2,10,15,917	57.35
Offered for Sale - December 14, 2017	(19,56,914)	(4.88)	(19,56,914)	(4.88)
At the end of the year			2,10,15,917	52.47

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Griffin Partners Limited**	1,56,54,681	40.00	1,56,54,681	39.08
	Off Market Sale – November 17, 2017	(19,63,550)	(4.90)	1,36,91,131	34.18
	Offered for Sale – December 14, 2017	(78,27,656)	(19.54)	58,63,475	14.64
	At the end of the year			58,63,475	14.64
2	**L&T Mutual Fund Trustee Limited**	Nil	Nil	Nil	Nil
	Allotment in Offer for Sale – December 14, 2017	13,23,504	3.30	13,23,504	3.30
	Market Purchase – December 29, 2017	50,051	0.13	13,73,555	3.43
	Market Purchase – January 5, 2018	1,75,167	0.45	15,48,722	3.86
	Market Purchase – January 12, 2018	1,35,220	0.34	16,83,942	4.20
	Market Purchase – January 19, 2018	4,12,904	1.03	20,96,846	5.23
	Market Purchase – January 26, 2018	50,000	0.13	21,46,846	5.36
	Market Purchase – February 2, 2018	11,262	0.03	21,58,108	5.39
	Market Purchase – February 9, 2018	59,915	0.15	22,18,023	5.54
	Market Purchase – February 16, 2018	23,000	0.05	22,41,023	5.59
	Market Purchase – March 9, 2018	37,906	0.18	23,11,929	5.77
	Market Purchase – March 16, 2018	20,044	0.05	23,31,973	5.82
	Market Purchase – March 23, 2018	35,000	0.09	23,66,973	5.91
	Market Purchase – March 31, 2018	8,000	0.02	23,74,973	5.93
	At the end of the year			23,74,973	5.93

Annexure 8 (Contd.)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	**Edelweiss Alternative Investment Opportunities Trust - Edelweiss Crossover Opportunities Fund**	Nil	Nil	Nil	Nil
	Off Market Purchase – November 17, 2017	15,70,845	3.92	15,70,845	3.92
	Market Purchase – February 9, 2018	12	0.00	15,70,857	3.92
	At the end of the year			15,70,857	3.92
4	**Kotak Funds - India Midcap Fund**	Nil	Nil	Nil	Nil
	Allotment in Offer for Sale – December 14, 2017	6,85,082	1.71	6,85,082	1.71
	Market Purchase – December 29, 2017	1,19,072	0.29	8,04,154	2.00
	Market Purchase – January 5, 2018	40,850	0.11	8,45,004	2.11
	Market Purchase – January 12, 2018	16,014	0.04	8,61,018	2.15
	Market Purchase – January 19, 2018	19,968	0.05	8,80,986	2.20
	Market Purchase – January 26, 2018	3,53,787	0.88	12,34,773	3.08
	Market Purchase – February 2, 2018	47,950	0.12	12,82,723	3.20
	Market Purchase - February 9, 2018	201	0.00	12,82,924	3.20
	Market Purchase – February 16, 2018	1,027	0.00	12,83,951	3.20
	Market Purchase – February 23, 2018	2,886	0.01	12,86,837	3.21
	Market Purchase – March 2, 2018	3,701	0.01	12,90,538	3.22
	Market Purchase – March 9, 2018	50,000	0.13	13,40,538	3.35
	At the end of the year			13,40,538	3.35
5	**HDFC Trustee Company Limited - HDFC Prudence Fund**	Nil	Nil	Nil	Nil
	Allotment in Offer for Sale – December 14, 2018	10,95,123	2.73	10,95,123	2.73
	Market Purchase – March 23, 2018	1,83,000	0.46	12,78,123	3.19
	At the end of the year			12,78,123	3.19
6	**GTI Capital Gamma Private Limited**	Nil	Nil	Nil	Nil
	Allotment on conversion of CCDs – November 14, 2017	9,17,955	2.29	9,17,955	2.29
	At the end of the year			9,17,955	2.29
7	**IDFC Sterling Equity Fund**	Nil	Nil	Nil	Nil
	Allotment in Offer for Sale – December 14, 2017	4,53,013	1.13	4,53,013	1.13
	Market Purchase – December 29, 2017	98,955	0.25	5,51,968	1.38
	Market Purchase – January 5, 2018	47,130	0.11	5,99,098	1.49
	Market Sale – February 2, 2018	(450)	(0.00)	5,98,648	1.49
	Market Purchase – February 16, 2018	15,468	0.04	6,14,116	1.53
	At the end of the year			6,14,116	1.53
8	**Anshuman Singh**	510,771	1.30	5,10,771	1.28
	Increase / Decrease during the year	Nil	Nil	Nil	Nil
	At the end of the year			5,10,771	1.28
9	**Reliance Capital Trustee Co. Ltd - A/c Reliance Small Cap Fund**	Nil	Nil	Nil	Nil
	Allotment in Offer for Sale – December 14, 2017	4,11,680	1.03	4,11,680	1.03
	Market Purchase – January 19, 2018	3,200	0.01	4,14,880	1.04
	Market Purchase – January 26, 2018	81,945	0.20	4,96,825	1.24
	At the end of the year			4,96,825	1.24
10	**EW Clover Scheme**	Nil	Nil	Nil	Nil
	Off Market Purchase – November 17, 2017	3,92,705	0.98	3,92,705	0.98
	At the end of the year			3,92,705	0.98

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director/ KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mayur Toshniwal	Nil	Nil	Nil	Nil
	Allotment in Offer for Sale - December 14, 2017	22	0.00	22	0.00
	At the end of the year			22	0.00

Annexure 8 (Contd.)

V. INDEBTEDNESS

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

(₹ in Lakh)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,183.06	Nil	Nil	3,183.06
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**3,183.06**	**Nil**	**Nil**	**3,183.06**
Change in Indebtedness during the financial year				
Addition	877.00	Nil	Nil	877.00
Reduction	717.00	Nil	Nil	717.00
Net Change	160.00	Nil	Nil	160.00
Indebtedness at the end of the financial year				
i) Principal Amount	3,343.06	Nil	Nil	3,343.06
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**3,343.06**	**Nil**	**Nil**	**3,343.06**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakh)

Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Mayur Toshniwal	
Gross salary		
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	114.92	114.92
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.21	0.21
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
Stock Option		
Sweat Equity		
Commission		
- as % of profit		
- others		
Others	Nil	Nil
Total (A)	**115.13**	**115.13**
Ceiling as per the Act	157.15	157.15

B. Remuneration to other directors:

- Independent Directors

(₹ in Lakh)

Particulars of Remuneration	Name of the Independent Director				Total Amount
	Bala Deshpande	Rahul Garg	Janat Shah	Amar Sapra	
Fees for attending the Board and Committee meetings	2.75	1.65	1.60	0.85	6.85
Commission	Nil	Nil	Nil	Nil	Nil
Any other	Nil	Nil	Nil	Nil	Nil
Total (I)	**2.75**	**1.65**	**1.60**	**0.85**	**6.85**
Ceiling as per the Act	₹ 1 Lakh per meeting of the Board of Directors and Committee thereof				

Annexure 8 (Contd.)

- Other Non-Executive Directors

(₹ in Lakh)

Particulars of Remuneration	Name of the Non-Executive Director			Total Amount
	Rakesh Biyani	Shyam Maheshwari	C P Toshniwal	
Fees for attending the Board and Committee meetings	0.45	Nil	0.45	0.90
Commission	Nil	Nil	Nil	Nil
Any other	Nil	Nil	Nil	Nil
Total (II)	**0.45**	**Nil**	**0.45**	**0.90**
Overall ceiling as per the Act	₹ 1 Lakh per meeting of the Board of Directors and Committee thereof			

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

(₹ in Lakh)

Particulars of Remuneration	Key Managerial Personnel				
	P V Sheshadri (from May, 10, 2017 till August 5, 2017)	Kailash Sharma (from April 1, 2017 till Feb 28, 2018)	Vimal K Dhruve (From April 1, 2017 to March 31, 2018)	Samir Kedia (from March 1, 2018 to March 31, 2018)	Total
Gross salary					
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.63	67.85	26.85	4.36	123.69
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.10	0.36	0.30	0.02	0.78
(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil	Nil	Nil	Nil
Stock Option	Nil	Nil	Nil	Nil	Nil
Sweat Equity	Nil	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil	Nil
Any other	Nil	Nil	Nil	Nil	Nil
Total	**24.73**	**68.21**	**27.15**	**4.38**	**124.47**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/ punishments/ compounding of offenses for breach of any section of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year under review.

For **Future Supply Chain Solutions Limited**

Rakesh Biyani
Chairman

Place: Mumbai
Date: April 25, 2018

Corporate Governance Report

Your Company consistently follows the principles of good governance which entails conducting business in a fair, transparent and ethical manner, promoting sustainable development and enhancing stakeholders value. Your Company, in line with the above, has taken various initiatives to further strengthen the corporate governance practices and adopted various codes / policies, pursuant to the Companies Act, 2013 (the '**Act**'), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the '**Listing Regulations**'). During the financial year under review, the Company has complied with the Listing Regulations and the Act.

CODE OF CONDUCT

The Company has laid down a Code of Conduct ("**Code**") for the Board of Directors and Senior Management Personnel of the Company. The Company has also adopted code of conduct for Independent Directors as prescribed under Schedule IV of the Act. The Code aims at ensuring consistent standards of conduct and ethical business practices. All the Board members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Managing Director to this effect is enclosed at the end of this report. This Code is available on the Company's website www.futuresupplychains.com.

COMPOSITION OF THE BOARD

The composition of the Board of Directors (the '**Board**') is in conformity with the requirements of the Act and Regulation 17 of the Listing Regulations. As on March 31, 2018, the Board comprises of 8 (Eight) Directors including 1 (One) Woman Director. None of the Directors on the Board is serving as an Independent Director in more than 7 (Seven) / 3 (Three) listed entities as specified in Regulation 25 of the Listing Regulations. The information on composition of the Board, category and their Directorships/Committee membership across all the companies in which they were Directors, as on March 31, 2018 is as under:

Name of Director	Category	No. of Directorships [1]		No. of Memberships / Chairmanships of Committees in public companies [2]	
		Public	Private / Non-profit	Memberships	Chairmanship
Rakesh Biyani	Non- Executive	6	6	3	0
Bala Deshpande [3]	Independent	3	8	3	1
C P Toshniwal	Non -Executive	8	3	4	1
Janat Shah	Independent	2	1	2	0
Mayur Toshniwal [4]	Executive	1	3	1	0
Shyam Maheshwari	Non-Executive	2	0	0	0
Amar Sapra [5]	Independent	1	1	1	0
Rahul Garg [6]	Independent	2	4	1	0

None of the Directors of the Company is related to each other.

[1] No. of Directorships held by the Directors do not include directorships in foreign companies
[2] Only Audit Committees and Stakeholders' Relationship Committees
[3] Appointed w.e.f. May 5, 2017
[4] Appointed w.e.f. August 5, 2017
[5] Appointed w.e.f. August 5, 2017
[6] Appointed w.e.f. August 5, 2017

Corporate Governance Report (Contd.)

The details of shares and other convertible securities held by Non-Executive Directors (including Independent Directors) as on March 31, 2018 are as follows:

Name of Director	Number of shares held
Rakesh Biyani	NIL
C P Toshniwal	NIL
Shyam Maheshwari	NIL
Bala Deshpande	NIL
Amar Sapra	NIL
Rahul Garg	NIL
Janat Shah	NIL

The details of the familiarisation program of the Independent Directors are available on the website of the Company at the weblink http://www.futuresupplychains.com/pdf/independent-director-familiarization-program.pdf.

BOARD MEETINGS

During the year under review, total 5 (Five) meetings of Board of Directors were held on May 10, 2017, June 27, 2017, August 5, 2017, November 14, 2017 and January 25, 2018. The gap between two meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations and the Act.

The details of attendance by Directors at the above Board meetings and previous AGM is as under:

Name of Director	No. of Board Meetings		
	Entitled to attend	Attended	Attendance Last AGM
Rakesh Biyani	5	3	Yes
Bala Deshpande	5	4	No
C P Toshniwal	5	5	Yes
Janat Shah	5	3	No
Mayur Toshniwal	3	3	Yes
Shyam Maheshwari	5	3	No
Amar Sapra	3	3	No
Rahul Garg	3	3	No
Dinesh Goel [7]	3	2	Not Applicable
Vivek Biyani [7]	3	1	Not Applicable

AUDIT COMMITTEE

The Audit Committee of the Company comprises of 3 (Three) Directors. All the members of the Committee are Independent Directors. Bala Deshpande is the Chairperson of the Committee. All the Members of the Committee possess adequate accounting and financial knowledge. The Company Secretary functions as Secretary to the Committee. During the year under review, 4 (Four) meetings of the Committee were held on May 10, 2017, August 5, 2017, November 14, 2017 and January 25, 2018. The composition of the Committee and the attendance of the members at the above meetings are as under:

Name of Director	Category	Designation	No. of Meetings	
			Entitled to attend	Attended
Bala Deshpande	Independent Director	Chairperson	4	4
Janat Shah	Independent Director	Member	4	3
Rahul Garg	Independent Director	Member	2	2
Dinesh Goel [7]	Non-Executive Director	Member	2	2

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

[7] Resigned since August 5, 2017

Corporate Governance Report (Contd.)

Terms of Reference

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

Role of the Audit Committee, inter-alia, includes the following:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual Financial Statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the Financial Statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to Financial Statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly Financial Statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter, reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties; [Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed];
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;

Corporate Governance Report (Contd.)

- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Reviewing of the following information

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:

  (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

  (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ('**NRC**') of the Company comprises of 3 (Three) Non – Executive Directors, out of whom majority are Independent Directors. During the year under review, total 4 (Four) meetings of the Nomination and Remuneration Committee were held on May 10, 2017, August 5, 2017, November 14, 2017 and January 25, 2018. The composition of the Committee and the attendance of the Committee members at the above meetings are as under:

Name of Director	Category	Designation	No. of Meetings	
			Entitled to attend	Attended
Bala Deshpande	Independent Director	Chairperson	4	4
Rahul Garg	Independent Director	Member	2	2
Rakesh Biyani	Non -Executive Director	Member	2	1
Janat Shah[8]	Independent Director	Member	2	1
C P Toshniwal[9]	Non -Executive Director	Member	2	2
Vivek Biyani[10]	Independent Director	Member	2	0

Terms of Reference of Nomination and Remuneration Committee:

The terms of reference are reviewed from time to time by the Board and the Committee has been mandated to comply with the requirements as specified in Part D of the Schedule II of the Listing Regulations, provisions of section 178 of the Act and Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014, as may be applicable. The role of the Nomination and Remuneration Committee, inter-alia, includes the following:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

[8] Ceased to be a member of the Committee with effect from August 5, 2017
[9] Ceased to be a member of the Committee with effect from August 5, 2017
[10] Ceased to be a director of the Company with effect from August 5, 2017

Corporate Governance Report (Contd.)

- To establish and from time to time review the policy for ESOP and ESOS as well as issuance of SWEAT equity shares and recommend the grants of options to be made under ESOP / ESOS; and
- To review Company's remuneration and human resources policy.

Performance evaluation criteria for Independent Directors

The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of the Chairman, the Board itself, Board committees, and Executive/ Non-Executive/ Independent Directors through a peer evaluation, excluding the Director being evaluated. The Independent Directors were evaluated on the criteria such as engagement, leadership, analytical, quality of decision-making, interaction, governance, etc.

Remuneration policy for Executive Directors

The Company pays remuneration by way of salary, benefits, perquisites and allowances and variable bonus to the Managing Director, as approved by the Board and the members of the Company. In determining the remuneration package of the Executive Directors, the Nomination and Remuneration Committee evaluates the remuneration paid by comparable organisation and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration as may be permissible under the statutory provisions. Performance criteria for Executive Director, entitled to variable bonus are determined by NRC in accordance with the remuneration policy.

Criteria of making payments to Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending any meeting of the Board and Committee (except CSR Committee) of the Board including meeting of Independent Directors, as decided from time to time by the Board.

Remuneration to Directors

- Managing Director / Executive Director

The remuneration paid to the Managing Director / Executive Director for the year ended March 31, 2018 is as under:

Name	Salary (₹ in Lakh)	Perquisites (₹ in Lakh)	Total (₹ in Lakh)	Total contract Period	Notice period in months	Stock Options granted
Mayur Toshniwal	114.92	0.21	115.13	3 years	One	42,000

- **Non-Executive Directors**

The sitting fees paid to Non-Executive Directors during the year under review is as under:

(₹ in Lakh)

Name of Director	Sitting fees paid	Name of the Director	Sitting fees paid
Rakesh Biyani	0.45	C P Toshniwal	0.45
Bala Deshpande	2.75	Rahul Garg	1.65
Amar Sapra	0.85	Janat Shah	1.60
Shyam Maheshwari	Nil	Mayur Toshniwal	Nil
Dinesh Goel	Nil	Vivek Biyani	Nil

Apart from reimbursement of expenses incurred in the discharge of their duties and the payment of sitting fees as entitled under the Act, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoter, its Directors, its Senior Management, which in their judgement, would affect their independence. None of the Directors of the Company is related to each other.

Corporate Governance Report (Contd.)

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee meets as and when required to consider, inter alia, the transfer proposals and attend investors' grievances, transmission of shares, split, consolidation, issue of duplicate share certificate, de-materialisation and re-materialisation of shares. The composition and details of the meeting(s) of Stakeholders' Relationship Committee are as under:

Name of Director	Designation	No. of Meetings	
		Entitled to attend	Attended
C P Toshniwal	Chairperson	1	1
Amar Sapra	Member	1	1
Mayur Toshniwal	Member	1	1

Vimal K Dhruve - Company Secretary, is the Compliance Officer of the Company.

Terms of reference of the Committee

- To determine on behalf of the Board the Company's policy on serving the stakeholders in line with best corporate governance norms;
- To periodically review stakeholders' grievance mechanism of the Company;
- To review and redress stakeholders' grievances regarding allotment of securities, transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc. and other allied matters;
- The Committee is also authorised to:
  - i. Investigate any activity within its terms of reference;
  - ii. Seek any information from any employee of the Company;
  - iii. Obtain outside legal or independent professional advice. Such advisors may attend meetings if necessary; and
  - iv. Incur such reasonable expenditure, as it deems necessary.

With a view to expedite the process of share transfers, necessary authority has been delegated to the Registrar & Transfer Agent.

Investors' Grievance Redressal

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

Complaints at the start of the year	Received during the year	Resolved during the year	Complaints pending at the end of the year
NIL	42	42	NIL

Code of Conduct for Prevention of Insider Trading

The Company's Code of Conduct for Prevention of Insider Trading as approved by the Board of Directors, inter-alia, prohibits dealing in the securities of the Company by Promoters, Directors, KMPs and designated employees while in possession of unpublished price sensitive information in relation to the Company. The same is available on the Company's website.

INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors was held on May 20, 2017. The said meeting was attended by all the Independent Directors of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The core theme of the Company's CSR policy is giving back to the society from which it draws its resources by extending helping hand to the needy and under privileged. The CSR Committee is constituted in line with the provisions of section 135 of the Act. A Foundation at Group level has been created, which undertakes the CSR initiatives as instructed by

Corporate Governance Report (Contd.)

the Committee. C P Toshniwal - Non-Executive Director, is the Chairman of the CSR Committee. Other members of the Committee are Rakesh Biyani - Non-Executive Director and Amar Sapra - Independent Director. One meeting of CSR Committee was held during the year on August 5, 2017. The meeting was attended by all the members. The Committee had identified the programs and recommended to the Board for spending CSR amount on the prescribed programs. The disclosures as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form, which is appended to the Board's report. The terms of CSR Committee include as specified in the Section 135 of the Companies Act, 2013, Schedule VII to the Act and Rules made thereunder. The minutes of the Corporate Social Responsibility Committee meeting were noted at the meeting of the Board of Directors.

COMMITTEE OF DIRECTORS

The Board of Directors has constituted a Committee of Directors comprising of C P Toshniwal, Rakesh Biyani and Mayur Toshniwal. The primary function of Committee is to ensure support routine operations and activities of the Company in addition to the specific powers delegated by the Board. The committee meets as and when required.

RISK MANAGEMENT

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risks associated with the business of the Company. The Audit Committee / Board of Directors periodically reviews the risk assessment and mitigation procedures and ensures that executive management controls risk through means of a properly defined framework. The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis forming part of the annual report. Provisions relating to the Risk Management Committee under Regulation 21 of the Listing Regulations are not applicable to the Company.

GENERAL BODY MEETINGS

Annual General Meetings

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

Year	Details of AGM	Special Resolutions passed
2016-17	August 8, 2017 at 9.15 a.m. at Future Group Office, 5th Floor, SOBO Central, M M Malviya Marg, Tardeo, Mumbai - 400034	• Appointment of Mayur Toshniwal as Managing Director & CEO; • To increase the investment limit in equity share capital by foreign portfolio investors; • To alter the Articles of Association of the Company; • To amend the Memorandum of Association of the Company; • Authority to the Board of Directors to borrow money; • Authority to the Board to create charge on assets of the Company; • Authority to the Board to give loan, make investment or give security or guarantee • To implement Employee Stock Option Plan 2017; • To grant of Employee Stock Options to the employees of the Company under Employee Stock Option Plan 2017 • To make grant of Employee Stock Options to the employees of the holding company and subsidiary company(ies), if any, of the Company.
2015-16	September 14, 2016 at 2:00 P.M. at Future Retail Home Office, 247 Park, Tower C, 10th Floor, LBS Marg, Vikhroli (West), Mumbai 400083	None
2014-15	September 30, 2015 at 11:00 a.m. at Future Retail Home Office, 247 Park, Tower C, 10th Floor, LBS Marg, Vikhroli (West), Mumbai 400083	• Alteration to the Articles of Association.

Extraordinary General Meeting

During the year under review, no extraordinary general meeting (EGM) was held.

Postal Ballot

During the year under review, no business was carried out through postal ballot.

MEANS OF COMMUNICATION

Pursuant to the Listing Regulations, the Company submits financial results to the Stock Exchanges, as soon as these are taken on record/ approved by the Board. The financial results are also published in leading English and Marathi dailies, viz. "The Free Press Journal" – (English) and "Nav Shakti" (Marathi). The Company's annual report, financial results, shareholding pattern and other disclosures are displayed on the Company's website www.futuresupplychains.com and also posted by the Stock Exchanges on their respective websites. All filing, disclosures and communications to the Stock Exchanges are made electronically through their specific web portals to disseminate such information and make such information generally available.

GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of the Thirteenth Annual General Meeting

Wednesday, August 22, 2018 at 04:00 pm at Rangaswar, Fourth Floor, Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, Mumbai – 400 021

Financial Year

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

Scheduled Financial Reporting (tentative)

1st Quarter ending on June 30, 2018	-	By Second Week of August 2018
2nd Quarter ending on September 30, 2018	-	By Second week of November 2018
3rd Quarter ending on December 31, 2018	-	By Second week of February 2019
4th Quarter and year ending on March 31, 2019	-	By Fourth Week of May 2019

Book Closure/ Record Date

August 17, 2018

Dividend payment date

Within 30 days from the declaration at the ensuing annual general meeting.

Listing on Stock Exchanges

The equity shares of the Company are listed on the following Stock Exchanges w.e.f December 18, 2017:

BSE Limited
25th Floor, P. J. Towers, Dalal Street, Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza, C - 1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051

Listing fees, as prescribed, have already been paid to both the Stock Exchanges where the equity shares of the Company are listed.

Corporate Governance Report (Contd.)

Stock Code

Shares / Debentures	ISIN	Stock Code/ Symbol	
		BSE	NSE
Equity Shares	INE935Q01015	540798	FSC

Corporate Identity Number (CIN)

The CIN allotted by the Ministry of Corporate Affairs is L63030MH2006PLC160376.

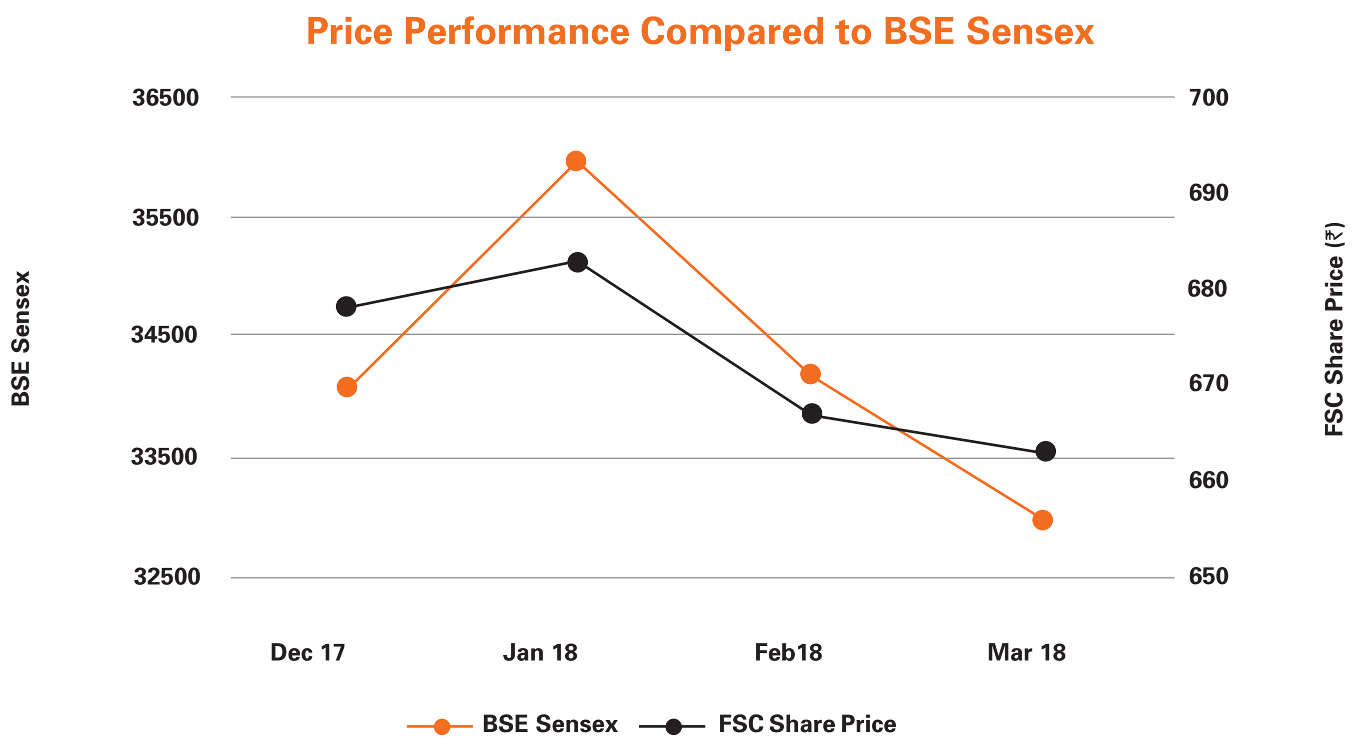
Stock Performance

The performance[11] of the equity shares of the Company at the Stock Exchanges during the year under review is as follows:

Months	BSE (in ₹)		NSE (in ₹)	
	High	low	High	Low
Dec-17[12]	698.70	660.05	699.00	660.00
Jan-18	750.00	661.70	749.00	661.00
Feb-18	695.00	641.00	699.90	640.00
Mar-18	715.00	639.00	717.00	647.95

Performance of Share Price of the Company in comparison to the BSE Sensex

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

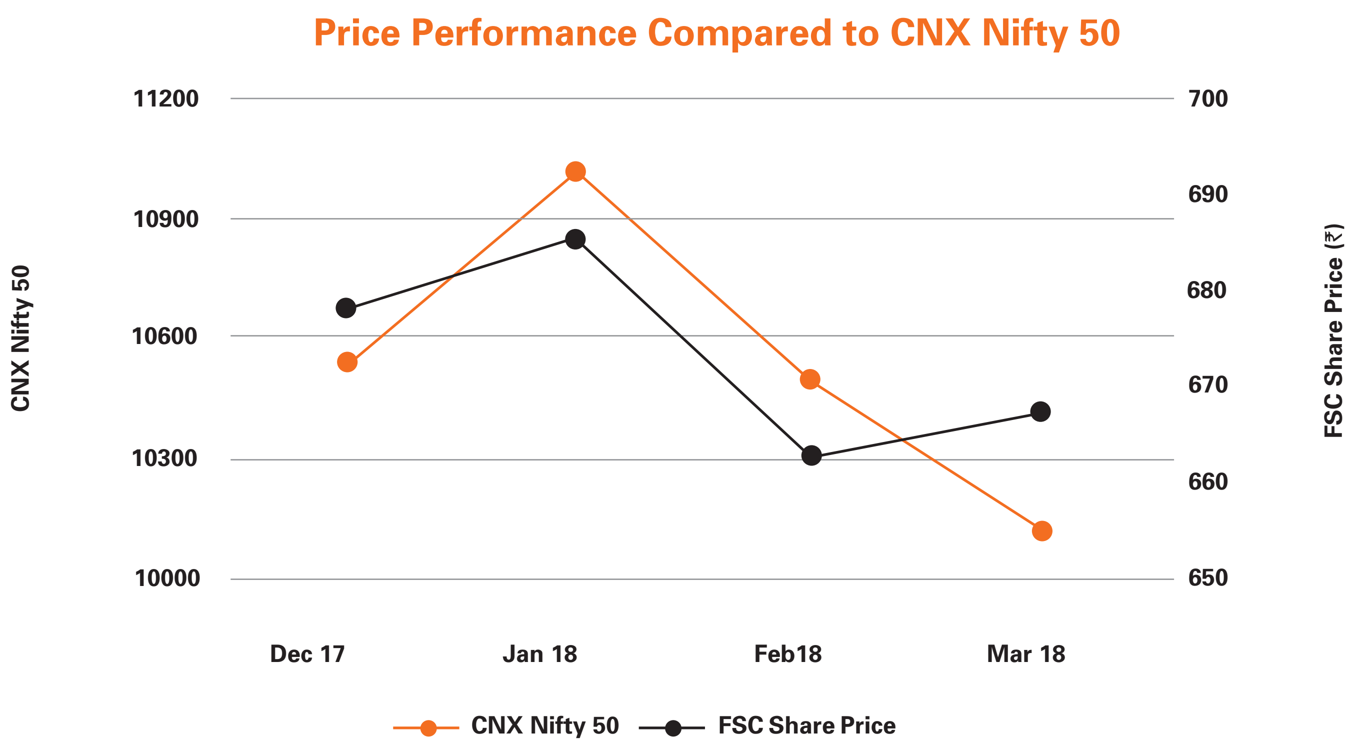


[11] Source: BSE and NSE
[12] Since the equity shares of the Company listed on December 18, 2017 pursuant to the Offer for Sale

Corporate Governance Report (Contd.)

Performance of Share Price of the Company in comparison to the NSE CNX NIFTY 50

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



Share Transfer System

Trading in equity shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form, if any, are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Stakeholder Relationship Committee to approve the transfers of equity shares of the Company. Stakeholders' Relationship Committee meets as and when required to consider the transfer proposals and attend to investors' grievances.

De-materialisation of shares

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the depositories. Entire shareholding of Promoter and Promoter Group is in dematerialised form. Status of dematerialisation of equity shares as on March 31, 2018 is as under:

Particulars	No. of Shares	% of total issued capital
National Securities Depository Limited (NSDL)	1,15,82,649	28.92
Central Depository Services (India) Limited (CDSL)	2,84,73,584	71.08
Total dematerialised	4,00,56,233	100.00
Physical	5	0.00
Total	**4,00,56,238**	**100.00**

Corporate Governance Report (Contd.)

Distribution of Shareholding of Equity Shares as on March 31, 2018

No. of Shares	No. of Shareholders	%	No. of Shares	%
1-500	39,496	99.58	9,36,430	2.34
501-1000	39	0.10	29,034	0.07
1001-2000	33	0.08	48,769	0.12
2001-3000	19	0.05	50,630	0.13
3001-4000	7	0.02	26,194	0.07
4001-5000	5	0.01	23,671	0.06
5001-10000	12	0.03	93,776	0.23
10001 and above	53	0.13	3,88,47,734	96.98
Total	**39,664**	**100.00**	**4,00,56,238**	**100.00**

Shareholding Pattern as on March 31, 2018

Category	No. of Equity shares	% holding
Promoter and Promoter Group	2,10,15,917	52.47
Mutual Funds	52,51,223	13.11
Banks, Financial Institutions	90,315	0.22
Alternate Investment Funds	19,81,211	4.95
Partnership Firm	8,209	0.02
Venture Capital Funds	0	0.00
Insurance Companies	24,331	0.06
Foreign Portfolio Investor	22,88,004	5.71
Non Resident Indians	9,553	0.02
Foreign Companies	67,81,430	16.93
Indian Public (Individual)	19,78,749	4.94
Directors & their Relatives	22	0.00
Clearing Members	10,133	0.03
Bodies Corporate	5,55,071	1.39
Hindu Undivided Family	62,070	0.15
Foreign Nationals	0	0.00
Total	**4,00,56,238**	**100.00**

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

None

Commodity price risk or foreign exchange risk and hedging activities

The Company's operations are mainly within the country. Hence, there is no material exposure of the foreign exchange which may have any adverse impact on the financial position of the Company. Accordingly, there is no requirements of hedging the foreign exchange risk.

Unclaimed Shares

In accordance with the requirement of Regulation 34(3) and Schedule V - Part F of Listing Regulations, the Company reports that there are no shares lying in the suspense account as on March 31, 2018.

Plant Locations

The Company is engaged in providing logistics services. It has 55 distribution centres across the country, 622 dedicated containerised vehicles and 144 dedicated reefer vehicles as of March 31, 2018.

Registered Office/ Address for Correspondence

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

Corporate Governance Report (Contd.)

Investor correspondence for securities held in physical form

Registrar and Transfer Agents
Link Intime India Private Limited
C – 101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai – 400 083.
Tel No.: +91 22 4918 6000; Fax No.: +91 22 4918 6060
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

For securities held in demat Form

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

For any query on the annual report

Vimal K Dhruve
Company Secretary
Knowledge House, Shyam Nagar, Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060.
Tel No: +91 22 6644 2200; Fax No: +91 22 6644 2201
Designated e-mail: investorrelations@futuresupplychains.com
Website: www.futuresupplychains.com

DISCLOSURES

Related Party Transactions

All related party transactions were reviewed / approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. During the year under review, there were no significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. The details of related party transactions are given in Notes forming part of the Financial Statements for the year ended March 31, 2018. Policy on dealing with related party transactions is available on the website of the Company at weblink http://www.futuresupplychains.com/pdf/policy-for-dealing-with-related-party-transactions.pdf.

Disclosure of Accounting Treatment

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

Management

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

CEO/CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2018.

Subsidiary

During the year under review, the Company acquired the entire share capital of Vulcan Express Private Limited thereby making it wholly owned subsidiary of the Company. The Company has a policy for determining material subsidiaries which is available on the website of the Company at weblink http://www.futuresupplychains.com/pdf/materiality-for-subsidiary-policy.pdf.

Details of Non-compliance

There were no instances of material non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

Corporate Governance Report (Contd.)

Establishment of Whistle Blower Policy/Vigil Mechanism

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

Discretionary Requirements

The Board: The Chairperson of the Board is a Non-Executive Director. The Company reimburses expenses, if any, incurred in performance of his duties.

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

Modified Opinion(s) in Audit Report: During the year under review, the Company received unmodified audit opinion on the Company's Financial Statements.

Separate Posts of Chairperson and CEO: The Company has separate posts of Chairman of the Board and Chief Executive Officer.

Reporting of Internal Auditor: Internal Auditors report to the Audit Committee.

Declaration on Compliance of Code of Conduct

To
The Members of
Future Supply Chain Solutions Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended March 31, 2018.

For **Future Supply Chain Solutions Limited**

Mayur Toshniwal
Managing Director

Place: Mumbai
Date: April 25, 2018

Certificate On Corporate Governance

To
The Members of
Future Supply Chain Solutions Limited

We have examined the compliance of conditions of Corporate Governance by Future Supply Chain Solutions Limited (the "**Company**") for the financial year ended on March 31, 2018 as stipulated by Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") with the relevant records and documents maintained by the Company and furnished to us and the report of Corporate Governance as approved by the Board of Directors.

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

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

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

For **NGS & Co. LLP**
Chartered Accountants
(Firm Regn. No.: 119850W)

Ashok A. Trivedi
Partner
Membership No: 42472

Place: Mumbai
Date: April 25, 2018

FINANCIAL SECTIONS

Independent Auditors' Report

TO THE MEMBERS OF FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying Standalone Financial Statements of **Future Supply Chain Solutions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flows Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements).

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

In conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made there under and the order issued under section 143(11) of the Act.

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 Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company Directors, as well as evaluating the overall presentation of the Standalone 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 information and according to the explanation given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure"A" a statement on the matters specified in paragraph 3 and 4 of the Order.

Independent Auditors' Report (Contd.)

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income and the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

   e. On the basis of written representations received from the Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of Internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in "Annexure B" and

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Ashok A. Trivedi
Partner
Membership No. 042472

Place: Mumbai
Date: April 25, 2018

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the **Future Supply Chain Solutions Limited** on the Standalone Financial Statements for the year ended March 31, 2018, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company did not have any immovable property of freehold or leasehold land and building as at March 31, 2018. Therefore paragraph 3(i) (c) of Order is not applicable.

(ii) The Company is a service company, primarily rendering logistics services. Accordingly, it does not hold any physical inventories. Therefore, paragraph 3 (ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act, Therefore, clause 3(iii) (a), (b) and (c) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the product of the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services tax, Service-tax, Custom duty, Value Added Tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services tax, Service-tax, Custom duty, Value Added Tax, cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, Goods and Services tax, VAT, service tax which have not been deposited with the appropriate authorities on account of any dispute.

(viii) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings from banks and debenture holders. The Company has not taken any loans from Government or any Financial Institution.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of Order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given by the management and based on our examination of the records of the Company, the Company has paid/provided for Managerial Remuneration in accordance with the provisions of section 197 read

Annexure - A to the Independent Auditors' Report (Contd.)

with Schedule V of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the years.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Ashok A. Trivedi
Partner
Membership No. 042472

Place: Mumbai
Date: April 25, 2018

Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Future Supply Chain Solutions Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial

Annexure - B to the Independent Auditors' Report (Contd.)

reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Ashok A. Trivedi
Partner
Membership No. 042472

Place: Mumbai
Date: April 25, 2018

Balance Sheet
As at March 31, 2018

(₹ in Lakh)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	4	26,077.78	12,877.72
Capital Work In Progress		254.95	6,981.14
Intangible Assets	4	129.66	96.75
Financial Assets			
Investments	5	6,312.26	-
Other Financial Assets	6	3,180.11	2,272.50
Other Non-Current Assets	7	-	85.90
Total Non-Current Assets		**35,954.76**	**22,314.01**
Current Assets			
Financial Assets			
Investments	8	0.70	0.70
Trade Receivables	9	22,888.01	21,977.46
Cash and Cash Equivalent	10	7,464.59	4,667.51
Bank Balances other than Cash and Cash Equivalent	11	103.20	33.20
Other Financial Assets	12	539.10	607.28
Other Current Assets	13	1,024.58	1,350.31
Total Current Assets		**32,020.18**	**28,636.46**
Total Assets		**67,974.94**	**50,950.47**
EQUITY & LIABILITIES			
Equity			
Equity Share Capital	14	4,005.62	3,913.83
Other Equity	15	37,694.26	25,367.11
Total Equity		**41,699.88**	**29,280.94**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Non-Current Borrowings	16	2,511.28	7,353.68
Other Non-Current Financial Liabilities	17	169.95	195.65
Provisions	18	310.80	264.59
Deferred Tax Liabilities (Net)	19	1,552.45	1,009.34
Total Non-Current Liabilities		**4,544.48**	**8,823.26**
Current Liabilities			
Financial Liabilities			
Trade Payables	20	13,837.83	9,778.72
Other Current Financial Liabilities	21	5,808.45	1,990.54
Other Current Liabilities	22	1,803.47	1,066.26
Provisions	23	13.33	10.75
Current Tax Liabilities (Net)	24	267.50	-
Total Current Liabilities		**21,730.58**	**12,846.27**
Total Equity And Liabilities		**67,974.94**	**50,950.47**
Notes to the Financial Statements	1-43		

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Place: Mumbai
Date : April 25, 2018

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

Vimal K Dhruve
(Company Secretary)

Statement of Profit and Loss
For the year ended March 31, 2018

(₹ in Lakh)

Particulars	Note	Year Ended March 31, 2018	Year Ended March 31, 2017
Income			
Revenue from Operations	25	77,498.63	56,118.34
Other Income	26	942.12	1,580.90
Total Income		**78,440.75**	**57,699.24**
Expenses			
Cost of Logistics Services		50,727.94	37,527.96
Employee Benefits Expense	27	7,425.32	5,654.70
Depreciation and Amortisation Expense	4	2,324.19	1,914.02
Finance Costs	28	870.94	1,275.87
Other Expenses	29	7,224.26	5,507.51
Total Expense		**68,572.65**	**51,880.06**
Profit Before Tax		**9,868.10**	**5,819.18**
Income Tax Expense			
(1) Current Tax		2,590.44	1,352.61
(2) Deferred Tax (Assets)/Liabilities		543.11	(108.85)
		3,133.55	**1,243.76**
Profit for the year		**6,734.55**	**4,575.42**
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss			
(i) Remeasurement of the defined benefit plan		(7.59)	28.30
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.63	(9.80)
Total other comprehensive income, net of tax		(4.96)	18.50
Total Comprehensive Income for the period		**6,739.51**	**4,556.92**
Earnings Per Equity Share (Face Value ₹ 10/- each)			
Basic (in ₹)		17.06	11.64
Diluted (in ₹)		17.05	11.19
Notes to the Financial Statements	1-43		

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Place: Mumbai
Date : April 25, 2018

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

Vimal K Dhruve
(Company Secretary)

Statement Of Cash Flow
For The Year Ended March 31, 2018

(₹ in Lakh)

	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax	9,868.10	5,819.18
	Adjusted For:		
	Depreciation and Amortisation Expense	2,324.19	1,914.02
	Finance Costs	870.94	1,275.87
	Provision for Doubftful Debts	225.91	56.89
	Profit on sale of Fixed Assets	(412.45)	(10.87)
	Excess Provision written back	-	(75.17)
	Expenses on employee stock option scheme	179.44	-
	Interest Income	(416.92)	(1,444.41)
	Operating Profit Before Working Capital Changes	**12,639.21**	**7,535.51**
	Adjusted For:		
	Trade Receivable	(1,136.45)	77.78
	Loans & Advances and Other Assets	(497.81)	7,735.93
	Trade Payables, Other Liabilities and Provisions	7,645.08	(4,918.00)
	Cash Generated From Operations	**18,650.03**	**10,431.22**
	Taxes Paid (Net)	(2,325.56)	(1,342.81)
	Net Cash From Operating Activities	**16,324.47**	**9,088.42**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment and Intangible Assets	(9,041.73)	(7,710.54)
	Sale of Property, Plant & Equipment and Intangible Assets	1,006.76	47.70
	Purchase of Investments	(5,109.99)	-
	Interest Received	416.92	1,444.41
	Net Cash Used In Investing Activities	**(12,728.04)**	**(6,218.43)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds From Long Term Loan	71.59	2,925.68
	Interest Paid	(870.94)	(1,275.87)
	Net Cash From / (Used in) Financing Activities	**(799.35)**	**1,649.81**
	Net (Decrease)/Increase In Cash And Cash Equivalents (A+B+C)	**2,797.08**	**4,519.80**
	Cash and Cash Equivalents (Opening Balance)	**4,667.51**	**147.71**
	Cash and Cash Equivalents (Closing Balance)	**7,464.59**	**4,667.51**

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Place: Mumbai
Date : April 25, 2018

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

Vimal K Dhruve
(Company Secretary)

Statement Of Changes In Equity
For The Year Ended March 31, 2018

(₹ in Lakh)

	Particulars	As at March 31, 2018	As at March 31, 2017
(A)	**EQUITY SHARE CAPITAL**		
	Opening Balance	3,913.83	3,913.83
	Add : On account of conversion of Zero Coupon Fully Convertible Debenture	91.79	-
	Closing Balance	**4,005.62**	**3,913.83**
(B)	**OTHER EQUITY**		
	Retained Earnings		
	Opening Balance	9,371.99	4,815.07
	Profit for the Year	6,734.55	4,575.42
	Other Comprehensive (Income)/Loss for the year (net of tax)	(4.96)	18.50
	Closing Balance	**16,111.50**	**9,371.99**
	Securities Premium Reserve		
	Opening Balance	15,995.12	15,995.12
	Add : On account of conversion of Zero Coupon Fully Convertible Debenture	5,408.20	-
	Closing Balance	**21,403.32**	**15,995.12**
	Share Options Outstanding		
	Opening Balance	-	-
	Add : Recognition of share based payments	179.44	-
	Closing Balance	**179.44**	-
	Total Other Equity	**37,694.26**	**25,367.11**

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Place: Mumbai
Date : April 25, 2018

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

Vimal K Dhruve
(Company Secretary)

Notes to the Financial Statements

1. COMPANY OVERVIEW

Future Supply Chain Solutions Limited (the "Company") is a public company domiciled in India and incorporated on March 8, 2006. The Equity Shares of the Company were listed on BSE Limited and the National Stock Exchange of India Limited on December 18, 2017.

The Company is India's first fully integrated and IT enabled end-to-end Supply Chain and Logistics Company with capabilities in handling Modern Warehousing, Express Logistics, Cold Chain Logistics etc. The Company caters to corporates in Food & Beverages, Lifestyle, Consumer Electronics & High Tech, Automotive & Engineering, Home & Furniture, Healthcare, General Merchandise and E-Commerce sectors. Each category has a distinct supply chain requirements that need customised solutions. The Company has been a pioneer and leader in modernising logistics and supply chain in India by having implemented cutting-edge technology and contemporary supply chain management practices through implementation of global best practices, indigenised and best adapted for Indian conditions. The Company has its registered office at Mumbai, Maharashtra, India.

2. REVISED INDIAN ACCOUNTING STANDARD ("IND AS") ISSUED BUT NOT EFFECTIVE

Ind AS 115 'Revenue from Contracts with Customers' has been notified by Ministry of Corporate Affairs as on March 28, 2018. This standard prescribes only one underlying principle for revenue recognition i.e., transfer of control over goods / services. Ind AS 115 will supersede Ind AS 11 'Construction Contracts' and Ind AS 18, 'Revenue' and is effective for annual periods beginning on or after April 1, 2018. Management considers that the amendment does not have a significant impact on the Financial Statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Statement of compliance

The Standalone Financial Statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013, [Companies (Indian Accounting Standards) Rules, 2015] and other applicable laws.

3.2. Basis of Preparation and presentation

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Notes to the Financial Statements (Contd.)

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on April 1, 2015 measured as per previous GAAP as it deemed cost on the date of transition.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset	Useful Life
Plant and Equipments	15 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Electrical Installations	10 Years
Vehicles	6 years
Computers	3 Years
Leasehold Improvements	Lease term

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

3.4. Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful economic life. The estimated useful lives of intangible assets are as follows:

Assets	Useful Life
Softwares	6 years
Exclusive Business Rights	10 years

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, estimated useful lives and methods of amortisation of Intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.5. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying

Notes to the Financial Statements (Contd.)

amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6. Financial instruments

3.6.(i) Initial recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

3.6.(ii) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent

Notes to the Financial Statements (Contd.)

consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

c. **Compound Instruments**

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

3.6.(iii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

3.7. Foreign Currency

Functional currency

The functional currency of the Company is the Indian rupee (''₹'').

Transactions and translations

Notes to the Financial Statements (Contd.)

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

3.8. Borrowing Costs

Borrowing costs, directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged in the period they occur in the Statement of Profit and Loss.

3.9. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated rebates and other allowances.

Rendering of Services

Revenue from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties and recognised net of taxes (If applicable).

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

3.10. Current versus Non-Current Classification

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as current when it is:

- Expected to be settled in normal operating cycle, or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.11. Employee Benefits

Post-employment benefits

Payments to defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet

Notes to the Financial Statements (Contd.)

with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit and Loss. Past service cost is recognised in Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, performance incentives and similar benefits other than compensated absences in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of compensated absences are measured on the basis of actuarial valuation as on the balance sheet date.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.12. Taxation

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent there is reasonable certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements (Contd.)

3.13. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.14. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.15. Impairment

a. Financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

3.16. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period,

Notes to the Financial Statements (Contd.)

the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.17. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the accounting policies, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

Key sources of estimation uncertainty

a. Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the management.

b. Impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

c. Provisions, liabilities and contingencies

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances, which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of an outflow of resources embodying economic benefits are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

3.18. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes to the Financial Statements (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Land	Leasehold Improvements	Plant and Equipments	Office Equipments	Computers	Furniture & Fittings	Electrical Installations	Vehicles	Total	Capital Work in Progress
Cost										
As at April 01, 2017	588.25	1,124.06	10,261.64	298.94	688.75	1,326.43	1,851.38	520.35	16,659.80	6,981.14
Additions	-	1.78	13,691.99	91.27	973.92	585.28	741.55	-	16,085.79	254.95
Deductions	588.25	-	4.95	-	1.11	-	-	-	594.31	6,981.14
As at March 31, 2018	**-**	**1,125.84**	**23,948.68**	**390.21**	**1,661.56**	**1,911.71**	**2,592.93**	**520.35**	**32,151.28**	**254.95**
Accumulated Depreciation										
As at April 01, 2017	-	464.54	1,831.48	139.31	339.81	404.77	516.46	85.71	3,782.08	
Depreciation charge for the year	-	182.37	1,232.55	50.79	265.44	208.75	271.21	82.82	2,293.94	
Deductions/Adjustmets	-	-	1.51	-	1.00	-	-	-	2.50	
As at March 31, 2018	**-**	**646.91**	**3,062.53**	**190.10**	**604.24**	**613.52**	**787.68**	**168.53**	**6,073.52**	
Net Book Value										
As at March 31, 2018	**-**	**478.93**	**20,886.16**	**200.11**	**1,057.31**	**1,298.20**	**1,805.25**	**351.82**	**26,077.78**	
As at March 31, 2017	588.25	659.52	8,430.16	159.63	348.94	921.66	1,334.92	434.64	12,877.72	

(₹ in Lakh)

Intangible assets	Computer Softwares	Exclusive Business Rights	Total
Cost			
As at April 01, 2017	254.45	29.47	283.92
Additions	63.15	-	63.15
Deductions	-	-	-
As at March 31, 2018	**317.60**	**29.47**	**347.07**
Accumulated Amortisation			
As at April 01, 2017	167.17	20.00	187.17
Amortisation for the year	25.77	4.47	30.24
Deductions/Adjustmets	-	-	-
As at March 31, 2018	**192.94**	**24.47**	**217.41**
Net Book Value			
As at March 31, 2018	**124.66**	**5.00**	**129.66**
As at March 31, 2017	87.28	9.47	96.75

Notes to the Financial Statements (Contd.)

5. INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-Current Investments		
Non - Trade Investment (at cost)		
Unquoted		
Associate		
1,78,500 (2016-17 : Nil) Equity Share of ₹ 10 each of Leanbox Logistics Solutions Private Limited	899.99	-
Subsidiary		
23,00,60,063 (2016-17 : Nil) Equity Share of ₹ 10 each of Vulcan Express Private Limited	5,312.27	-
Others		
19,833 (2016-17 : Nil) Convertible Debentures of ₹ 10 each of Leanbox Logistics Solutions Private Limited	100.00	-
	6,312.26	**-**

6. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-Current Financial Assets - Others		
Unsecured Considered Good		
Security Deposits*	3,180.11	2,272.50
	3,180.11	**2,272.50**

* Financial Assets carried at amortised cost

7. OTHER NON CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Deduction of Income Tax (net of provisions)	-	85.90
	-	**85.90**

8. INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Current Investment		
Unquoted		
National Saving Certificate (under lien with Sales Tax Department)*	0.70	0.70
	0.70	**0.70**

* Financial Assets Carried at amortised cost

Notes to the Financial Statements (Contd.)

9. TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Considered Good		
Trade Receivable	23,533.25	22,396.79
Less : Allowance for Expected Credit Loss	(645.24)	(419.33)
	22,888.01	**21,977.46**

10. CASH AND CASH EQUIVALENT

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
- In Current Accounts	7,455.41	4,656.49
Cash on Hand	9.18	11.02
	7,464.59	**4,667.51**

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Bank Deposit (under lien)	103.20	33.20
	103.20	**33.20**

12. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Security Deposits	539.10	607.28
Unsecured, Considered Good		
Doubtful	12.08	7.08
Less: Provision for Doubtful Security Deposits	12.08	7.08
	539.10	**607.28**

13. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Insurance Claim Receivables	19.61	12.62
Others (include receivable from Government Authorities, pre-paid expenses, advance to suppliers and advance salary)	1,004.97	1,337.69
	1,024.58	**1,350.31**

Notes to the Financial Statements (Contd.)

14. SHARE CAPITAL

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number	(₹ in Lakh)	Number	(₹ in Lakh)
Authorised				
Equity Shares of ₹ 10 each	5,00,00,000	5,000.00	4,00,00,000	4,000.00
	5,00,00,000	**5,000.00**	**4,00,00,000**	**4,000.00**
Issued and Paid up				
Equity Shares of ₹ 10 each fully paid up	4,00,56,238	4,005.62	3,91,38,283	3,913.83
	4,00,56,238	**4,005.62**	**3,91,38,283**	**3,913.83**

(i) Reconciliation of Number of Shares

Equity Shares of ₹ 10/- each

Particulars	As at March 31, 2018	As at March 31, 2017
	Number of Shares	Number of Shares
Opening Balance	3,91,38,283	3,91,38,283
Add : On account of conversion of Zero Coupon Fully Convertible Debenture	9,17,955	-
	4,00,56,238	**3,91,38,283**

(ii) Terms/Rights Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per Share. Each holder of equity share is entitled for one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

(iii) More than 5 percent Shareholding in the Company

Shareholders holding more than 5 percent of the equity shares in Company are as under :

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares				
Future Enterprises Limited	2,05,15,917	51.2%	2,24,72,831	57.4%
Griffin Partners Limited	58,63,475	14.6%	1,56,54,681	40.0%
L&T Mutual Fund Trustee Limited - L&T Emerging Businesses Fund	23,74,973	5.9%	-	0.0%
	2,87,54,365	**71.8%**	**3,81,27,512**	**97.4%**

(iv) Share options granted under the Company's employee share option plan

Share options granted under the Company's employee share option plan carry no rights to dividend and no voting rights. (Refer Note no.35)

(v) As at March 31, 2018, 2,69,700 (2016-17 : Nil) equity shares were reserved for issuance toward outstanding employee stock options granted. (Refer Note no.35)

Notes to the Financial Statements (Contd.)

15. OTHER EQUITY

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Retained Earnings	16,111.50	9,371.99
Securities Premium Reserve	21,403.32	15,995.12
Employee Stock Option Outstanding	179.44	-
Total Other Equity	**37,694.26**	**25,367.11**

16. NON-CURRENT BORROWINGS

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Zero Coupon Fully Convertible Debentures @ ₹ 10,000 each	-	4,914.00
Term Loan		
Rupee Term Loan from Banks* (Refer Note No.39)	2,511.28	2,433.74
Rupee Term Loan from Financial Institution	-	5.94
	2,511.28	**7,353.68**

* Financial Liabilities carried at amortised cost

17. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-Current Financial Liabilities		
Security Deposits*	169.95	195.65
	169.95	**195.65**

* Financial Liabilities carried at amortised cost

18. NON-CURRENT PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits	310.80	264.59
	310.80	**264.59**

Notes to the Financial Statements (Contd.)

19. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Major components of the Deferred tax balances consist of the following:		
Deferred Tax Liabilities		
Related to Fixed Assets	1,846.65	1,138.51
	1,846.65	**1,138.51**
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	294.20	129.17
	294.20	**129.17**
Deferred Tax Liabilities (Net)	**1,552.45**	**1,009.34**

20. TRADE PAYABLES

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Current Financial Liabilities - Trade Payables		
Trade Payables (Refer Note No. 33)	13,837.83	9,778.72
	13,837.83	**9,778.72**

21. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Current Maturities of Long Term Borrowings	784.98	717.15
Security Deposits	3.60	4.85
Capital Creditors	738.55	355.01
Payable on Purchase of Investment	1,202.26	-
Other Payables	3,079.06	913.53
	5,808.45	**1,990.54**

22. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Interest	-	586.00
Other Payables (includes statutory dues, advance from customers, etc.)	1,803.47	480.26
	1,803.47	**1,066.26**

Notes to the Financial Statements (Contd.)

23. PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits	13.33	10.75
	13.33	**10.75**

24. CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Income Tax Payable net of TDS and Advance Tax	267.50	-
	267.50	**-**

25. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Logistics Services	77,439.82	56,015.76
Other Operating Revenue	58.81	102.58
	77,498.63	**56,118.34**

26. OTHER INCOME

(₹ in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income	416.92	1,444.41
Profit on sale of Fixed Assets	412.45	10.87
Excess Provisions/Liabilities Written Back	-	75.17
Miscellaneous Income	112.75	50.45
	942.12	**1,580.90**

27. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus	6,807.24	5,178.11
Contribution to Provident and other Funds	153.12	166.94
Expenses on Employee Stock Option Scheme (Refer note no.35)	179.44	-
Staff Welfare Expenses	285.52	309.65
	7,425.32	**5,654.70**

Notes to the Financial Statements (Contd.)

28. FINANCE COSTS

(₹ in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expense	870.94	1,275.87
	870.94	**1,275.87**

29. OTHER EXPENSES

(₹ in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power and Fuel	1,143.01	932.23
Repairs and Maintenance		
Building	123.02	115.00
Machinery	469.26	280.77
Others	405.86	409.06
Insurance	130.35	111.09
Rates and Taxes	64.71	51.46
Rent Including Lease Rentals	258.30	247.38
Travelling and Conveyance Expenses	936.34	837.81
Auditors' Remuneration		
Statutory Audit Fees	15.50	13.00
Tax Audit Fees	0.25	0.25
Other Services	28.82	2.00
Security Expenses	1,213.79	1,100.54
Allowance for Expected Credit Loss	225.91	56.89
Provision for Doubtful Advances	5.00	-
Exchange Fluctuation Loss (Net)	-	0.40
Donations	1.73	1.44
Miscellaneous Expenses	2,202.41	1,348.19
	7,224.26	**5,507.51**

30. FINANCIAL RISK MANAGEMENT

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

Notes to the Financial Statements (Contd.)

Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern while maximising the return to shareholders by striking a balance between debt and equity. The capital structure of the Company consists of net debt (offset by cash and bank balances) and equity of the Company (Comprising issued capital, reserves, retained earnings). The Company is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimise capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Company on a regular basis. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital. The Company has a target Debt to Equity ratio of 1:1 determined as the proportion of net debt to equity. The Company has zero net debt as on March 31, 2018 (March 31, 2017: Nil)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

Foreign Currency Risk

The Company's exposure to exchange fluctuation risk is very limited for its purchase from overseas suppliers in various foreign currencies.

The following table analyses foreign currency risk from financial instruments as of:

Trade Payable	2017-18	2016-17
In GBP	-	5,217.00
In USD	12,993	5,789.09
₹ in Lakh	8.46	5.43
Conversion date of GBP and USD	March 31, 2018	March 31, 2017

Foreign exchange risk sensitivity:

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analysis of change in profit where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

(₹ in Lakh)

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	10% strengthen	10% weakening	10% strengthen	10% weakening
GBP	-	-	(0.43)	0.43
USD	(0.85)	0.85	(0.11)	0.11

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes to the Financial Statements (Contd.)

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 22,888.01 Lakh and ₹ 21,977.46 Lakh as of March 31, 2018 and March 31, 2017 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Apart from Future Retail Limited, the largest customer of the Company, the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to Future Retail Limited did not exceed 27.6% (2017: Future Retail Limited 37.8% and Future Lifestyle Fashions Limited 12.0%) of gross trade receivable as at the end of reporting period. No other single customer accounted for more than 10.0% of total trade receivable.

The average credit period on sale of services is 30 to 90 days. No interest is charged on trade receivables.

Credit Risk Exposure

Movement in Expected credit loss.

(₹ in Lakh)

Particulars	2017-18	2016-17
Beginning of the year	419.33	254.72
Movement in Expected Credit Loss	225.91	164.61
Balances at the end	**645.24**	**419.33**

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2018, the Company had a working capital of ₹ 10,289.60 Lakh including cash and cash equivalent of ₹ 7,567.79 Lakh and current investment of ₹ 0.70 Lakh.

As of March 31, 2017, the Company had a working capital of ₹ 15,790.20 Lakh including cash and cash equivalent of ₹ 4,700.72 Lakh and current investment of ₹ 0.70 Lakh.

31. CONTINGENT LIABILITES NOT PROVIDED FOR:

Disputed service tax demand ₹ 391.80 Lakh (2016-17: Nil)

32. Estimated amounts of contracts remaining to be executed on capital account (net of advances) ₹ 1,927.95 Lakh. (2016-17: ₹ 349.46 Lakh)

33. There are no outstanding towards Micro, Small and Medium Enterprises, during the period. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and relied by the auditors.

Notes to the Financial Statements (Contd.)

34. RELATED PARTY DISCLOSURES

Names of Related Parties and Nature of Relationship	
Holding Company	- Future Enterprises Limited
Subsidiary Company	- Vulcan Express Private Limited (w.e.f. February 2, 2018)
Associate Company	- Leanbox Logistics Solutions Private Limited (w.e.f. July 27, 2017)

Fellow Subsidiaries, Joint Ventures and Associates within the Group :

- Apollo Design Apparel Park Limited
- Future Generali India Life Insurance Company Limited
- Work Store Limited
- Goldmohur Design and Apparel Park Limited
- Galaxy Entertainment Corporation Limited

Key Management Personnel:

- Mayur Toshniwal (Managing Director) (w.e.f August 5, 2017)

During the year, following transactions were carried out with the related parties in the ordinary course of business

(₹ in Lakh)

Nature of Transactions	Holding Company	Subsidiary Company	Associate Company	Fellow Subsidiaries, Joint ventures and associates within the Group	Key Management Personnel
Purchase of Fixed Assets	-	56.02	-	-	-
	(-)	(-)	(-)	(-)	(-)
Sale of Fixed Assets	-	-	4.16	-	-
	(-)	(-)	(-)	(-)	(-)
Income from Operation	1,752.11	-	25.89	174.40	-
	(152.10)	(-)	(-)	(18.14)	(-)
Reimbursement of Expenses	154.48	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Expenses	-	-	-	67.48	-
	(-)	(-)	(-)	(18.57)	(-)
Remuneration	-	-	-	-	115.13
	(-)	(-)	(-)	(-)	(80.18)
Investments	-	1,300.00	100.00	-	-
	(-)	(-)	(-)	(-)	(-)
As on March 31, 2018					
Receivable	1,152.68	-	18.67	32.48	-
	(167.76)	(-)	(-)	(19.84)	(-)
Payable	-	66.11	-	3.58	-
	-	(-)	(-)	(-)	(-)

Notes to the Financial Statements (Contd.)

Break up of Related Party Transaction with Fellow Subsidiaries, Joint Ventures and Associates within the Group and Key Management Personnel.

(₹ in Lakh)

Nature of Transactions	2017-18	2016-17
Income from Operation		
Fellow Subsidiary Company		
Work Store Limited	33.12	15.94
Apollo Design Apparel Park Limited	20.72	2.20
Goldmohur Design and Apparel Park Limited	24.05	-
Galaxy Entertainment Corporation Limited	96.51	-
Expenses		
Fellow Subsidiary Company		
Work Store Limited	39.41	0.53
Future Generali India Life Insurance Company Limited	19.69	18.04
Galaxy Entertainment Corporation Limited	8.38	-
Remuneration		
Key Management Personnel		
Mayur Toshniwal	115.13	-
Anshuman Singh	-	80.18
Receivable		
Galaxy Entertainment Corporation Limited	15.97	-
Future Generali India Life Insurance Company Limited	2.81	-
Goldmohur Design and Apparel Parks Limited	10.15	-
Apollo Design Apparel Park Limited	3.55	1.52
Work Store Limited	-	18.32
Payable		
Work Store Limited	3.58	-

Notes :

Consequent to the rejections of various application with respect to the appointment of and payment of remuneration to the Managing Director, and pursuant to the approval by the Board of Directors, the Company has initiated the process by sending a notice to the concerned Managing Director to recover the excess amount paid to him as remuneration during the relevant period. The Company expects the full recovery in the current year.

35. SHARE BASED PAYMENTS

(i) Details of the employee share based plan of the Company

a) The ESOP scheme titled "Future Supply Chain Solutions Limited Employees Stock Option Plan 2017" (FSC ESOP 2017) was approved by the Board on August 5, 2017 and our Shareholders on August 8, 2017. In aggregate 4,00,000 options are covered under the FSC ESOP 2017 for 4,00,000 equity shares.

During the year, the Nomination and Remuneration Committee ("NRC") of the Company granted 2,83,763 options under FSC ESOP 2017 to certain directors and employees of the Company. The options granted under FSC ESOP 2017 are convertible into equal number of equity shares. The exercise price of each option is ₹ 350/-.

The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, such options may be exercised within 3 years from date of vesting.

Notes to the Financial Statements (Contd.)

b) The following share-based payment arrangements were in existence during the year:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Fair value at grant date (₹)
FSC ESOP 2017	2,83,763	November 14, 2017	Note-1 below	350.00	599.00

Note-1 The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, these options may be exercised within 3 years from date of vesting.

(ii) Options were priced using a Black Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 1 year.

Inputs into the model	FSC ESOP 2017
Expected volatility (%)	25.26
Option life (Years)	2.50-4.50
Dividend yield (%)	0.00
Risk-free interest rate (Average)	6.75% - 7.01%

(iii) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	Year ended March 31, 2018	
	Number of options	Weighted average exercise price (₹)
Balance at beginning of year	-	-
Granted during the year	2,83,763	350
Cancelled during the year	14,063	350
Balance at end of year	2,69,700	350

(iv) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1,799 days (2016-17: Nil).

36. EARNINGS PER SHARE

Particulars	2017-18	2016-17
Profit for the year (₹ In Lakh)	6,734.55	4,575.42
Weighted average number of equity shares outstanding during the year for Basic EPS	3,94,85,345	3,91,38,283
Add : Weighted Average number of equity shares on account of Employee Stock Options outstanding	9,174	-
Add : Weighted Average number of equity shares on account of Fully Convertible Debentures.	-	15,71,429
Weighted average number of equity shares outstanding during the year for Diluted EPS	3,94,94,519	4,07,09,712
Earnings per share of ₹ 10/- each		
- Basic (in ₹)	17.06	11.64
- Diluted (in ₹)	17.05	11.19

Notes to the Financial Statements (Contd.)

37. LEASE

The Company's has entered into operating lease arrangements for its warehouses, office premises etc. These leasing arrangements, which are non-cancellable range between 3 months and 12 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rents payable are charged as "Rent" under Cost of Logistics Service amount of ₹ 7,364.42 Lakh (2016-17 : ₹ 6,238.64 Lakh). Lease rent payable not later than one year is ₹ 2,893.50 Lakh (2016-17: ₹ 2,421.52 Lakh), payable later than one year but not later than five years is ₹ 7,279.04 Lakh (2016-17: ₹ 6,904.22 Lakh) and payable later than five years is ₹ 1,517.67 Lakh (2016-17: ₹ 2,733.59 Lakh).

38. ZERO COUPON FULLY AND COMPULSORILY CONVERTIBLE DEBENTURE

During the year, the Company has converted 55,000 Zero Coupon fully and Compulsorily Convertible Debenture into 9,17,955 equity share of ₹ 10 at a premium of ₹ 589.16 per equity share.

39. Security clause in respect to Secured Borrowings includes Working Capital Loans from Banks.

A. Short Term Borrowing

₹ Nil (2017: ₹ Nil) is secured by (a) First Pari-Passu Charge on Current Assets of the Company (b) Second Pari-Passu Charge on Fixed Assets (c) Secured by personal guarantee of a Director.

B. Long Term Borrowing

₹ 3,310.80 Lakh (including current maturity) (2016-17: 3,044.96 Lakh) is secured by First Pari-Passu Charge on entire Fixed Assets (including immovable properties but excluding land)- present and future of the Company and personal guarantee by one of the Directors and ₹ 4.98 Lakh (2016-17: ₹ 138.09 Lakh including current maturity) is secured by vehicle.

Amount repayable ₹ 780.00 Lakh in 2018-19, ₹ 780.00 Lakh in 2019-20, ₹ 780.00 Lakh in 2020-21, ₹ 780.00 Lakh in 2021-22 and 2022-23 ₹ 190.80 Lakh. Rate of interest ranges from 9.0% to 11.0%.

Installments falling due in respect of the above term loan upto March 31, 2019 aggregating ₹ 784.98 Lakh have been grouped under current maturities of long term borrowings.

40. EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

Amount recognised as an expense and included in Schedule 27 under the "Contribution to Provident and Other Funds" of Statement of Profit and Loss account ₹ 153.12 Lakh (2017: ₹ 166.94 Lakh).

Defined benefit Plan – Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employee on retirement or on termination of employment. The gratuity benefit payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards Gratuity is a Defined Benefit plan and is not funded.

The plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Notes to the Financial Statements (Contd.)

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2018 by M/s. KP Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

As per Ind AS 19 the disclosures as defined in the Accounting Standard are given below:

Change in Present Value of Defined Benefit Obligation

(₹ in Lakh)

Particulars	Gratuity (Unfunded)		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Present value of obligation at the beginning of the year	189.30	155.28	88.82	72.06
Current service cost	43.45	35.27	31.75	19.70
Interest cost	14.19	12.41	6.66	5.76
Remeasurement-Actuarial (gain)/ loss	(7.59)	28.28	(0.91)	27.41
Past service cost	5.68	-	-	-
Benefits paid by the Company	(27.08)	(41.94)	(16.94)	(36.11)
Present value of obligation at the year end	217.95	189.30	109.38	88.82

Change in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Fair value of plan assets at the beginning of the year	2.98	2.78
Remeasurement - return on plan assets excluding amounts included in interest income	0.22	(0.02)
Actuarial gain/ (loss)	-	0.22
Fair value of plan assets at the end the year	3.20	2.98

Net Defined Benefit Liability/ (Assets)

(₹ in Lakh)

Particulars	2017-18	2016-17
Defined Benefit Obligation	217.95	189.30
Fair Value of plan assets	(3.20)	(2.98)
Surplus / (Deficit)	214.75	186.32
Net Defined Benefit Liability/ (Assets)	**214.75**	**186.32**

Expenses recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	Gratuity (Unfunded)		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Current service cost	43.45	35.27	31.75	19.70
Net interest on the net defined benefit liability/asset	13.96	12.19	6.66	5.76
Remeasurement on (gain)/ loss		-	(1.07)	27.41
Immediate recognition of (gain)/ loss - other long term benefits	(2.10)	-	-	-
Total expenses recognised in Profit and Loss Account	55.31	47.46	37.34	52.87

Notes to the Financial Statements (Contd.)

Re-measurement Effects Recognised in Other Comprehensive Income (OCI)

(₹ in Lakh)

Particulars	2017-18	2016-17
Actuarial (gain)/ loss	(7.59)	28.28
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/ (asset)	-	0.02
Total (Gain) / Loss included in OCI	**(7.59)**	**28.30**

Financial Assumptions used for the purpose of the actuarial valuations were as follow.

Particulars	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Discounted rate (per annum)	7.80%	7.50%	7.80%	7.50%
Expected rate of future salary increase	5%	5%	5%	5%
Mortality rate (% of IALM 06-08)	100%	100%	100%	100%
Withdrawal rate (per annum)	1%	1%	1%	1%
Normal retirement age	58 Years	58 Years	58 Years	58 Years

Sensitivity analysis : Gratuity

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity is given below :

(₹ in Lakh)

Particulars	2017-18	2016-17
Defined Benefit Obligation (Base)	217.95	189.30

(₹ in Lakh)

Particulars	2017-18		2016-17	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	248.44	192.37	217.40	165.88
Salary Growth rate (- / + 1%)	192.27	248.21	165.57	217.25
Attrition rate (- / + 50% of attrition rates)	214.44	221.22	186.37	192.02
Mortality rate (- / + 10% of Mortality rates)	217.69	218.21	189.09	189.51

Please note that the sensitivity analysis presented above may not be repsesentive of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

41. The Company is engaged only in Logistics business in India and there are no separate reportable business and geographical segments under the Accounting Standard of Ind AS 108 Operating Segments.

42. As required by clause (4) of Section 186 of the Companies Act 2013, the Company has made an investment of ₹ 6,312.26 Lakh (2016-17: Nil) during the year.

43. APPROVAL OF FINANCIAL STATEMENT

The Financial Statements were approved by the Audit Committee and the Board of Directors at their respective meetings held on April 25, 2018.

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Place: Mumbai
Date : April 25, 2018

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

Vimal K Dhruve
(Company Secretary)

Independent Auditors' Report

TO THE MEMBERS OF FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Financial Statements of **Future Supply Chain Solutions Limited** (hereinafter referred to as "the Holding Company"), its Subsidiary (the Holding Company and its Subsidiary together referred to as "the Group") and an Associate company, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 and Consolidated Statement of changes in equity of the Group including its Associate company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group and Associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and Associate company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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, 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 including the Ind AS, of the Consolidated state of affairs of the Group

Independent Auditors' Report (Contd.)

and an Associate company as at March 31, 2018, and its Consolidated profit including consolidated other comprehensive income, its Consolidated Cash Flows and its Consolidated Statement of Changes in Equity 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, 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 and Consolidated Statement of Changes in Equity 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 specified under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary company and Associate, none of the directors of the Group and its Associate company incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of internal controls over financial reporting of the Group and the operating effectiveness of such controls. Refer to our separate report in "Annexure A", and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 and its Associate company.

      ii. The Holding Company, its Subsidiary company and its Associate company did not have any long term contract including derivative contract for which there were any material foreseeable losses.

      iii. There were no amounts in case of Holding Company, Subsidiary company and Associate company which were required to be transferred to Investor Education and Protection Fund.

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

Ashok A. Trivedi
Partner
Membership No. 042472

Place: Mumbai
Date: April 25, 2018

Annexure - A to the Independent Auditors' Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (1) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statement of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Future Supply Chain Solutions Limited ("the Holding Company") and its subsidiary company and Associate company 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 company and its Associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extend applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATION OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud

Annexure - A to the Independent Auditors' Report (Contd.)

may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become in adequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, its Subsidiary company and Associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Ashok A. Trivedi
Partner
Membership No. 042472

Place: Mumbai
Date: April 25, 2018

Consolidated Balance Sheet
As at March 31, 2018

(₹ in Lakh)

Particulars	Note	As at March 31, 2018
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	4	31,627.46
Capital Work In Progress		254.95
Intangible Assets	4	219.76
Financial Assets		
Investments	5	942.89
Other Financial Assets	6	3,235.73
Other Non-Current Assets	7	796.19
Total Non-Current Assets		**37,076.98**
Current Assets		
Financial Assets		
Investments	8	0.70
Trade Receivables	9	25,961.10
Cash and Cash Equivalent	10	7,861.63
Bank Balances other than Cash and Cash Equivalent	11	106.55
Other Financial Assets	12	1,121.29
Other Current Assets	13	1,486.11
Total Current Assets		**36,537.38**
Total Assets		**73,614.36**
EQUITY & LIABILITIES		
Equity		
Equity Share Capital	14	4,005.62
Other Equity	15	38,524.88
Total Equity		**42,530.50**
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
Non-Current Borrowings	16	2,511.28
Other Non-Current Financial Liabilities	17	169.95
Provisions	18	456.85
Deferred Tax Liabilities (Net)	19	1,552.45
Total Non-Current Liabilities		**4,690.53**
Current Liabilities		
Financial Liabilities		
Trade Payables	20	17,979.63
Other Current Financial Liabilities	21	6,102.70
Other Current Liabilities	22	2,015.64
Provisions	23	27.86
Current Tax Liabilities (Net)	24	267.50
Total Current Liabilities		**26,393.33**
Total Equity And Liabilities		**73,614.36**
Notes to the Consolidated Financial Statements	1-43	

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Place: Mumbai
Date : April 25, 2018

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

Vimal K Dhruve
(Company Secretary)

Consolidated Statement of Profit and Loss
For the year ended March 31, 2018

(₹ in Lakh)

Particulars	Note	Year Ended March 31, 2018
Income		
Revenue from Operations	25	79,365.87
Other Income	26	1,212.43
Total Income		**80,578.30**
Expenses		
Cost of Logistics Services		52,535.57
Employee Benefits Expense	27	8,045.26
Depreciation and Amortisation Expense	4	2,549.74
Finance Costs	28	908.63
Other Expenses	29	7,514.86
Total Expense		**71,554.06**
Profit Before Tax		**9,024.24**
Income Tax Expense		
(1) Current Tax		2,590.44
(2) Deferred Tax (Assets) / Liabilities		543.11
		3,133.55
Profit after taxation before Share of Associates		**5,890.69**
Share of (loss) in Associate company		(57.10)
Profit after Share of Associates		**5,833.59**
Other Comprehensive Income		
Items that will not be reclassified subsequently to Profit or Loss		
(i) Remeasurement of the defined benefit Plan		(25.68)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		2.63
Total other comprehensive income, net of tax		(23.05)
Total Comprehensive Income for the period		**5,856.64**
Earnings Per Equity Share (Face Value ₹ 10/- each)		
Basic (in ₹)		14.77
Diluted (in ₹)		14.77
Notes to the Consolidated Financial Statements	1-43	

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Place: Mumbai
Date : April 25, 2018

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

Vimal K Dhruve
(Company Secretary)

Consolidated Statement of Cash Flow
For the year ended March 31, 2018

(₹ in Lakh)

Particulars		Year Ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**	
	Net Profit Before Tax	**9,024.24**
	Adjusted For:	
	Depreciation and Amortisation Expense	2,549.74
	Finance Costs	908.63
	Provision for Doubtful Debts	214.27
	Profit on sale of Fixed Assets	(412.45)
	Excess Provision written back	(64.38)
	Expenses on employee stock option scheme	179.44
	Interest Income	(416.92)
	Operating Profit Before Working Capital Changes	**11,982.57**
	Adjusted For:	
	Trade Receivable	(1.99)
	Loans & Advances and Other Assets	(497.11)
	Trade Payables, Other Liabilities and Provisions	5,699.53
	Cash Generated From Operations	**17,183.00**
	Taxes Paid (Net)	(2,325.56)
	Net Cash From Operating Activities	**14,857.44**
B	**CASH FLOW FROM INVESTING ACTIVITIES**	
	Purchase of Property, Plant & Equipment and Intangible Assets	(8,986.26)
	Sale of Property, Plant & Equipment and Intangible Assets	1,006.76
	Purchase of Investments	(3,809.99)
	Interest Received	416.92
	Net Cash Used In Investing Activities	**(11,372.57)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**	
	Proceeds From Long Term Loan	71.59
	Interest Paid	(908.63)
	Net Cash Used in Financing Activities	**(837.04)**
	Net (Decrease)/Increase In Cash and Cash Equivalents (A+B+C)	**2,647.83**
	Cash and Cash Equivalents (Opening Balance)	**4,667.51**
	On acquisition of Subsidiary during the year	**546.29**
	Cash and Cash Equivalents (Closing Balance)	**7,861.63**

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Place: Mumbai
Date : April 25, 2018

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

Vimal K Dhruve
(Company Secretary)

Consolidated Statement of Changes In Equity
For the year ended March 31, 2018

(₹ in Lakh)

	Particulars	As at March 31, 2018
(A)	**EQUITY SHARE CAPITAL**	
	Opening Balance	3,913.83
	Add : On account of conversion of Zero Coupon Fully Convertible Debenture	91.79
	Closing Balance	**4,005.62**
(B)	**OTHER EQUITY**	
	Retained Earnings	
	Opening Balance	9,371.99
	Profit for the Year	5,833.59
	Other Comprehensive (Income)/Loss for the year (net of tax)	(23.05)
	Closing Balance	**15,228.63**
	Capital Reserve	
	Opening Balance	-
	Add : On Account of acquisition of Subsidiary	1,713.49
	Closing Balance	**1,713.49**
	Securities Premium Reserve	
	Opening Balance	15,995.12
	Add : On account of conversion of Zero Coupon Fully Convertible Debenture	5,408.20
	Closing Balance	**21,403.32**
	Share Options Outstanding	
	Opening Balance	-
	Add : Recognition of share based payments	179.44
	Closing Balance	**179.44**
	Total Other Equity	**38,524.88**

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Place: Mumbai
Date : April 25, 2018

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

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DIN : 00036303

Samir Kedia
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(Company Secretary)

Notes to the Consolidated Financial Statements

1. COMPANY OVERVIEW

Future Supply Chain Solutions Limited (the "Company") is a public company domiciled in India and incorporated on March 8, 2006. The Equity Shares of the Company were listed on the BSE Limited and the National Stock Exchange of India Limited on December 18, 2017.

The Company is India's first fully integrated and IT enabled end-to-end Supply Chain and Logistics Company with capabilities in handling Modern Warehousing, Express Logistics, Cold Chain Logistics and Last Mile Delivery Logistics. The Company caters to corporates in Food & Beverages, Lifestyle, Electronics & High Tech, Automotive & Engineering, Home & Furniture, Healthcare, General Merchandise and E-Commerce sectors. Each category has a distinct supply chain with its own distinct requirements that need customised solutions. The Company has been a pioneer and leader in modernising logistics and supply chain in India by having implemented cutting-edge technology and contemporary supply chain management practices through implementation of global best practices, indigenised and best adapted for Indian conditions. The Company has its registered office at Mumbai, Maharashtra, India.

2. REVISED INDIAN ACCOUNTING STANDARD ("IND AS") ISSUED BUT NOT EFFECTIVE

Ind AS 115 'Revenue from Contracts with Customers' has been notified by Ministry of Corporate Affairs as on March 28, 2018. This standard prescribes only one underlying principle for revenue recognition i.e., transfer of control over goods / services. Ind AS 115 will supersede Ind AS 11 'Construction Contracts' and Ind AS 18, 'Revenue' and is effective for annual periods beginning on or after April 1, 2018. Management considers that the amendment does not have a significant impact on the Consolidated Financial Statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Statement of compliance

The Consolidated Financial Statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013, [Companies (Indian Accounting Standards) Rules, 2015] and other applicable laws. There are no comparative figures for year ended March 31, 2017 since the Company did not have any Subsidiary, Joint Venture or Associate during the said year.

3.2. Basis of Preparation and presentation

These Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these Consolidated Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted

Notes to the Consolidated Financial Statements (Contd.)

prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability

The principal accounting policies are set out below.

3.3. Basis of Consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company and its subsidiary (together referred to as the "Group"). Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiary that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in Consolidated Statement of Profit and Loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Investments in Associates and Joint Ventures

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and

Notes to the Consolidated Financial Statements (Contd.)

operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these Consolidated Financial Statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's Consolidated Financial Statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Consolidated Financial Statements of the Group comprises Financial Statements of Future Supply Chain Solutions Limited and the following companies:

Name of the Company	Relationship	Proportion of ownership interest and voting power held by the Group
		As at March 31, 2018
Vulcan Express Private Limited	Subsidiary	100%
Leanbox Logistics Solutions Private Limited	Associate	50%

Notes to the Consolidated Financial Statements (Contd.)

3.4. Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment.

The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in Consolidated Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Consolidated Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed off.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 'Revenue'.

3.5. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as on April 1, 2015 measured as per previous GAAP

Notes to the Consolidated Financial Statements (Contd.)

as it deemed cost on the date of transition.

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset	Useful Life
Plant and Equipments	15 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Electrical Installations	10 Years
Vehicles	6 years
Computers	3 Years
Leasehold Improvements	Lease term

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

3.6. Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on straight line basis over their estimated useful economic life. The estimated useful lives of intangible assets are as follows:

Asset	Useful Life
Softwares	6 years
Exclusive Business Rights	10 years

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.

The residual values, estimated useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.8. Financial instruments

3.8.(i) Initial recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Notes to the Consolidated Financial Statements (Contd.)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Consolidated Statement of Profit and Loss.

3.8.(ii) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

c. **Compound Instruments**

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Consolidated Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

3.8.(iii) Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset.

A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

3.9. Foreign Currency

Functional currency

The functional currency of the Group is the Indian rupee ("₹").

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Consolidated Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net

Notes to the Consolidated Financial Statements (Contd.)

profit for the period in which the transaction is settled.

3.10. Borrowing Costs

Borrowing costs, directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged in the period they occur in the Consolidated Statement of Profit and Loss.

3.11. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated rebates and other allowances.

Rendering of Services

Revenue from services are recognised as they are rendered based on agreements / arrangements with the concerned parties and recognised net of taxes (if applicable).

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

3.12. Current versus Non-Current Classification

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as current when it is:

- Expected to be settled in normal operating cycle or,
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.13. Employee Benefits

Post-employment benefits

Payments to defined contribution benefit plans are recognised as an expense when the employees have rendered the service entitling them to the contributions. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Consolidated Statement of Profit and Loss. Past service cost is recognised in Consolidated Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

Notes to the Consolidated Financial Statements (Contd.)

The Group presents the first two components of defined benefit costs in Consolidated Statement of Profit and Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, performance incentives and similar benefits other than compensated absences in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of compensated absences are measured on the basis of actuarial valuation as on the balance sheet date.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.14. Taxation

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent there is reasonable certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.15. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.16. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow

Notes to the Consolidated Financial Statements (Contd.)

of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.17. Impairment

a. Financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Consolidated Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Consolidated Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

3.18. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Consolidated Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.19. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the

Notes to the Consolidated Financial Statements (Contd.)

period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

Key sources of estimation uncertainty

a. **Useful lives of property, plant and equipment**

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the management.

b. **Impairment of property, plant and equipment**

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of cash generating units. It requires to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

c. **Provisions, liabilities and contingencies**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past events that can reasonably be estimated. The timing of recognition requires application of judgment to existing facts and circumstances, which may be subject to change.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of an outflow of resources embodying economic benefits are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

3.20. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Notes to the Consolidated Financial Statements (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Land	Leasehold Improvements	Plant and Equipments	Office Equipments	Computers	Furniture & Fittings	Electrical Installations	Vehicles	Total	Capital Work in Progres
Cost										
As at April 01, 2017	**588.25**	**1,124.06**	**10,261.64**	**298.94**	**688.75**	**1,326.43**	**1,851.38**	**520.35**	**16,659.80**	**6,981.14**
On Acquisition of Subsidiary	**-**	**1,727.88**	**735.29**	**789.81**	**1,615.89**	**3,505.19**	**1,117.26**	**-**	**9,491.32**	**1.32**
Addition	-	1.78	13,693.74	91.27	973.92	585.28	743.26	-	16,089.25	254.95
Deductions	588.25	-	4.95	-	8.65	78.28	-	-	680.13	6,982.46
As at March 31, 2018	**-**	**2,853.73**	**24,685.72**	**1,180.02**	**3,269.91**	**5,338.62**	**3,711.90**	**520.35**	**41,560.25**	**254.95**
Accumulated Depreciation										
As at April 01, 2017	**-**	**464.54**	**1,831.48**	**139.31**	**339.81**	**404.77**	**516.46**	**85.71**	**3,782.08**	
On Acquisition of Subsidiary	**-**	**557.92**	**148.64**	**348.74**	**950.17**	**1,441.95**	**218.92**	**-**	**3,666.35**	
Depreciation charge for the year	-	223.71	1,240.20	75.25	341.13	263.28	288.69	82.82	2,515.08	
Deductions/Adjustments	-	-	1.51	-	6.97	22.23	-	-	30.71	
As at March 31, 2018	**-**	**1,246.17**	**3,218.81**	**563.30**	**1,624.14**	**2,087.77**	**1,024.07**	**168.53**	**9,932.79**	
Net Book Value										
As at March 31, 2018	-	**1,607.57**	**21,466.91**	**616.72**	**1,645.77**	**3,250.85**	**2,687.83**	**351.82**	**31,627.46**	

(₹ in Lakh)

Intangible assets	Computer Softwares	Exclusive Business Rights	Total
Cost			
As at April 01, 2017	**254.45**	**29.47**	**283.92**
On Acquisition of Subsidiary	**145.07**	**-**	**145.07**
Additions	63.15	-	63.15
Deductions	-	-	-
As at March 31, 2018	**462.66**	**29.47**	**492.14**
Accumulated Amortisation			
As at April 01, 2017	**167.17**	**20.00**	**187.17**
On Acquisition of Subsidiary	**50.55**	**-**	**50.55**
Amortisation for the year	30.19	4.47	34.66
Deductions/Adjustments	-	-	-
As at March 31, 2018	**247.91**	**24.47**	**272.38**
Net Book Value			
As at March 31, 2018	**214.76**	**5.00**	**219.76**

Notes to the Consolidated Financial Statements (Contd.)

5. INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2018
Non-Current Investments	
Non - Trade Investment (at cost)	
Unquoted	
Associate	
1,78,500 Equity Share of ₹ 10 each of Leanbox Logistics Solutions Private Limited	842.89
Others	
19,833 Convertible Debentures of ₹ 10 each of Leanbox Logistics Solutions Private Limited	100.00
	942.89

6. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2018
Non-Current Financial Assets - Others	
Unsecured Considered Good	
Security Deposits*	3,219.23
Bank Deposit	16.50
	3,235.73

* Financial Assets carried at amortised cost

7. OTHER NON CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2018
Prepaid Expenses	52.95
Deduction of Income Tax (Net of provisions)	743.24
	796.19

8. INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2018
Current Investment	
Unquoted	
National Saving Certificate (under lien with Sales Tax Department) *	0.70
	0.70

* Financial Assets carried at amortised cost

Notes to the Consolidated Financial Statements (Contd.)

9. TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2018
Considered Good	
Trade Receivable	26,706.34
Less : Allowance for Expected Credit Loss	(745.24)
	25,961.10

10. CASH AND CASH EQUIVALENT

(₹ in Lakh)

Particulars	As at March 31, 2018
Balances with Banks	
In Current Accounts	7,749.30
Cash on Hand	112.33
	7,861.63

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

(₹ in Lakh)

Particulars	As at March 31, 2018
Bank Deposit (under lien)	106.55
	106.55

12. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2018
Security Deposits	1,121.29
Unsecured, Considered Good	
Doubtful	103.28
Less: Provision for Doubtful Security Deposits	103.28
	1,121.29

13. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at March 31, 2018
Insurance Claim Receivables	19.61
Others (include receivable from Government Authorities, pre-paid expenses, advance to suppliers and advance salary)	1,466.50
	1,486.11

Notes to the Consolidated Financial Statements (Contd.)

14. SHARE CAPITAL

Particulars	As at March 31, 2018	
	Number	(₹ in Lakh)
Authorised		
Equity Shares of ₹ 10 each	5,00,00,000	5,000.00
Equity Shares of ₹ 10 each		
	5,00,00,000	**5,000.00**
Issued and Paid up		
Equity Shares of ₹ 10 each fully paid up	4,00,56,238	4,005.62
Equity Shares of ₹ 10 each fully paid up		
	4,00,56,238	**4,005.62**

(i) Reconciliation of Number of Shares

Equity Shares of ₹ 10/- each

Particulars	As at March 31, 2018
	Number of Shares
Opening Balance	3,91,38,283
Add : On account of conversion of Zero Coupon Fully Convertible Debentures	9,17,955
	4,00,56,238

(ii) Terms/Rights Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled for one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

(iii) More than 5 % Shareholding in the Company

Shareholders holding more than 5% of the equity shares in the Company are as under :

Name of Shareholder	As at March 31, 2018	
	No. of Shares	% of Holding
Equity Shares		
Future Enterprises Limited	2,05,15,917	51.2%
Griffin Partners Limited	58,63,475	14.6%
L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	23,74,973	5.9%
	2,87,54,365	**71.8%**

(iv) Share options granted under the Company's employee share option plan

Share options granted under the Company's employee share option plan carry no rights to dividend and no voting rights. (Refer Note no.35)

(v) As at March 31, 2018, 2,69,700 (2016-17 : Nil) equity shares were reserved for issuance toward outstanding employee stock options granted: (Refer Note no.35)

Notes to the Consolidated Financial Statements (Contd.)

15. OTHER EQUITY

(₹ in Lakh)

Particulars	As at March 31, 2018
Retained Earnings	15,228.63
Capital Reserve	1,713.49
Securities Premium Reserve	21,403.32
Employee Stock Option Outstanding	179.44
Total Other Equity	**38,524.88**

16. NON-CURRENT BORROWINGS

(₹ in Lakh)

Particulars	As at March 31, 2018
Term Loan	
Rupee Term Loan from Banks* (Refer Note no.39)	2,511.28
	2,511.28

* Financial Liabilities carried at amortised cost

17. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2018
Non Current Financial Liabilities	
Security Deposits*	169.95
	169.95

* Financial Liabilities carried at amortised cost

18. NON-CURRENT PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2018
Provision for Employee Benefits	456.85
	456.85

Notes to the Consolidated Financial Statements (Contd.)

19. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at March 31, 2018
Major components of the Deferred tax balances consist of the following:	
Deferred Tax Liabilities	
Related to Fixed Assets	1,846.65
	1,846.65
Deferred Tax Assets	
Disallowances under the Income Tax Act, 1961	294.20
	294.20
Deferred Tax Liabilities (Net)	**1,552.45**

20. TRADE PAYABLES

(₹ in Lakh)

Particulars	As at March 31, 2018
Current Financial Liabilities - Trade Payable	
Trade Payables (Refer Note no. 33)	17,979.63
	17,979.63

21. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2018
Current Maturities of Long Term Borrowings	784.98
Security Deposits	3.60
Capital Creditors	931.38
Payable on Purchase of Investment	1,202.26
Other Payables	3,180.48
	6,102.70

22. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2018
Other Payables (includes statutory dues, advance from customers etc.)	2,015.64
	2,015.64

Notes to the Consolidated Financial Statements (Contd.)

23. PROVISIONS

(₹ in Lakh)

Particulars	As at March 31, 2018
Provision for Employee Benefits	27.86
	27.86

24. CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at March 31, 2018
Income Tax Payable net of TDS and Advance Tax	267.50
	267.50

25. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	Year ended March 31, 2018
Logistics Services	79,307.06
Other Operating Revenue	58.81
	79,365.87

26. OTHER INCOME

(₹ in Lakh)

Particulars	Year ended March 31, 2018
Interest Income	416.92
Profit on Sale of Fixed Assets	412.45
Excess Provisions / Liabilities written back	64.38
Recovery against shrinkage	174.74
Miscellaneous Income	143.94
	1,212.43

27. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	Year ended March 31, 2018
Salaries, Wages and Bonus	7,368.40
Contribution to Provident and other Funds	198.85
Expenses on Employee Stock Option Scheme (Refer Note no.35)	179.44
Staff Welfare Expenses	298.57
	8,045.26

Notes to the Consolidated Financial Statements (Contd.)

28. FINANCE COSTS

(₹ in Lakh)

Particulars	Year ended March 31, 2018
Interest Expense	908.63
	908.63

29. OTHER EXPENSES

(₹ in Lakh)

Particulars	Year ended March 31, 2018
Power and Fuel	1,165.05
Repairs and Maintenance	
Building	123.02
Machinery	469.26
Others	457.32
Insurance	140.06
Rates and Taxes	49.47
Rent including Lease Rentals	262.48
Travelling and Conveyance Expenses	936.34
Auditors' Remuneration	
Statutory Audit Fees	18.00
Tax Audit Fees	0.25
Other Services	28.82
Security Expenses	1,305.26
Allowance for Expected Credit Loss	214.27
Provision for Doubtful Advances	5.00
Donations	1.73
Miscellaneous Expenses	2,338.53
	7,514.86

30. FINANCIAL RISK MANAGEMENT

The Group’s financial risk management is an integral part of how to plan and execute its business strategies. The Group’s financial risk management policy is set by the respective managing board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Group manages market risk through respective treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

The Group is not exposed to significant market risk at respective reporting data.

Notes to the Consolidated Financial Statements (Contd.)

Capital Management

The Holding Company manages its capital to ensure that Group will be able to continue as going concern while maximising the return to shareholders by striking a balance between debt and equity. The capital structure of the Group consists of net debt (offset by cash and bank balances) and equity of the Group (Comprising issued capital, reserves, retained earnings). The Group is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimise capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Group on a regular basis. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital. The Group has a target Debt to Equity ratio of 1:1 determined as the proportion of Net Debt to Equity. The Group has zero net debt as on March 31, 2018.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Foreign Currency Risk

The Group's exposure to exchange fluctuation risk is very limited for its purchase from overseas suppliers in various foreign currencies.

The following table analyses foreign currency risk from financial instruments as of:

Trade Payable	2017-18
In USD	12,993
₹ in Lakh	8.46
Conversion date of USD	March 31, 2018

Foreign exchange risk sensitivity:

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analysis of change in profit where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

(₹ in Lakh)

	For the year ended March 31, 2018	
	10% strengthen	10% weakening
USD	(0.85)	0.85

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes to the Consolidated Financial Statements (Contd.)

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 25,961.10 Lakh as of March 31, 2018. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.

The average credit period on sale of services is 30 to 90 days. No interest is charged on trade receivables.

Credit Risk Exposure

Movement in Expected credit loss.

(₹ in Lakh)

	2017-18
Beginning of the year	419.33
Movement in Expected Credit Loss	325.91
Balances at the end	**745.24**

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2018, The Group had a working capital of ₹ 10,144.05 Lakh including cash and cash equivalent of ₹ 7,968.18 Lakh and current investment of ₹ 0.70 Lakh.

31. CONTINGENT LIABILITES NOT PROVIDED FOR:

Disputed Service tax demand is ₹ 391.80 Lakh.

32. Estimated amounts of contracts remaining to be executed on capital account (net of advances) ₹ 1,927.95 Lakh.

33. There are no outstanding towards Micro, Small and Medium Enterprises, during the period. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and relied by the auditors.

Notes to the Consolidated Financial Statements (Contd.)

34. RELATED PARTY DISCLOSURES

Names of Related Parties and Nature of Relationship	
Holding company	- Future Enterprises Limited
Associate company	- Leanbox Logistics Solutions Private Limited (w.e.f. July 27, 2017)

Fellow Subsidiaries, Joint Ventures and Associates within the Group :

- Apollo Design Apparel Park Limited
- Future Generali India Life Insurance Company Limited
- Work Store Limited
- Goldmohur Design and Apparel Park Limited
- Galaxy Entertainment Corporation Limited

Key Management Personnel

Mayur Toshniwal (Managing Director) (w.e.f August 5, 2017)

During the year, following transactions were carried out with the related parties in the ordinary course of business

(₹ in Lakh)

Nature of Transactions	Holding Company	Associate Company	Fellow Subsidiaries, Joint ventures and associates within the Group	Key Management Personnel
Income from operation	1,752.11	25.89	174.40	-
Sale of Fixed Assets	-	4.16	-	-
Reimbursement of Expenses	154.48	-	-	-
Expenses	-	-	67.48	-
Remuneration	-	-	-	115.13
Investments	-	100.00	-	-
As on March 31, 2018				
Receivable	1,152.68	18.67	32.48	-
Payable	-	-	3.58	-

Break up of Related Party Transaction with Fellow Subsidiaries, Joint Ventures and Associates within the Group and Key Management Personnel:

(₹ in Lakh)

Nature of Transactions	2017-18
Income from operation	
Fellow Subsidiary Company	
Work Store Limited	33.12
Apollo Design Apparel Park Limited	20.72
Goldmohur Design and Apparel Park Limited	24.05
Galaxy Entertainment Corporation Limited	96.51
Expenses	
Fellow Subsidiary Company	
Work Store Limited	39.41
Future Generali India Life Insurance Company Limited	19.69
Galaxy Entertainment Corporation Limited	8.38
Remuneration	
Key Management Personnel	
Mayur Toshniwal	115.13

Notes to the Consolidated Financial Statements (Contd.)

(₹ in Lakh)

Nature of Transactions	2017-18
Receivable	
Galaxy Entertainment Corporation Limited	15.97
Future Generali India Life Insurance Company Limited	2.81
Goldmohur Design and Apparel Parks Limited	10.15
Apollo Design Apparel Park Limited	3.55
Payable	
Work Store Limited	3.58

35. SHARE BASED PAYMENTS

(i) Details of the employee share based plan of the Group

a) The ESOP scheme titled "Future Supply Chain Solutions Limited Employees Stock Option Plan 2017" (FSC ESOP 2017) was approved by the Board on August 5, 2017 and our Shareholders on August 8, 2017. In aggregate 4,00,000 options are covered under the FSC ESOP 2017 for 4,00,000 equity shares.

During the year, the NRC of the Group granted 2,83,763 options under FSC ESOP 2017 to certain directors and employees of the Group. The options granted under FSC ESOP 2017 are convertible into equal number of equity shares. The exercise price of each option is ₹ 350/-.

The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, such options may be exercised within 3 years from date of vesting.

b) The following share-based payment arrangements were in existence during the year:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Fair value at grant date (₹)
FSC ESOP 2017	2,83,763	November 14, 2017	Note-1 below	350.00	599.00

Note-1 The options granted shall vest over a period of 3 years from the date of the grant in the manner specified in the resolution passed by the NRC while granting the options. Accordingly, these options may be exercised within 3 years from date of vesting.

(ii) Options were priced using a Black Scholes option pricing model. Expected volatility is based on the historical share price volatility over the past 1 year.

Inputs into the model	FSC ESOP 2017
Expected volatility (%)	25.26
Option life (Years)	2.50-4.50
Dividend yield (%)	0.00
Risk-free interest rate (Average)	6.75% - 7.01%

(iii) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	Year ended March 31, 2018	
	Number of options	Weighted average exercise price (₹)
Balance at beginning of year	-	-
Granted during the year	2,83,763	350
Cancelled during the year	14,063	350
Balance at end of the year	2,69,700	350

Notes to the Consolidated Financial Statements (Contd.)

(iv) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1,799 days.

36. EARNINGS PER SHARE

Particulars	2017-18
Profit for the year (₹ in Lakh)	5,833.59
Weighted average number of equity shares outstanding during the year for Basic EPS	3,94,85,345
Add : Weighted Average number of equity shares on account of Employee Stock Options outstanding	9,174
Weighted average number of equity shares outstanding during the year for Diluted EPS	3,94,94,519
Earnings per share of ₹ 10/- each	
- Basic (in ₹)	14.77
- Diluted (in ₹)	14.77

37. LEASE

The Group's has entered into operating lease arrangements for its warehouses, office premises etc. These leasing arrangements which are non-cancellable range between 3 months and 12 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rents payable are charged as "Rent" under Cost of Logistics Service amount of ₹ 7,807.96 Lakh. Lease Rent payable not later than one year is ₹ 3,002.87 Lakh, payable later than one year but not later than five year is ₹ 7,279.04 Lakh and payable later than five years is ₹ 1,517.67 Lakh.

38. ZERO COUPON FULLY AND COMPULSORILY CONVERTIBLE DEBENTURES

During the year, the Group has converted 55,000 Zero Coupon fully and Compulsorily Convertible Debenture into 9,17,955 equity share of ₹ 10 at a premium of ₹ 589.16 per equity share.

39. Security clause in respect to Secured Borrowings includes Working Capital Loans from Banks.

A. Short-Term Borrowing

₹ Nil is secured by (a) First Pari-Passu Charge on Current Assets of the Group (b) Second Pari-Passu Charge on Fixed Assets (c) Secured by personal guarantee of a Director.

B. Long-Term Borrowing

₹ 3,310.80 Lakh (Including current maturity) is secured by First Pari-Passu Charge on entire Fixed Assets (Including immovable properties but excluding land) - Present and future of the Group and personal guarantee by one of the Directors' and ₹ 4.98 Lakh is secured by vehicle.

Amount repayable: ₹ 780.00 Lakh in 2018-19, ₹ 780.00 Lakh in 2019-20, ₹ 780.00 Lakh in 2020-21, ₹ 780.00 Lakh in 2021-22 and 2022-23 ₹ 190.80 Lakh. Rate of interest ranges from 9.0% to 11.0%.

Installments falling due in respect of the above term loan upto March 31, 2019 aggregating ₹ 784.98 Lakh have been grouped under current maturities of long- term borrowings.

40. EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

Amount recognised as an expenses and included in Schedule 27 under the "Contribution to Provident and Other Funds" of Consolidated Statement of Profit and Loss Account is ₹ 198.85 Lakh.

Notes to the Consolidated Financial Statements (Contd.)

Defined Benefit Plan – Gratuity

The Group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employee on retirement or on termination of employment. The gratuity benefit payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. In case of death while in service, the gratuity is payable irrespective of vesting. The Group's obligation towards Gratuity is a Defined Benefit plan and is not funded.

The plan typically exposes the Group to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2018. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

As per Ind AS 19 the disclosures as defined in the Accounting Standard are given below:

Change in Present Value of Defined Benefit Obligation

(₹ in Lakh)

Particulars	Gratuity (Unfunded)	Leave Encashment
	2017-18	2017-18
Present value of obligation at the beginning of the year	189.30	129.92
On Business Combination	87.70	14.08
Current service cost	50.33	38.66
Interest cost	14.99	7.43
Acquisition adjustment	5.89	(0.16)
Remeasurement-Acturial (gain)/ loss	(12.62)	1.66
Past service cost	5.68	-
Benefits paid by Group	**(27.08)**	**(17.88)**
Present value of obligation at the year end	314.20	173.71

Change in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	Gratuity (Funded)
	2017-18
Fair value of plan assets at the beginning of the year	2.98
Remeasurement-Return on plan assets excluding amounts included in interest income	0.22
Fair value of plan assets at the end the year	3.20

Notes to the Consolidated Financial Statements (Contd.)

Net Defined Benefit Liability/ (Assets)

(₹ in Lakh)

Particulars	2017-18
Defined Benefit Obligation	314.20
Fair Value of Plan Assets	(3.20)
Surplus/ (Deficit)	311.00
Net Defined Benefit Liability/ (Assets)	**311.00**

Expenses recognised in Consolidated Statement of Profit and Loss

(₹ in Lakh)

Particulars	Gratuity (Unfunded)	Leave Encashment
	2017-18	2017-18
Current service cost	50.33	38.66
Net interest on the net defined benefit liability/ asset	14.99	7.43
Remeasurement on (gain)/ loss	-	1.66
Immediate recognition of (gain)/ loss - other long term benefits	(2.10)	-
Total Expenses recognised in Profit and Loss Account	63.22	47.75

Re-measurement Effects Recognised in Other Comprehensive Income (OCI)

(₹ in Lakh)

Particulars	2017-18
Actuarial (gain)/ loss	(25.68)
Total (gain) / loss included in OCI	**(25.68)**

Financial Assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	Gratuity	Leave Encashment
	2017-18	2017-18
Discounted rate (per annum)	7.80%	7.80%
Expected rate of future salary increase	5-9%	5-9%
Mortality rate (% of IALM 06-08)	100%	100%
Withdrawal rate (per annum)	1-20%	1-20%
Normal retirement age	58-60 Years	58-60 Years

Sensitivity analysis : Gratuity

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity is given below:

(₹ in Lakh)

Particulars	2017-18
Defined Benefit Obligation (Base)	314.20

(₹ in Lakh)

Particulars	2017-18	
	Decrease	Increase
Discount Rate (- / + 0.5-1%)	248.75	192.08
Salary Growth rate (- / + 0.5-1%)	192.10	248.36
Attrition rate (- / + 50% of attrition rates)	214.44	221.22
Mortality rate (- / + 10% of Mortality rates)	217.69	218.21

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

Notes to the Consolidated Financial Statements (Contd.)

41. The Group is engaged only in Logistics business in India and there are no separate reportable business and geographical segments under the Accounting Standard of Ind AS 108 Operating Segments.

42. BUSINESS COMBINATIONS

(i) Subsidiary acquired

(₹ in Lakh)

Name of target Company	Principal activity	Acquisition date	% of voting equity interest	Consideration paid in Cash
Vulcan Express Private Limited	Fulfilment Business, Last Mile Delivery Business for E-Commerce Activities.	February 2, 2018	100.0	4,012.27

Above businesses were acquired so as to continue the expansion of the Transportation activities in Logistics sector.

(ii) Acquisition cost

Acquisition-related costs have been excluded from the consideration transferred and have been recognised as an expense in profit or loss in the year of acquisition, within the 'Other expenses' line item.

(iii) Assets acquired and liabilities recognised at the date of acquisition

Particulars	₹ in Lakh
Current assets	
Cash and cash equivalents	549.55
Trade and other receivables	4,262.04
Other Current Assets	1,095.84
Non-current assets	
Property, plant and equipment	5,826.29
Intangible Assets	94.51
Other Non-Current Assets	800.47
Current liabilities	
Trade and other payables	4,597.17
Other Current Liabilities and Provisions	2,220.77
Non-current liabilities	
Other Non-Current Liabilities	85.01
Net assets acquired	**5,725.76**

Notes to the Consolidated Financial Statements (Contd.)

(iv) Capital Reserve arising on acquisition

Capital reserve arose in the acquisition amounting to ₹ 1,713.49 Lakh

(v) Net cash outflow on acquisition of business

Particulars	(₹ in Lakh)
Consideration paid in cash	4,012.27
Less: Cash and cash equivalent balances acquired	549.55
Net cash outflow	3,462.72

(vi) Had these business combinations been effected from April 1, 2017, the revenue of the Company from continuing operations for year ended March 31, 2018 would have been ₹ 93,780.49 Lakh

43. APPROVAL OF FINANCIAL STATEMENT

The Consolidated Financial Statements were approved by the Audit Committee and the Board of Directors at their respective meetings held on April 25, 2018.

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants

Ashok A. Trivedi
Partner
Membership No.: 042472

Place: Mumbai
Date : April 25, 2018

For and on behalf of the Board of Directors
Future Supply Chain Solutions Limited

Mayur Toshniwal
(Managing Director)
DIN : 01655776

C P Toshniwal
(Director)
DIN : 00036303

Samir Kedia
(Chief Financial Officer)

Vimal K Dhruve
(Company Secretary)

FUTURE SUPPLY CHAIN SOLUTIONS LIMITED

Information as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2018.

Sl. No., Employee Name, Designation, Age, Date of Joining, Experience (in Years), Qualification, Remuneration received (in ₹), Last Employment

1. P V Sheshadri, President, 50, November 27, 2006, 25, B.Sc., 12992425, Welspun Retail Limited, 2. Mayur Toshniwal*, Managing Director, 50, August 5, 2017, 25, MBA, 11512865, Entrepreneur 3. Divyansh Rathore, Vice President, 46, July 21, 2011, 24, BE, 7554957, Guetermann Private Limited, 4. Kailash Chand Sharma*, Chief Financial Officer, 53, July 1, 2013, 26, Chartered Accountant, 7361847, Asian Retail Lighting Limited 5. Sougato Shome, Vice President, 45, January 12, 2006, 21, MBA, 6625421, Philips India Electronics Limited 6. ASR Prasad, Vice President, 47, October 31, 2007, 20, MBA, 6406810, The Himalaya Drug Company 7. Jayesh Tanaji Patil, General Manager, 43, December 12, 2007, 20, MBA, 5596042, Woodworth Wholesale 8. Anand Sen, General Manager, 37, December 07, 2015, 10, MBA, 5025384, R.K. Foodland 9. Vipul Dhawan, General Manager, April 18, 2011, 23, MBA, 5004525, Tops Group 10. Vinod K Sharma, General Manager, 51, July 01, 2015, 27, M.Com., 4859888, Gati Limited.

* Employed during part of the year

Notes:

1. The employees have adequate experience to discharge the responsibilities assigned to them.
2. The nature of employment is contractual.
3. No employee is related to any director of the Company.
4. Gross remuneration received shown in this statement inlcudes salary, allowances and perequisite and other terminal benefits, as applicable.
5. Terms and conditons of the employment are as per Company's rules and policy.

For **Future Supply Chain Solutions Limited**

Place: Mumbai
Date: April 25, 2018

Rakesh Biyani
Chairman

References to the A&M Industry Report are to the report of Alvarez & Marsal India Private Limited ("A&M India") entitled "Future of Organized Logistics in India - Contract, Express and Cold Chain" (the "Report"), which is subject to the following disclaimer:

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