FUTURE CONSUMER

for the Fast Moving Consumer Generation

ANNUAL REPORT 2017-18

DESI ATTA
BAJJI BONDA MIX
ektaa
Wheat Daliya
FRESH & PURE
Mustard Oil
Nilgiris
OUR SMOOTH TONED MILK
Sunkist
veg affaire
GREEN PEAS FRESHLY PICKED
Nilgiris
Banana Chips
DESI ATTA
BROWN RICE ATTA
GOLDEN HARVEST
TURMERIC POWDER
GOLDEN HARVEST
Garam Masala
KARMIQ
DRIED CRANBERRIES
KARMIQ
GREEN TEA
mother earth
ORGANICS
Sugar
prim
COLOUR GRABBER
Tasty Treat
Nach-O-Chips
CORN CHIPS
Sunkist
ORANGE
CALIFORNIA
200ml
NATURE'S CHOICE
ROASTED & SALTED PISTACHIO
KOSH
MAGIC MANGO
GOLDEN HARVEST
PINK ROCK SALT
puretta

FMCG 2.0

We are in the business of brands – brands that nourish, brands that excite, brands that lets one indulge, brands that build a healthier and happier future.

More than two dozen brands that speak, react and respond to the rhythm of the **Fast Moving Consumer Generation.**

Corporate Information

BOARD OF DIRECTORS

G.N. Bajpai
Chairman, Independent Director

Kishore Biyani
Vice Chairman

Ashni Biyani
Managing Director
(effective 22nd May, 2018)

Adhiraj Harish
Independent Director

Deepak Malik
Nominee Director

Frederic de Mevius
Director

Krishan Kant Rathi
Director

Narendra Baheti
Executive Director

Vibha Rishi
Independent Director

STATUTORY AUDITORS
M/s. S R B C & Co. LLP

BANKERS
Kotak Mahindra Bank Limited
RBL Bank Limited
State Bank of India
Yes Bank Limited
HDFC Bank Limited

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Knowledge House,
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F: +91 22 6644 2201

CHIEF FINANCIAL OFFICER
Ravin Mody

COMPANY SECRETARY & HEAD-LEGAL
Manoj Gagvani

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LBS Marg, Vikhroli (West),
Mumbai 400 083
T: +91 22 6119 0000
F: +91 22 6199 5391
E: investor.care@futurconsumer.in

REGISTRAR & SHARE TRANSFER AGENTS
Link Intime India Private Limited
C-101, 247 Park,
LBS Marg, Vikhroli (West),
Mumbai 400 083
T: +91 22 4918 6270
F: +91 22 4918 6060
E: rnt.helpdesk@linkintime.co.in

WEBSITE
www.futureconsumer.in

CORPORATE IDENTIFICATION NUMBER
L52602MH1996PLC192090

Contents

Letter from the Managing Director

Dear Stakeholders

I am pleased to share with you the Annual Report of your Company for the financial year 2017-2018. The Company posted consolidated revenue of ₹ 3,005 crore, a growth of 42% over the previous financial year. The EBIDTA margins doubled to around 2.2% and the Company posted an EBIDTA of ₹ 66.4 crore, compared to ₹ 20.7 crore in the previous financial year. With operating efficiencies kicking in, the Company narrowed down its net loss to ₹ 26 crore. On a standalone basis the Company posted a net profit of ₹ 32.3 crore. From here on, your Company is well placed to post positive earnings per share on a consolidated basis.

However, this is just the beginning of a journey we have embarked on and the opportunities that lie ahead are significantly vast to ensure sustainable value creation for each of our stakeholders.

As a new age FMCG Company, we had been conceived uniquely. FMCG 2.0, is based on three fundamental pillars. Firstly, we have a firm bias towards modern trade and building a controlled distribution network. This is enabling us grow with superior demand- forecasting abilities and help us to do business with rich data. And more importantly it significantly reduces our distribution costs. The second is through managing the entire value chain, from farmer and producer groups, through manufacturing and brand ownership to marketing and distribution. And the third is adopting a customer-first approach, rather than a product first approach that most traditional FMCG companies adopt. We work tirelessly in understanding the ever changing consumers and their behaviours and habits in categories. We believe that we will acquire the lifetime value of this new generation of consumers through our products and brands. Each of these pillars allows your Company to lead the market as a disruptor in the age-old FMCG market in India.

Building a Unique Culture

At Future Consumer Limited, we serve a fast moving consumer generation with constantly rising expectations. Our consumers are demanding and we wouldn't want it any other way. In India, food is culture and reflects old and modern trends, social norms and behaviour.

We therefore place a deep and empathetic understanding of human beings at the centre of our design and product development process. We seek to bring pleasure, convenience, indulgence and excitement into the everyday lives of people through our brands and experiences.

A Year of Launches

APR 2017
Mother Earth, an organic, all natural, pesticide-free brand launched.

MAY 2017
Poof Potato Kettle Chips launched.

JUNE 2017
Sunkist fusion drinks range extended with summer flavours.

JULY 2017
Kosh introduces flavoured oats.

AUG 2017
Tasty Treat introduces popcorns in four flavours.

SEP 2017
Tasty Treat introduces all new frozen snacks.

OCT 2017
Swiss Tempelle introduces pollution defense face wash along with new shower gel variants.

NOV 2017
Shubhra launches Sona Masoori rice.

DEC 2017
Sangi's Kitchen introduces 13 herbs and seasonings.

JAN 2018
Tasty Treat enters the biscuits and cookies category.

FEB 2018
Golden Harvest Quinoa promises to make you healthy.

MAR 2018
Puretta makes baby steps into baby care products.

As a consumer led organization with a strong Indian DNA we have a deep, community-led understanding of the habits, rituals, identities, and preferences that shape consumption in India's complex and wildly heterogeneous society.

We believe that a celebration of food is at the core of being Indian. We recognize the power of food as a source of great joy in our lives, and we seek to eliminate fear, guilt and doubt when it comes to our enjoyment of food. We strive to create experiences of food and FMCG brands that are joyful, uplifting and stress-free. We reject food fads and refuse to see food as only carbohydrates, proteins or fats. We recognize the holistic health potential of all foods and ingredients and seek to bring this holistic perspective to our products.

We want to raise awareness about the goodness of Indian food and ingredients instead of having this knowledge appropriated by others and sent back to India. We respect the role of nature and culture in our food and personal care habits and seek to constantly bring back tradition in a contemporary, modern avatar.

We want Indian homes to enjoy the conveniences, aesthetics and sensorials that are on par with the best in the world. We seek to reinvigorate home care practices that have become mundane and tiring with new designs, ingredients, and conveniences.

Unlike traditional FMCG companies we are modern-trade led, data-led, design-thinking and consumer-led. We are constantly innovating, evaluating, iterating and refining our portfolio based on consumer reactions that we see live, every day in our own retail stores. As part of an organization that owns the entire integrated value chain, we are able to operate with the fearlessness, speed, and passion of a startup and we aim to always retain this energy and sense of wonder.

Zero to One and Infinity

You will be pleased to know that during this financial year, your Company launched 424 new stock keeping units (SKU) in various products across 27 categories in food, home and personal care. While we have launched many new products, brands and categories, we have also grown our brands significantly. Kara as a brand, which we acquired in the FY 14-15 has grown the category of facial wipes in modern retail by around 120%. The brand Tasty Treat has crossed the ₹ 100 crore during the year. Desi Atta Company, as a brand, has grown 2.2x over last year. One-on-one communication has ensured that more than 55% customers who bought Desi Atta Company products came back to shop the brand again within three months.

While at one end we are building new brands and products, we are also simultaneously growing our existing brands and product categories. This is made possible by nurturing both the zero to one instinct and the one to infinity mindset in the organisation.

The 'zero to one' team, helps see and idea from thought to launch. The team works with customers, understands category nuances, develops innovative recipes and packaging ideas and formats and launches products. Then the 'one to infinity' team works with rigour and focus to build the smooth supply chains, ensure availability and create superior distribution strategies for our portfolio of products and brands.

While the traditional FMCG brands focus on their traditional general trade-led distribution network and invest disproportionately in mass advertising, the insurgent mindset withinin your company works at multiple levels, in creating new distribution platforms, using new and digital media platforms to speak to customers, expanding categories through product innovations and thus nibbling away market share amongst new and alpha customers. In effect, our brands are growing at a pace faster than traditional, incumbent brands.

Translating Culture into Winning Market Ideas

The focus is as much on creating new categories of consumption as it is on taking a larger share of existing categories. For example, Think Skin is designed as a fighter brand for skin care products. India's shower gel segment is less than US$ 33 million, compared to the US$ 2.8 billion bar soap category. In neighbouring Malaysia, shower gels are three times the bar soap category. Traditional FMCG companies attributed India's low use of shower gels to lack of running water for a large consumer base.

Our research showed this might not necessarily be true. With Think Skin, we decided to fight not within the shower gel category but amidst the more mature bar soap universe. High pricing and weak marketing was behind the small market share for body wash. Traditional companies in the past have priced body wash products at a 5-6x premium to bar soaps (100 gram equivalent). However, Think Skin body wash was launched at ₹ 49 for 100 ml, roughly on par with bar soap pricing. The success of this strategy lies not only in the category growing tremendously, but also few established brands having drastically reduced their prices. Think Skin had an early advantage among the alpha customers in modern retail.

Rather than growing our rural footprint by building a slow and expensive distribution network, the Company relied on partnering with State Governments. In Rajasthan, more than 5600 ration shops were converted into self-service stores, Annapurna Bhandaar. These stores distribute both public distribution scheme products through UIDAI authentication as well as sell a much wider range of FMCG products supplied by the Company. Operated in partnership with the Government of Rajasthan, Annapurna Bhandaar is now the subject of a case study at IIM, Calcutta and will be expanded soon in Andhra Pradesh.

> You will be pleased to know that during this financial year, your Company launched 424 new SKU's in various products across 27 categories in food, home and personal care.

In addition, the Company has also built a rural wholesale club model through Aadhaar in other states in Western India. Both these models not only help the Company engage with rural customers but also create opportunities for income generation within rural households.

As a stakeholder and well wisher of the organisation, each one of you have been an integral part of the Company's journey. I seek your trust, guidance and blessings in the days ahead. The journey has just begun.

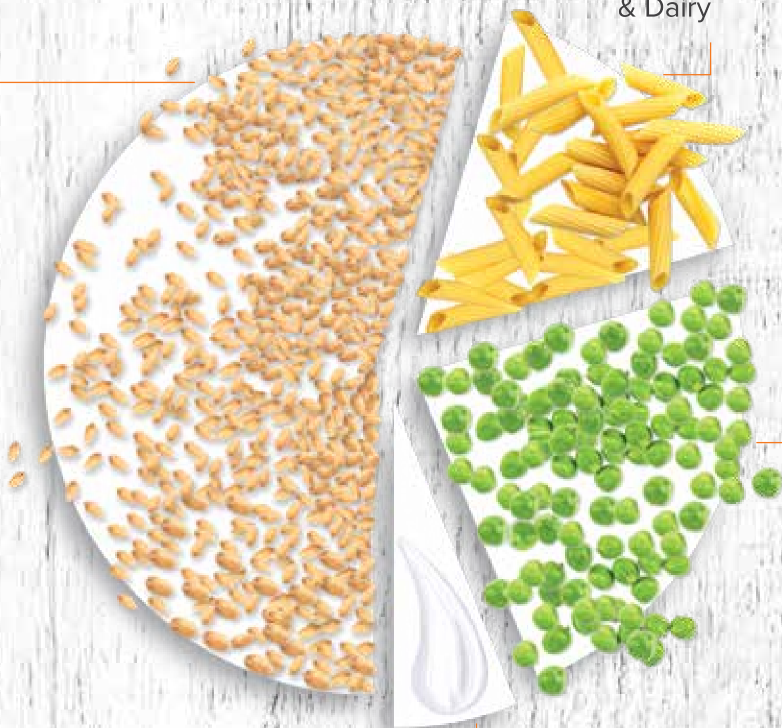
Rewrite Rules, Retain Values

Ashni Biyani

Business of Brands

While Centre of Plate brands led the category mix, our power brands outperformed their peers in almost every category. And the younger brands mutlipled in size over the past year

SHARE OF REVENUES



54%

Centre of Plate

Golden Harvest grew **22%**, crossed **₹ 1000 crore** in brand sales. Desi Atta Company grew **2.9X.**

16%

Processed Foods & Dairy

Tasty Treat grew **45%**, crossed **₹ 100 crore** in brand sales. Sangi's Kitchen grew **6.3X**.

23%

Others

Others include sales through rural distribution, fresh fruits and vegetables, unpacked staples and inter-company sales.

6%

Home & Personal Care

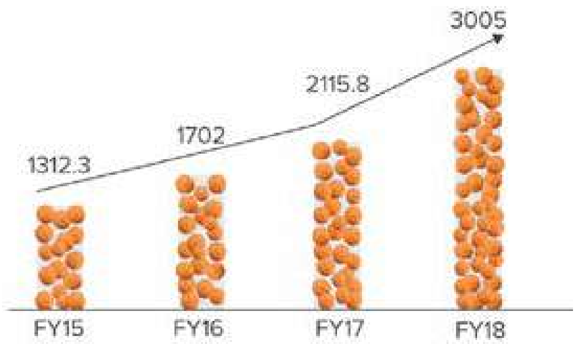
CleanMate grew **39%**, crossed **₹ 50 crore** in brand sales. Swiss Tempelle grew **3.7X**.

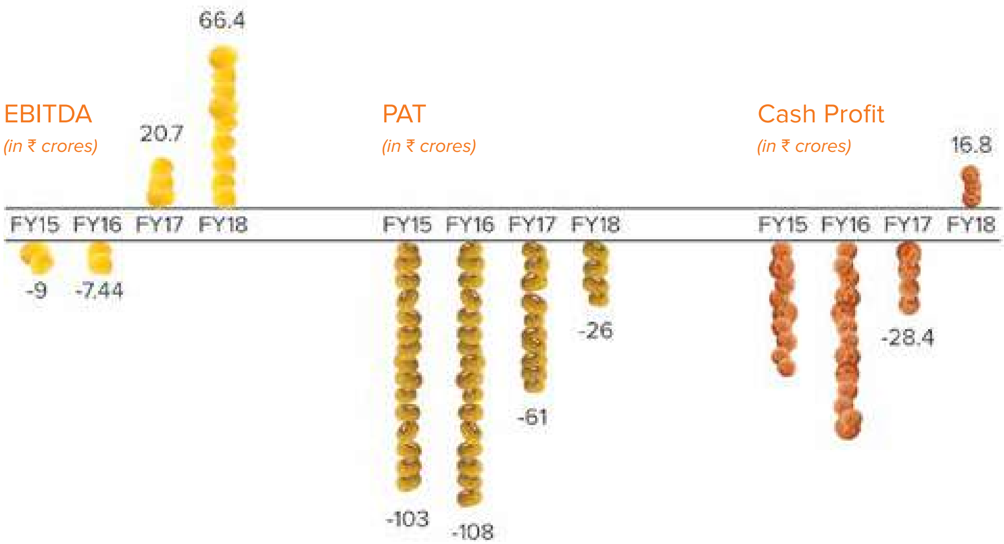
FINANCIAL SNAPSHOT

Strong growth in brands fuelled a 45% growth in consolidated revenues. Operating efficiencies kicked in as consolidated EBIDTA margins more than doubled.

During the year the Company achieved an important milestone of posting a consolidated cash profit of ₹ 16.8 crore.

(in ₹ crores)





WHERE WE SELL

Our distribution network almost doubled, with our brands now available in almost every modern trade chain in the country.

And in over 96,000 large general trade stores.

Channel Wise Sales Mix

54% Big Bazaar

21% Nilgiris, Heritage, EasyDay

3% Aadhaar Rural

22% Others

1603
employees

3 MW
solar power plant being commissioned at India Food Park

5600
rations shops in Rajasthan converted to modern, self sustaining Annapurna Bhandaar stores

1.8 L
tons of agri produce sourced from farmers

71
agri sourcing hubs

26
states in which we have APMC licenses

40
food processing centers and factories

The Story of *Tasty Treat*

A brand that evokes indulgence, the 'drool factor' and 'mindless munching.' A logo that showcases the tongue winning over the heart. Tasty Treat offers yummy and delicious treats, endorsing every individual's gastronomical pursuits and living by the philosophy - Taste is the King.

Biscuits are a ₹ 25,000 crore category with a 9% share of modern trade and snacking is a ₹ 16,000 crore category with a 6% share of modern trade. The Company believes both these categories are ripe for disruption and growth through rapid product innovation and a strong brand play through Tasty Treat.

INDULGENCE

Tasty Treat's Instant Vermicelli in four exciting flavors has been an instant hit, and the famous wafer biscuits are now available at many *kirana* stores.

The Company's indulgence focussed brands are led mostly by processed food categories. The processed foods category grew by 95% during the year, led by its flagship brand Tasty Treat growing 63% during the year, touching ₹ 110 crore in sales. This was possible due to a rapid expansion of the brand's product portfolio coupled with a strong advertising campaign across multiple platforms.

The brand started the year with the launch of a new range of frozen snacks that was warmly received by customers. Tasty Treat frozen snack range now includes aloo tikki, barbeque potato bites, cheese poppers, crinkle cut fries, potato wedges and hash browns. Later in the year, the brand introduced popcorns in four exciting flavours, tomato mayo sauce and soups in five variants. However, the biggest launch was towards the end of the year with biscuits and cookies. Manufactured at one of the best facilities in India, the products can compete favorably in both taste and quality with the best brands in the Country.

The Company's fun brand Pooof! is an expression of something light, something that is present in a moment and gone in the next. Pooof! extended its range of wafflets in multiple flavors like Belgian chocolate, coffee hazelnut and strawberry candy floss, and a new and exciting range of kettle chips in spicy peri-peri flavour and tangy tomato.

Sunkist extended its range of fusion drinks and beverages with new flavours such as Citrus Twist, Kiwi Lemon, Apple Ginger Honey, Pinacolada and Berry Punch. Baker Street was launched in a new avataar with products like biscotti breads, garlic breads, bruchetta, flavored bread sticks and croutons.

The fastest growing among these brands was Sangi's Kitchen. The brand is built around the idea of offering secret ingredients from the kitchen of a well travelled home maker. It was launched last year with a range of dips and sauces. During this year, the brand extended its range to include various premium spices that celebrate the combination of seasonality, enticing aroma and hand picked goodness. For the forthcoming year, the brand is on its way to introduce series of new products including ready mixes, masalas, spreads and sauces.

The Story of *Kosh*

Kosh is the ingenious makeover and assimilation of oats into your everyday food without compromising on taste. The brand aims to take oats out of just being a breakfast cereal and make it the third grain of India, appropiate for every meal.

Apart from capturing the three meals of the day, the brand this year identified a perfect solution for evening hunger pangs with the launch of Kosh Flavoured Oats in savoury flavours that suit the Indian taste palate. Kosh Flavoured Oats led the growth in the small pack flavoured oats category sales by 40%, gaining a share of over 50% in Future Group's retail formats.

Coming up next in Kosh is Muesli as well as an extended range of flavored oats.

The Story of *Karmiq*

Karmiq is a positive approach to living and the brand is rooted in the idea of 'food that celebrates youth.' Going beyond the surface of 'lifestyle wellness' it encourages us to take small but significant steps towards a deeper sense of health and happiness.

It offers a range of green teas, dry fruits, alternate healthier & exotic oils, flavoured nuts and seeds that are a blend of nutrition and health combined with great taste. New launches included Iranian pistas, Afghan raisins, roasted flax seeds, dried cranberry – many of them in smart cans.

Coming up in the forthcoming year are Persian saffron, Karmiq munchies like flavored cashews and almonds and a line of exclusive Karmiq gift boxes.

NUTRITION

The Company offers 54 varieties of rice that cater to the local tastes and preferences of 14 regions.

The Story of *Desi Atta Company*

The brand was born out of the diversity that is India. Flour for every season, from every region and for every festival food. The brand brings to table a promise, that each time you open one of its sealed packs, you'll find nothing but the goodness of Indian values, and incredible taste. From flours for Ganesh Chaturthi's modak to navratri's kuttu and samak atta pooris to gluten-free flour, from flours for multigrain bhatura, rava dosa, to sabudana atta, brown rice atta, beetroot wheat atta and much more.

In order to ensure uninterrupted supplies, the third manufacturing unit in Delhi was commissioned. The brand counts even the Indian Railways amongst its customers. In-store data tracking shows once a customer buys the brand, there is a 55% chance she will purchase again within three months.

The centre of plate category now offers 1900 SKUs (stock keeping units), up from 1600 SKU in the previous financial year and is spread across various brands. The Company leads the category with its Golden Harvest brand that crossed ₹ 1000 crore in brand sales. The brand offers the widest range of products. For example, the Company sources 54 varieties of rice that cater to the local tastes and preferences of 14 regions across the country. Hence, almost 70% of branded rice sales within Big Bazaar is through the Company's brands.

During the year, the Company also launched Shubra, a dedicated rice brand that offers healthy variants that are 99.5% fat free and easy to digest, making it ideal for regular, everyday consumption. It also strenghtened its USDA-approved organic staples brand Mother Earth that offers brown rice, puffed rice, pulses, spices and sugar. Ektaa, a brand for local specialities, launched new products such as navsari poha from Lucknow, flavored tal makhana and flavored and premium jaggery during the year.

Golden Harvest Prime, a range started to provide select products such as high quality pulses, quinoa and millets is leveraging the expertise gained over a dozen years in sourcing and in targetting discerning customers. The brand added 12 products in the last year including pearl millet, sorghum millet, little millet, barnyard millet, black rice, brown rice, jasmine rice, quinoa etc. This was possible due to a major thrust on procuring directly from farmers at two locations in Maharashtra and three locations in Madhya Pradesh and at Tumkur, Karnataka. The Company is now engaging direcly with over 7,000 farmers and this is expected to double next year.

During the year, Golden Harvest created a record by selling 1000 tons Almonds and Walnuts both specially sourced from the best growing regions in the world by promoting the health benefits to consumers. Along with the Company's health focussed, premium brand, Karmiq, Golden Harvest has 95% share of dry fruits category within Big Bazaar and is growing at over 32% annual growth.

PAMPER

Swiss Tempelle has extended its range to face washes and shower gels. It has plans to further expand in the category.

The Story of *Swiss Tempelle*

Born out of the unique FusionSecrets of exotic Swiss ingredients and familiar Indian botanical extracts, the brand's offerings echo the infusion of known beauty secrets into new layers of luxury. Concieved in the product development labs of Swiss consumer goods major, the brand combines the best ingredients in skin care available across the World.

During the year, Swiss Tempelle extended its range to include five variants of face wash like deep purifying face wash with neem, tulsi and glacier water or a men's pimple clear facewash with volcanic ash and tulsi. It also introduced four new varaints of shower gel. The brand is soon to be manufactured in India according to the exact standards of the Mibelle Group.

take time for yourself

The home and personal care segment is among the most challenging and exciting spaces to create new brands and businesses. The Company has led this category through smart innovations and identifying new areas of consumption. Many of the Company's brands are now at their point of inflection in becoming the category leaders.

The Company's flagship brand in the category CleanMate moved to a more uniform and classic brand architecture. The key categories like toilet cleaners wherein the brand has over 45% share within Big Bazaar, glass cleaners wherein it is a category leader and utensil gel were revamped. The brand also launched new and innovative products such as bathroom cleaners for Indian toilets, and oxo degradable, perfumed garbage bin bags. The brand roped in Bollywood superstar Akshay Kumar, during the release of the movie "Toilet, Ek Prem Katha" and created a fund, Swachh Bharat Kosh. CleanMate achieved a record primary sales of ₹ 69 crores and secondary sales worth ₹ 87 crores during the financial year.

The Company's another leading brand in personal care, Kara continued to strenghthen its position in the 'beauty on the go' segment with refresing and skin care wipes, sheet face masks and nail polish removers. It is now a ₹ 30 crore brand, having grown more than three times since its acquisition in 2015.

Think Skin or TS, focussed on making body wash mainstream. It is positioned as a better alternative to soaps and takes soap brands headon. While the brand dominates body wash segment, it aims to cross 10% of total soap sales through its body wash range.

Pratha continued its core focus on providing ingredients that are used in worship, rituals and wellness. It introduced packaged bottle of Ganga jal collected from the valleys of Gangotri.

Innovation in this sgement was led by a new brand, Prim. Prim is introducing home care products that are so far not available in India – from color grabber fabric cleaners, innovative clearners like magic sponge, disinfectant wipes for fridge and microwaves, odor absorbers, toilet seat sanitisers and much more, sourced from labs and manufacturers from across the world. The Company also made baby steps into the baby care segment with a new brand Puretta that has started off with offering pacifiers and feeding bottles.

From inspiration to ideation

From ideation to execution

Behind the Scenes:

From insights to manufacturing and distribution

While brands capture the consumer interface of the Company, the organisation has now developed extensive expertise across every facet of its farm-to-fork presence in the FMCG value chain. The organisation design incorporates an extensive 'zero to one' cohort that is involved in creation and innovation and a 'one to hundred' cohort' that leads with excellence in execution.

The 'zero to one' cohort includes key functions such as consumer research, design, launch and marketing, new product development, sourcing and packaging. The 'one to hundred' cohort leads sales and distribution, procurement, manufacturing, supply chain, quality control, technology, consumer activation and other key functions. Extensive consumer and behavioural research and design-led thinking are at the heart of the innovation process in the Company.

Food processing and value addition

Ready to launch

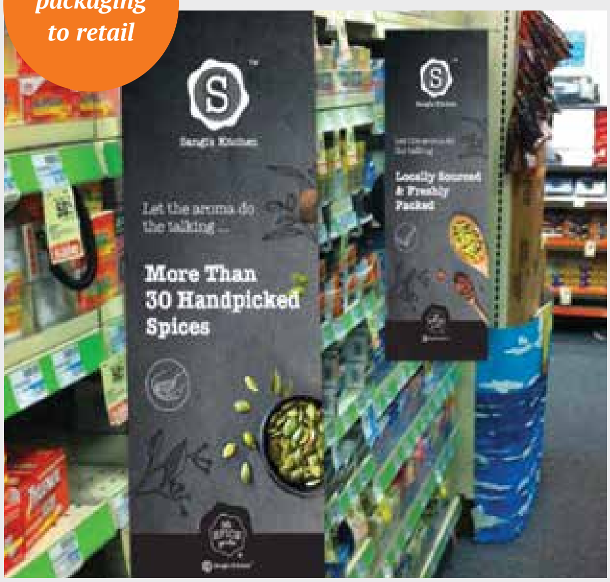
In order to bolster its technology and governence processes, during the year the Company migrated to an all- encompassing ERP system integration in S4/HANA project that enables its value chain to rapidly churn out new products and covers entire operations including working in tandem with the third party manufacturers for its food and non-food demand fulfilment.

The Company operates more than forty manufacturing and processing facilities across the Country, with a bulk of it located at the state of the art India Food Park in Tumkur. The Food Park has so far sourced and processed more than 100,000 metric tons of agricultural produce. Quality and food safety is at heart of our manufacturing process and the Food Park earned for itself the ISO: 22000 certification this year and also opened a full fledged food testing lab and an in-house R&D lab.

The Company has also adopted a 360 degree marketing and brand creation approach and many of its brands were advertised through mass media including television commercials, press ads and outdoor. Almost every brand has adopted a strong social media presence and the Company plans to leverage the IPL series for brand development through television, social media and Hotstar.

The Company's distribution footprint goes beyond the modern retail network. The 5600-store chain, Annapurna Bhandaar, operated in association with government of Rajasthan and the Aadhaar distribution network helps reach its products to rural consumers in Western India. The Company is also making strong inroads in the general trade segment, specially through its partnership with Indo Nissin's general trade distribution footprint.

From packaging to retail



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 22nd Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

The summarized financial performance (Standalone and Consolidated) of the Company:

(₹ in Lakhs)

	Standalone		Consolidated	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Total Income	247,812.43	167,943.97	303,754.50	214,088.17
Profit/(Loss) before Tax & Exceptional Items	3,262.37	795.25	(1,151.77)	(4,274.38)
Less : Exceptional Items	-	-	-	-
Profit/(Loss) before Tax	3,262.37	795.25	(1,151.77)	(4,274.38)
Profit/(Loss) after Tax	3,234.68	777.67	(3,064.35)	(6,543.53)
Profit/(Loss) Attributable to owners of the company	NA	NA	(2598.42)	(6100.55)

BUSINESS OPERATIONS

Your Company continues to strengthen its position as an integrated Food and HPC Company by focusing on key strategic thrusts on scaling up core brands, launch of new brands and products across various categories, premuimisation of the portfolio and deep market penetration. During the year under review, your Company has expanded its foot print across Food, Beverages and Home and Personal Care category.

During the year under review, your Company has recorded total income of ₹ 2,478.12 Crore and EBIDTA profit of ₹ 69.31 Crore as against total income of ₹ 1,679.44 Crore and EBIDTA profit of ₹ 31.68 Crore in the previous financial year. The Company has issued Secured Non-Convertible Debentures aggregating to ₹ 150 Crore to CDC Group PLC, UK's Development Finance Institution, primarily to finance capex, long-term working capital and support the growth of the business of the Company. Your Company has also issued Secured Non-Convertible Debentures to A K Capital Finance Limited for an amount of ₹ 35 Crore and to A K Capital Services Limited for an amount of ₹ 15 Crore aggregating to ₹ 50 Crore, during the financial year ended 31st March, 2018.

In order to give true and fair view in the books of accounts of the Company, it is proposed, subject to obtaining of necessary consents and approvals, to utilize an amount of ₹ 2,86,90,40,797/- out of the amount of ₹ 3,14,27,82,392/- standing to the credit of the Securities Premium Account of the Company as on 31st December, 2017 by writing off the Accumulated Losses amounting to ₹ 2,86,90,40,797/-. The Notice convening forthcoming Annual General Meeting includes the proposal for the said Scheme for Capital Reduction.

In view of inadequate profits during the financial year 2017-18, no appropriation is proposed to be made towards Reserves.

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

FUTURE OUTLOOK

India has emerged as the fastest growing economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years. India's Food & Home and Personal Care ("HPC") industry is pegged at ~$300 billion in 2017 and is expected to grow at a CAGR of 11% to ~$500 billion over the next five years with organized segment growing at a CAGR of 20% over the same period. The Food & Beverages sector contributes over ~92% of the overall market. The staples and pulses segment is highly unbranded, creating a huge opportunity. Indian consumption sector is largely divided into urban and rural markets, attracting companies from across the World. The rise in income along with the rise in growing youth population and rural consumption is expected to drive growth. The low current penetration in rural markets offers an attractive opportunity for growth to major food and HPC companies.

Growing awareness, easier access, and changing lifestyles are the key growth drivers for the consumer market. The focus on agriculture, MSMEs, education, healthcare, infrastructure and employment under the Union Budget 2018-19 is expected to directly impact the FMCG sector. These initiatives are expected to increase the disposable income in the hands of the common people, especially in the rural area, which will be beneficial for the sector as well as your Company.

UNCLAIMED SHARES

In terms of the provisions of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **("SEBI Listing Regulations")** details about unclaimed shares in suspense account as on 31st March, 2018 are as under:

Description	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account as on 1st April, 2017	2	18,600
Aggregate number of shareholders who approached the Company for transfer from suspense account upto 31st March, 2018	-	-
Number of shareholders to whom shares were transferred from suspense account upto 31st March, 2018	-	-
Aggregate number of shareholders and outstanding shares in the suspense account as on 31st March, 2018	2	18,600

The Company has opened separate suspense accounts with National Securities Depository Limited and Central Depository Services (India) Limited and has credited the said unclaimed shares to these suspense accounts. The voting rights in respect of shares maintained under the suspense account shall remain frozen till the rightful owner makes any claim over such shares.

During the year under review, 600 shares of Future Lifestyle Fashions Limited (**"FLFL"**) arising out of 18,600 unclaimed shares, have been transferred to 'Future Lifestyle Fashions Ltd Unclaimed Suspense Account'. The shares held under the said account shall be transferred by FLFL as and when the rightful owner makes any claim over such shares.

DIVIDEND

Your Directors have not recommended any dividend on equity shares in respect of the financial year 2017-18, in view of conserving the funds for envisaged bussiness requirements.

In terms of the provisions of Regulation 43A of SEBI Listing Regulations, the Company has adopted a Dividend Distribution Policy. The Dividend Distribution Policy is annexed to this Report as **Annexure I** and is also available on the website of the Company - http://futureconsumer.in/Investors.aspx#policies.html.

INCREASE IN SHARE CAPITAL

During the year under review, your Company:

a) has issued and allotted in aggregate 49,42,983 equity shares of the Company to eligible employees on exercise of options granted under Employees Stock Option Scheme(s) formulated by the Company;

b) has issued and allotted 2,94,76,462 equity shares to Srishti Mall Management Company Private Limited **("Srishti")** upon conversion of 6,700 warrants issued to Srishti at a conversion price of ₹ 22.73 per equity share;

c) has issued and allotted 14,96,56,999 equity shares to Black River Food 2 Pte. Ltd upon conversion of 29,985 Compulsorily Convertible Debentures and unpaid coupons thereon;

d) has issued and allotted 6,68,64,981 equity shares to International Finance Corporation upon conversion of 13,400 Compulsorily Convertible Debentures and unpaid coupons thereon;

Consequent to the aforesaid, the issued, subscribed and paid–up capital of the Company increased from 1,66,24,92,238 equity shares of ₹ 6/- each to 1,91,34,33,663 equity shares of ₹ 6/- each.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As at 31st March, 2018, your Company had following Subsidiary and Joint Venture companies :

Sr. No.	Name of the company	Category
1.	Aadhaar Wholesale Trading and Distribution Limited	Subsidiary
2.	Aussee Oats India Private Limited	Subsidiary
3.	Aussee Oats Milling (Private) Limited	Subsidiary
4.	Amar Chitra Katha Private Limited ("ACKPL")	Subsidiary
5.	ACK Media Direct Limited	Subsidiary of ACKPL
6.	IBH Books & Magazines Distributors Limited	Subsidiary of ACKPL
7.	Ideas Box Entertainment Limited	Subsidiary of ACKPL
8.	Bloom Foods and Beverages Private Limited (formerly known as Bloom Fruit and Vegetables Private Limited)	Subsidiary
9.	Future Food and Products Limited	Subsidiary
10.	Future Consumer Products Limited	Subsidiary
11.	FCEL Food Processors Limited	Subsidiary
12.	Future Food Processing Private Limited	Subsidiary
13.	FCEL Overseas FZCO	Subsidiary
14.	Integrated Food Park Private Limited	Subsidiary
15.	MNS Foods Private Limited	Subsidiary
16.	The Nilgiri Dairy Farm Private Limited ("NDFPL")	Subsidiary
17.	Appu Nutritions Private Limited	Subsidiary of NDFPL
18.	Nilgiris Franchise Private Limited	Subsidiary of NDFPL
19.	Nilgiri's Mechanised Bakery Private Limited	Subsidiary of NDFPL
20.	Sublime Foods Private Limited ("Sublime")	Subsidiary

Sr. No.	Name of the company	Category
21.	Avante Snack Foods Private Limited	Subsidiary of Sublime
22.	Genoa Rice Mills Private Limited	Joint Venture
23.	Mibelle Future Consumer Products A.G.	Joint Venture
24.	Hain Future Natural Products Private Limited	Joint Venture (With effect from 20th June, 2017)

Star and Sitara Wellness Limited and Express Retail Services Private Limited have ceased to be subsidiary of the Company with effect from 31st March, 2018.

After the financial year ended 31st March, 2018:

a) Your Company has acquired 75,40,000 equity shares of Integrated Food Park Private Limited (**"IFPPL"**) from Capital Foods Private Limited. Consequent to the said acquisition of equity shares, your Company now holds 99.93% of the paid-up share capital of IFPPL.

b) Consequent to allotment of shares to the Company constituting 50% of the paid-up share capital of Affluence Food Processors Private Limited, it has become the joint venture of the Company with effect from 2nd April, 2018.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of Subsidiaries, Associates and Joint Venture companies in Form AOC-1 is attached separately to this Annual Report.

The performance, financial position and contribution of each of the Subsidiaries, Associates and Joint Venture companies to the performance of the Company, is provided under Management Discussion and Analysis Report, which is presented separately and forms part of this Report.

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

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

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

FINANCIAL STATEMENTS

Pursuant to the Companies (Indian Accounting Standards) Rules, 2015 (**"IND AS"**) notified by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards with effect from 1st April, 2016. Accordingly, the Standalone and Consolidated Financial Statements of the Company and its subsidiaries, for the year ended 31st March, 2018 and 31st March, 2017 have been prepared in accordance with IND AS.

The audited Consolidated Financial Statements prepared in accordance with IND AS are provided in this Annual Report.

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

Details of loans granted, guarantees provided and investments made by the Company under the provisions of Section 186 of the Companies Act, 2013, are provided in the Notes to Standalone Financial Statements of the Company, forming part of this Report.

RELATED PARTY TRANSACTIONS

The Policy on materiality of related party transactions and dealing with related party transactions (**"RPT Policy"**) as approved by the Board is available on the website of the Company - http://futureconsumer.in/Investors.aspx#policies.html.

All transactions with related parties are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for transactions with related parties which are repetitive in nature.

All transactions entered into with related parties during the financial year under review were in the ordinary course of business and on an arm's length basis. During the year under review, the Company has not entered into any material related party transactions, as defined under the RPT Policy of the Company. Accordingly, the disclosure in respect of contracts or arrangements with related parties, as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

INTERNAL FINANCIAL CONTROLS

Your Company has established adequate systems and procedures for Internal Financial Controls with reference to the Financial Statements. The Company's internal financial control framework is commensurate with the size and nature of business operations of the Company. The Company's internal control systems are regularly assessed taking into consideration the requirements prescribed under the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India.

Based on the assessment carried out by the Company, the internal financial controls were adequate and effective and no reportable material weakness or significant deficiencies in the design or operation of internal financial controls were observed, during the financial year ended 31st March, 2018.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of provisions of the Companies Act, 2013, Mr. K K Rathi and Mr. Frederic de Mevius are liable to retire from the Board of the Company by rotation at the forthcoming Annual General Meeting (**"AGM"**) and being eligible, have offered themselves for re-appointment.

Further, the Board of Directors of the Company (**"Board"**) had, on the recommendation of the Nomination and Remuneration / Compensation Committee (**"Committee"**), subject to approval of the Shareholders of the Company and such other consents and approvals that may be required, appointed Ms. Ashni Biyani as the Managing Director of the Company for a period of three years to come into effect from 22nd May, 2018 and payment of remuneration as determined by the Board and in accordance with the policy of the Company. Prior thereto, she has been a Whole Time Director of the Company since 15th November, 2014.

Further, in terms of newly inserted Regulation 17(1A) vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which comes into effect from 1st April, 2019, consent of the shareholders by way of special resolution shall be required for continuation of a non-executive director who has attained the age of seventy-five years. Mr. G. N. Bajpai, Chairman, Independent and Non-Executive Director of the Company, has attained the prescribed age limit. Accordingly, the Board had at their meeting held on 22nd May, 2018, on the recommendation of the Committee, has recommended for the approval of the Shareholders, for continuation of the tenure of Mr. G.N. Bajpai as the Non-Executive Director on the Board of Directors of the Company, till the completion of his present term of appointment as an Independent Director.

The Notice convening forthcoming Annual General Meeting includes the proposal for appointment / re-appointment and continuation of term of the aforesaid respective Directors. A brief resume of the Directors seeking appointment/ re-appointment and continuation of term at the forthcoming AGM and other details as required to be disclosed in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) forms part of the Notice calling the AGM.

As on 31st March, 2018, none of the Directors are disqualified for appointment / re-appointment under Section 164 of the Companies Act, 2013. Ms. Ashni Biyani is related to Mr. Kishore Biyani, being daughter of Mr. Kishore Biyani.

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

a) Mr. G N Bajpai

b) Ms. Vibha Rishi

c) Mr. Adhiraj Harish

During the year under review, Mr. Devendra Chawla has ceased to be the Chief Executive Officer of the Company with effect from 31st July, 2017. Mr. Manoj Saraf has resigned as the Chief Financial Officer of the Company with effect from 26th May, 2017 and Mr. Ravin Mody has been appointed as the Chief Financial Officer with effect from 27th May, 2017. The Board of Directors wish to place on record their appreciation for the contributions made by Mr. Devendra Chawla and Mr. Manoj Saraf during their respective tenure of employment with the Company.

MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors met 5 (five) times during the financial year 2017-18. The details of composition of the Board and its Committees, their meetings held during the year under review and the attendance of the Directors / Committee Members at the respective meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board. The Board evaluates the recommendations made by Audit Committee and seeks further information as they may require. There were no instances where the Board has not accepted any recommendation of Audit Committee.

PERFORMANCE EVALUATION OF BOARD

A formal evaluation of performance of the Board, its Committees, the Chairman and that of the individual Directors was carried out for the financial year 2017-18. The evaluation process was done through questionnaire which was structured in accordance to the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

The evaluation of Individual Directors was done taking into consideration the role played by each Director as a member at the respective meetings, in pursuit of the purpose and goals, participation at the meetings, independent views and judgement, initiative, ownership of value building.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, information shared and participation of members. In respect of evaluation for performance of the Board, the parameters *inter alia* comprised of key areas such as Board composition, competency of Directors, diversity, frequency of Board and Committee meetings, information sharing and disclosures made to the Board and its Committees. The responses received on evaluation of the Board and its Committees and that of the individual Directors were shared with the Chairman.

The overall performance evaluation process for functioning of Board and its Committees was based on discussions amongst the Board Members, Committee Members and responses shared by each Member. The Board found that there was considerable value and richness in the discussions and deliberations. Based on the outcome of the evaluation, the Board and Committees have agreed for possible continuous improvisation to ensure better effectiveness and functioning of the Board and Committees.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORT

A report in terms of Regulation 34 of the SEBI Listing Regulations, on the business responsibility initiatives taken by the Company is presented separately and forms part of this Annual Report.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

NOMINATION AND REMUNERATION POLICY

In terms of requirements prescribed under Section 178 of the Companies Act, 2013, the Company has framed a Nomination and Remuneration Policy for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the **"Policy"**).

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

a) To evaluate the performance of the members of the Board.

b) To ensure remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Policy is available on the website of the Company - http://futureconsumer.in/Investors.aspx#policies.html and is annexed to this Report as **Annexure II.**

CORPORATE RESPONSIBILITY STATEMENT

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

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

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

Your Company continues to focus on a system- based approach to business risk management. Your Company has formulated 'Enterprise Risk Management (ERM) Policy *inter alia* for identifying and taking opportunities to improve performance of the Company, ensuring effective risk assessment framework and manage risks alongwith internal control systems that are commensurate with the nature and size of its business. Your Company has constituted Risk Management Committee and meeting of Risk Management Committee is held once in every six months. All the critical risks along with current mitigation plans as identified are presented to the Risk Management Committee in order to ensure that all the critical risks are covered and suitable mitigation plans are in place and controls are operating effectively. The Audit Committee has additional oversight in the area of financial risk and controls.

The internal control systems are regularly tested by Statutory as well as Internal Auditors. Any significant audit observation is discussed and follow up actions, as may be required, are reported to the Committees.

AUDITORS AND AUDITORS' REPORT

M/s. S R B C & Co. LLP, Chartered Accountants, have been appointed as the Statutory Auditors of the Company for a period of five years at the 21st Annual General Meeting of the Company held on 29th August, 2017. In terms of the provisions of Companies Act, 2013 and amendments thereto, the provision for ratification of appointment of Statutory Auditors by the Members at every Annual General Meeting have been omitted. In view of the same, the matter for ratification of appointment of Statutory Auditors of the Company, has not been included in the notice calling the forthcoming AGM.

The notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments and explanations. The Auditors' Report does not contain any qualification, reservation or adverse remark. No instances of fraud have been reported by the Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Company has appointed M/s. Sanjay Dholakia & Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2017-18 in terms of the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report is annexed to this Report as **Annexure IV.** The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PUBLIC DEPOSITS

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

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF EMPLOYEES

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

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

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

PARTICULARS OF EMPLOYEE STOCK OPTION PLAN

Pursuant to the approval of the Shareholders, the Company has formulated following employee stock option schemes:

a. FVIL Employees Stock Option Plan-2011 **("FVIL ESOP-2011")**

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

The aforesaid Employee Stock Option Plans are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time ("**SEBI Employee Benefits Regulations**") and there have been no material changes to these Plans during the financial year under review.

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

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

The Company in its regular course of business is vigilant to conserve the resources and continuously implements measures required to save energy.

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

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

A) Conservation of Energy

The energy utilization in each manufacturing unit is being monitored regularly in order to achieve effective conservation of energy. The significant energy conservation measures during the year under review were as under:

(i) <u>the steps taken or impact on conservation of energy;</u>

a. All normal lights at manufacturing units have been replaced with LED lights.

b. Centralised controls for coolers and shop lighting.

c. Used VFD in process machines in F& V Unit.

(ii) the steps taken by the company for utilising alternate sources of energy;

a. India Food Park at Tumkur has installed 3MW solar power generating units by third party which is operational now and is being used across manufacturing units at India Food Park.

(iii) the capital investment on energy conservation equipments;

The investment in installing LED lights in the manufacturing units is approximately ₹ 10 lakhs.

(B) Technology absorption

In the India Food Park at Tumkur, surface aeration system has been changed to diffused aeration system and Migrated to renewable energy source over conventional energy sources. These changes will bring in process improvement, cost reduction & GHG reduction. The aforesaid initiatives have resulted in economies in costs.

The details in respect of Foreign Exchange earnings/ outgo for the year under review, is provided below:

Foreign Exchange Earnings: Nil

Foreign Exchange Outgo:

Particulars	**Amount (₹ In Lakhs)**
Recruitment Expenses	3.48
Travel Expenses	9.91
Royalty	77.89
Marketing	33.65
Sitting Fees	0.40
Total	**125.33**

GENERAL

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

2) The Whole Time Director(s) have not received any commission from the Company nor any remuneration in the form of salary/perquisites from any of its subsidiary companies.

3) There are no significant / material orders passed by the regulators/courts/tribunals during the year under review which would otherwise impact the going concern status of your Company and its future operations.

4) During the year under review, there were no reported instances of cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

5) The Company has complied with all the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit or loss of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts for the financial year ended 31st March, 2018, on a going concern basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

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

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

G. N. Bajpai
Chairman

Date: 22nd May, 2018
Place: Mumbai

DIVIDEND DISTRIBUTION POLICY

Background:

Pursuant to the requirements prescribed under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Dividend Distribution Policy ("**Policy**") is formulated by Future Consumer Limited (**"FCL" / "Company"**) to establish dividend distribution framework which shall be considered by the Board of Directors of the Company ("**Board**") prior to recommending dividend. This Policy is required to be disclosed in the Annual Report and on the website of the Company.

The objective of this Policy is to broadly specify the external and internal factors including financial parameters that shall be considered by the Board while recommending dividend to the shareholders of the Company (**"Shareholders"**). The Board shall while recommending dividend comply with this Policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable laws, rules and regulations.

Company's Philosophy:

FCL believes in long term value creation for its Shareholders while maintaining the desired liquidity, leverage ratios and protecting the interest of all the stakeholders. In terms of the same, FCL will focus on sustainable returns in terms of dividend, in consonance with the dynamics of business environment and the regulatory requirements.

FCL looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long term stakeholder value creation. Good Corporate Governance practices enable a company to attract high quality financial and human capital. In turn, these resources are leveraged to maximize long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large. Our Dividend philosophy is in line with the above principles which will attempt to maintain a consistent dividend record to reward its Shareholders.

Declaration of Dividend:

'Declaration of Dividend' is one of the key financial decisions of the Company, forming part of the overall strategy for efficient allocation of capital as well as increasing shareholder's wealth.

Subject to the applicable regulations, the recommendation of dividend for approval of the Shareholders shall be at the discretion of the Board since ultimately, it is the Board that is best placed to envisage what is in the best interests of the Company.

The Board shall endeavor to strike a balance between: (i) the Company's interest to capitalize its profits, boost cash flows and use surplus funds for its business operations and (ii) the interests of its shareholders, in benefiting from their decision to invest in the shares of the Company.

In line with the philosophy described above, the Board shall review the operating performance every quarter and shall strive to distribute appropriate level of profits in the form of interim / final dividends, from time to time. All dividends shall be subject to statutory regulations and approvals, as applicable.

Per share basis:

The dividend will be declared on per share basis only.

Circumstances under which the Shareholders may or 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 and Internal/External factors considered while declaring dividend:

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

The Board shall illustratively have regard to the following internal and external factors, in declaring dividend:

Internal factors:

- Operations and Earnings of the Company;
- General financial condition;
- Short term and long term capital requirements;
- Resources required to fund acquisitions and / or new businesses;
- Cash flow required to meet contingencies;

- Outstanding borrowings;
- Liquidity position;
- Contractual obligations;
- Restrictive covenants under financing arrangements with lenders.

External:

- Macro-economic environment;
- Competitive Environment;
- Government Policy;
- Changes in accounting policies and applicable standards;
- Any other matter / risks that the Board may apprehend.

Usage of retained earnings:

The Company firmly believes that consistent growth will maximise shareholders value. Thus the Company shall endeavor to utilize retained earnings towards its business priorities, expansions, growth opportunities, acquisitions, investments or towards distribution to Shareholders via dividend or other means as permitted by applicable regulations, as will be in the best interests of the Company and its stakeholders.

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 to the investors of each class.

This Policy sets out the general parameters adopted by the Company for declaration of dividend for guidance purposes. This Policy would be subject to revision / amendment on a periodic basis, as may be considered necessary by the Board.

NOMINATION AND REMUNERATION POLICY

1. **Purpose of this Policy:**

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

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

   a) To evaluate the performance of the members of the Board.

   b) To ensure remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

   c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

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

2. **Definitions:**

   a) "**Board**" shall mean Board of Directors of the Company as constituted from time to time.

   b) **"Independent Director"** means a director referred to in Section 149(6) of the Act and the Clause 49, as amended from time to time.

   c) **"Key Managerial Personnel /KMP"** shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

   d) "**Committee**" shall mean Nomination and Remuneration/Compensation Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Clause 49.

   e) "**Senior Management**" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

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

3. **Composition of the Committee:**

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

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

4.1 Appointment criteria and qualification:

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

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

4.2 Term:

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

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

4.3 Evaluation:

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

4.4 Removal:

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

5. Remuneration of Managing / Whole-time Director, KMP and Senior Management:

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

6. Remuneration to Non-executive / Independent Director:

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

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

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

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

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

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

   a) Ms. Ashni Biyani - Chairperson

   b) Mr. Kishore Biyani - Member

   c) Ms. Vibha Rishi - Member

3. **Average net profit of the company for last three financial years:** For the last three financial years, the Company has incurred Average Net Loss of ₹ 231.27 lakhs

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

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

   (a) Total amount to be spent for the financial year: NIL

   (b) Amount unspent, if any: Not Applicable

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

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

   *Give details of implementing agency

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

   Not Applicable, since the Company has incurred Average Net Loss for the last three financial years.

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

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

Ashni Biyani
Managing Director and Chairperson – CSR Committee

Annexure IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
FUTURE CONSUMER LIMITED
Mumbai.

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 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 31st March, 2018 according to the applicable provisions of the following acts, rules, regulations and guidelines to the extent applicable (as amended /re-enacted from time to time):

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

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

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

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

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act”):-

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

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

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

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective October 28, 2014)

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

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

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

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

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

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

   i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines, as mentioned above.

I further report that Ministry of Corporate Affairs (“MCA”) has on 7th September,2017, published a list of persons holding the position of directors of struck-off companies in terms of Section 164(2) of Companies Act,2013 consequent whereof, de-activating their respective digital signatures. One of the company on which Ms Ashni Biyani happened to be a director had defaulted in making the prescribed filings and as consequence of the same, the status of her Director Identification Number (DIN) on the website of MCA appeared as disqualified. Ms Ashni Biyani thereafter sought legal recourse inter alia seeking relief against the action of MCA from the Hon'ble High Court at Bombay. The same was intimated to the Board of Directors of the Company which took note of the matter being sub-judice before the Hon'ble High Court at Bombay. In the course of these proceedings, MCA came out with the Condonation of Delay Scheme, in respect of such companies enabling the filings to be done by the struck-off companies. Later on the said petition was withdrawn by Ms. Ashni Biyani pursuant to requirements prescribed under Condonation of Delay Scheme. The company in which Ms. Ashni Biyani happened to be a director made necessary filings which were approved by MCA, in terms of which the said company was activated and the status of DIN of Ms. Ashni Biyani too has been activated and appears as 'Approved'.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast 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.

Majority decisions are carried through while dissenting member's views, if any, are captured and recorded as part of the minutes. However during the Audit period there were no cases of dissenting opinions expressed by Directors.

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

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

For **SANJAY DHOLAKIA & ASSOCIATES**

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

Date: 14th May, 2018
Place: Mumbai

ANNEXURE I

To,
The Members,
FUTURE CONSUMER LIMITED
Mumbai.

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

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

For **SANJAY DHOLAKIA & ASSOCIATES**

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

Date: 14th May, 2018
Place: Mumbai

Annexure V

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L52602MH1996PLC192090
2.	Registration Date	10/07/1996
3.	Name of the Company	Future Consumer Limited
4.	Category/Sub-Category of the Company	Public Company Limited by Shares / Indian Non-Government Company
5.	Address of the Registered office and contact details	Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400060. Tel: + 91 22 6644 2200 Fax: + 91 22 6199 5391 Email ID: investor.care@futureconsumer.in
6.	Whether listed company	Yes
7.	Name, Address & Contact Details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 247 Park,L.B.S. Marg, Vikhroli (West), Mumbai – 400083 Tel: + 91 22 4918 6270 Fax: +91 22 4918 6060 Email ID: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sourcing, Manufacturing, Branding, Marketing and Distribution of Food and FMCG products.	10611,10614, 10619,10795, 46301,46901 and 46909	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Aadhaar Wholesale Trading and Distribution Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U52110MH2006PLC160440	Subsidiary	100	2(87)
2	Future Consumer Products Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U51900MH2007PLC174027	Subsidiary	90	2(87)
3	Future Food and Products Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U15410MH2008PLC179919	Subsidiary	100	2(87)
4	Amar Chitra Katha Private Limited 7th Floor, AFL House, Lok Bharati Complex, Marol Maroshi Road, Andheri (East), Mumbai - 400059	U51396MH1980PTC023421	Subsidiary	73.99	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5	Integrated Food Park Private Limited 18/1, Pasadena Building, 3rd Floor, Ashoka Pillar Road, 10th Main, 1st Cross, Jayanagar, Bangalore - 560 011.	U74900KA2007PTC071171	Subsidiary	83.17	2(87)
6	The Nilgiri Dairy Farm Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U85110MH1970PTC265706	Subsidiary	100	2(87)
7	Future Food Processing Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U15122MH2011PTC215430	Subsidiary	100	2(87)
8	Sublime Foods Private Limited 18/1, Pasadena Building, 3rd Floor, Ashoka Pillar Road, 10th Main, 1st Block, Jayanagar, Bangalore - 560 011.	U15310KA2012PTC101087	Subsidiary	51.00	2(87)
9	Bloom Foods and Beverages Private Limited *(Formerly known as Bloom Fruit and Vegetables Private Limited)* Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U74120MH2016PTC272100	Subsidiary	100	2(87)
10	Aussee Oats India Private Limited 162 C, Mittal Tower, C Wing, Nariman Point, Mumbai – 400 021	U15122MH2011PTC223036	Subsidiary	50+One Equity Share	2(87)
11	MNS Foods Private Limited Joseph Chemmanur Hall, 1st Cross, 1st Stage, Indiranagar, Bangalore - 560038	U15400KA2015PTC101423	Subsidiary	50.01	2(87)
12	FCEL Food Processors Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U15100MH2008PLC187450	Subsidiary	100	2(87)
13	ACK Media Direct Limited 7th Floor, AFL House, Lok Bharati Complex, Marol Maroshi Road, Andheri (East), Mumbai - 400 059	U93000MH2004PLC264305	Step-down Subsidiary	-	2(87)
14	IBH Books & Magazines Distributors Limited 7th Floor, AFL House, Lok Bharati Complex, Marol Maroshi Road, Andheri (East), Mumbai - 400 059	U99999MH1980PLC023420	Step-down Subsidiary	-	2(87)
15	Ideas Box Entertainment Limited 7th Floor, AFL House, Lok Bharati Complex, Marol Maroshi Road, Andheri (East) Mumbai - 400 059	U92100MH2008PLC187045	Step-down Subsidiary	-	2(87)
16	Nilgiris Franchise Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U65910MH1996PTC265704	Step-down Subsidiary	-	2(87)
17	Nilgiri's Mechanised Bakery Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U85110MH1988PTC265435	Step-down Subsidiary	15.27	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
18	Appu Nutritions Private Limited C/O The Nilgiri Dairy Farm Private Limited Joseph Chemmanur Hall,1st Cross,1st Stage, Indiranagar, Bangalore – 560038	U01541KA1985PTC006784	Step-down Subsidiary	24	2(87)
19	Aussee Oats Milling (Private) Limited 28, BOI EPZ, Mirigama, Sri Lanka	-	Subsidiary	50+One Ordinary Share	2(87)
20	FCEL Overseas FZCO Jebel Ali Free Zone, Dubai, U.A.E.	-	Subsidiary	60	2(87)
21	Avante Snack Foods Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U15100MH2015PTC265479	Step-down Subsidiary	-	2(87)
22	Mibelle Future Consumer Products AG Bolimattstrasse 1, CH-5033 Buchs, Switzerland	-	Associate/ Joint Venture	50	2(6)
23	Genoa Rice Mills Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U15100MH2015PTC264954	Associate / Joint Venture	50	2(6)
24	Hain Future Natural Products Private Limited 6th Floor, IFFCO Building, Plot No. 3, Sector-32, Gurgaon, Haryana - 122 001.	U51909HR2017PTC069554	Associate / Joint Venture	50	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31st March, 2017]				No. of Shares held at the end of the year [As on 31st March, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c) State Government	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	79,56,69,557[$$]	0	79,56,69,557[$$]	47.86	83,51,06,688[@@]	0	83,51,06,688[@@]	43.64	-4.22
e) Banks / Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
i) Relatives of Promoters	1,66,788	0	1,66,788	0.01	1,66,788	0	1,66,788	0.01	0.00
Sub-Total (A)(1)	**79,58,36,345**	**0**	**79,58,36,345**	**47.87**	**83,52,73,476**	**0**	**83,52,73,476**	**43.65**	**-4.22**
(2) Foreign									
a) Non-Resident Indians-Individual	0	0	0	0.00	0	0	0	0.00	0.00
b) Others-Individual	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d)Banks / Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**79,58,36,345**	**0**	**79,58,36,345**	**47.87**	**83,52,73,476**	**0**	**83,52,73,476**	**43.65**	**-4.22**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31st March, 2017]				No. of Shares held at the end of the year [As on 31st March, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,45,02,000	0	1,45,02,000	0.87	1,65,85,873	0	1,65,85,873	0.87	0.00
b) Banks / Financial Institution	9,30,649	0	9,30,649	0.06	29,35,822	0	29,35,822	0.15	0.09
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign Institutional Investors	15,20,43,000	0	15,20,43,000	9.15	0	0	0	0	-9.15
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
a) Foreign Portfolio Investor (Corporate)	16,00,54,426	0	16,00,54,426	9.63	38,00,09,902	0	38,00,09,902	19.86	10.23
b) Alternate Investment Funds	0	0	0	0.00	1,00,000	0	1,00,000	0.01	0.01
Sub-total (B)(1):-	**32,75,30,075**	**0**	**32,75,30,075**	**19.70**	**39,96,31,597**	**0**	**39,96,31,597**	**20.89**	**1.19**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	27,67,89,454@	0	27,67,89,454@	16.65	23,51,64,164#	0	23,51,64,164#	12.29	-4.36
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	8,29,23,711	24,270	8,29,47,981	4.99	10,72,41,691	20,820	10,72,62,511	5.61	0.62
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13,24,83,724	1,00,000	13,25,83,724	7.97	13,78,98,601	4,43,263	13,83,41,864	7.23	-0.74
c) Others (specify)									
i) Non Resident Indians (Repatriable)	1,35,78,969	0	1,35,78,969	0.82	85,93,900	0	85,93,900	0.45	-0.37
ii) Non Resident Indians (Non Repatriable)	67,44,793	0	67,44,793	0.41	46,10,762	0	46,10,762	0.24	-0.17
iii) Clearing Members	61,05,975$$	0	61,05,975$$	0.37	1,54,53,143@@	0	1,54,53,143@@	0.81	0.44
iv) Directors/Relatives	39,55,105	0	39,55,105	0.24	50,79,190	0	50,79,190	0.27	0.03
v) Hindu Undivided Family	1,15,01,936	10,000	1,15,11,936	0.69	1,01,76,864	10,000	1,01,86,864	0.53	-0.16
vi) Office Bearers	47,77,781	0	47,77,781	0.29	42,35,289	0	42,35,289	0.22	-0.07
vii) Trusts	1,30,000	0	1,30,000	0.01	89,500	0	89,500	0.00	-0.01
viii) Foreign Company	100	0	100	0.00	14,95,11,403	0	14,95,11,403	7.81	7.81
Sub-total (B)(2):-	**53,89,91,548**	**1,34,270**	**53,91,25,818**	**32.43**	**67,80,54,507**	**4,74,083**	**67,85,28,590**	**35.46**	**3.03**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**86,65,21,623**	**1,34,270**	**86,66,55,893**	**52.13**	**1,07,76,86,104**	**4,74,083**	**1,07,81,60,187**	**56.35**	**4.21**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**1,66,23,57,968**	**1,34,270**	**1,66,24,92,238**	**100.00**	**1,91,29,59,580**	**4,74,083**	**1,91,34,33,663**	**100.00**	**0.00**

Note: During the financial year 2017-18, the issued, subscribed and paid-up share capital of the Company increased from 1,66,24,92,238 equity shares of ₹ 6/- each to 1,91,34,33,663 equity shares of ₹ 6/- each, consequent to allotment of equity shares.

$$ 2,36,24,014 equity shares acquired by Promoter / Promoter Group entities and not reflecting in the beneficiary position received from the Registrar and Share Transfer Agent ("R & T Agent") have been reduced from the category 'Clearing Members' and added under the category 'Promoter / Promoter Group', as on 31st March, 2017.

@@ 39,74,546 equity shares acquired by Future Capital Investment Private Limited, a Promoter entity, and not reflecting in the beneficiary position received from the R & T Agent have been reduced from the category 'Clearing Members' and added under the category 'Promoter / Promoter Group', as on 31st March, 2018.

@ Includes 1,52,21,634 shares held by Future Consumer Enterprise Employees Welfare Trust to be treated as 'non-promoter and non-public' shareholding in terms of Regulation 9 of Chapter II of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

 # Includes 1,12,85,134 shares held by Future Consumer Enterprise Employees Welfare Trust to be treated as 'non-promoter and non-public' shareholding in terms of Regulation 9 of Chapter II of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year# (As on 31st March, 2017)			Shareholding at the end of the year## (As on 31st March, 2018)			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares*	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares*	
1	Future Enterprises Limited *(formerly Future Retail Limited)*	15,00,00,000	9.02	0.00	100	0.00	0.00	-9.02
2	Future Capital Investment Private Limited	63,13,42,055	37.98	28.61	79,13,02,624	41.36	54.99	3.38
3	Central Departmental Stores Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
4	Ryka Commercial Ventures Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
5	Srishti Mall Management Company Private Limited	0	0.00	0.00	2,94,76,462	1.54	0.00	1.54
6	Suhani Trading and Investment Consultants Private Limited	0	0.00	0.00	1,43,27,302	0.75	37.88	0.75
7	PIL Industries Limited	54,26,902	0.33	100.00	0	0.00	0.00	-0.33
8	Future Corporate Resources Limited	89,00,100	0.54	100.00	0	0.00	0.00	-0.54
9	Gargi Business Ventures Private Limited *(formerly Gargi Developers Private Limited)*	100	0.00	0.00	0	0.00	0.00	0.00
10	Manz Retail Private Limited	100	0.00	0.00	0	0.00	0.00	0.00
11	ESES Commercials Private Limited	100	0.00	0.00	0	0.00	0.00	0.00
12	Weavette Business Ventures Limited *(formerly known as Future Ideas Realtors India Limited)*	0	0.00	0.00	0	0.00	0.00	0.00
13	Avni Kishorekumar Biyani	99,619	0.01	0.00	99,619	0.01	0.00	0.00
14	Ashni Kishore Biyani	67,169	0.00	0.00	67,169	0.00	0.00	0.00
15	Kishore Biyani$	0	0.00	0.00	0	0.00	0.00	0.00
16	Consumer Goods Trust$	0	0.00	0.00	0	0.00	0.00	0.00
17	Retail Trust$	0	0.00	0.00	0	0.00	0.00	0.00
18	Infra Trust$	0	0.00	0.00	0	0.00	0.00	0.00
19	Lifestyle Trust$	0	0.00	0.00	0	0.00	0.00	0.00
	Total	**79,58,36,345**	**47.87**	**24.50**	**83,52,73,476**	**43.65**	**52.75**	**-4.21**

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

$ As per disclosures under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, furnished by the Promoters / PACs.

#The details of shareholding of Promoter / Promoter Group entities (in terms of shares held by each of them) as on 31st March, 2017 as mentioned herein, is after making adjustments to the beneficiary position received from the Registrar and Share Transfer Agent ("R & T Agent") to give effect to shares acquired by, and inter-se transfers undertaken amongst, the Promoter/Promoter Group entities on 30th and 31st March, 2017 as per disclosures submitted under applicable provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011. The effect of above mentioned adjustment is:

a) 2,36,24,014 equity shares acquired by Promoter / Promoter Group entities and not reflecting in the beneficiary position received from the R & T Agent have been added under the category 'Promoter / Promoter Group' ; and

b) An aggregate of 14,60,09,429 equity shares transferred inter-se amongst the Promoter/Promoter Group, as per the table below, which otherwise is not reflected, have been given effect under the holdings of acquirers / transferors, by adding / deducting respective shares:

Name of the Promoter/ Promoter Group entity	*No. of Shares (added to the holding)*	*No. of shares (reduced from holding)*
Future Capital Investment Private Limited	*14,60,09,429*	*-*
PIL Industries Limited	*-*	*1,52,04,626*
Gargi Business Ventures Private Limited	*-*	*7,20,00,000*
Central Departmental Stores Private Limited	*-*	*4,20,00,000*
Weavette Business Ventures Limited	*-*	*1,68,04,803*
TOTAL	*14,60,09,429*	*14,60,09,429*

##The details of shareholding of Promoter / Promoter Group entities (in terms of shares held by each of them) as on 31st March, 2018 as mentioned herein, is after making adjustments to the beneficiary position received from the Registrar and Share Transfer Agent ("R & T Agent") to give effect to the shares acquired by Future Capital Investment Private Limited ("FCIPL") and acquisition/disposal of shares by the Promoter / Promoter Group entities pursuant to the Scheme of Amalgamation of Manz Retail Private Limited, ESES Commercials Private Limited, PIL Industries Limited, Future Corporate Resources Limited, Gargi Business Ventures Private Limited, Weavette Business Ventures Limited with Suhani Trading And Investment Consultants Private Limited and their respective shareholders ("Scheme") sanctioned by the National Company Law Tribunal, Mumbai Bench vide order dated 18.10.2017 and filed with ROC on 14.11.2017. The effect of above mentioned adjustment is :

a) *39,74,546 equity shares acquired by FCIPL and not reflecting in the beneficiary position received from the R & T Agent have been added under the category 'Promoter / Promoter Group' ; and*

b) *An aggregate of 14,327,202 equity shares transferred inter-se amongst the Promoter / Promoter Group pursuant to the Scheme, as per the table below, which otherwise is not reflected, have been given effect under the holdings of acquirers / transferors, by adding / deducting respective shares:*

Name of the Promoter/ Promoter Group entity	*No. of Shares (added to the holding)*	*No. of shares (reduced from holding)*
Suhani Trading and Investment Consultants Private Limited	*14,327,202*	*-*
PIL Industries Limited	*-*	*5,426,902*
Manz Retail Private Limited	*-*	*100*
ESES Commercials Private Limited	*-*	*100*
Future Corporate Resources Limited	*-*	*8,900,100*
TOTAL	***14,327,202***	***14,327,202***

iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 31st March, 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Future Enterprises Limited**				
	At the beginning of the year	150,000,000	9.02	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	149,999,900 (Sale - Inter-se transfer on 06.07.2017)	9.02	100	0.00
	At the end of the year	100	0.00	-	-
2	**Future Capital Investment Private Limited**				
	At the beginning of the year	631,342,055	37.98	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	149,999,900 (Buy - Inter-se transfer on 06.07.2017)	9.02	781,341,955	47.00
		879,128 (Acquisition of shares on 15.03.2018)	0.05	782,221,083	40.88
		500,000 (Acquisition of shares on 16.03.2018)	0.03	782,721,083	40.91
		2,879,520 (Acquisition of shares on 19.03.2018)	0.15	785,600,603	41.06
		1,500,000 (Acquisition of shares on 21.03.2018)	0.08	787,100,603	41.14
		3,974,546 (Acquisition of shares on 23.03.2018)	0.21	791,075,149	41.34
		227,475 (Acquisition of shares on 26.03.2018)	0.01	791,302,624	41.36
	At the end of the year	791,302,624	41.36	-	-
3	**Srishti Mall Management Company Private Limited**				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	29,476,462 (Allotment of shares on 31.07.2017 consequent to conversion of Warrants)	1.74	29,476,462	1.74
	At the end of the year	29,476,462	1.54	-	-
4	**Suhani Trading and Investment Consultants Private Limited**				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	14,327,302 (Buy – Inter-se transfer on 14.11.2017 consequent to Composite Scheme of Arrangement)	0.78	14,327,302	0.78
	At the end of the year	14,327,302	0.75	-	-
5	**PIL Industries Limited**				
	At the beginning of the year	5,426,902	0.33	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	5,426,902 (Sale – Inter-se transfer on 14.11.2017 consequent to Composite Scheme of Arrangement)	0.29	0	0.00
	At the end of the year	0	0.00	-	-

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 31st March, 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	**Future Corporate Resources Limited**				
	At the beginning of the year	8,900,100	0.54	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	8,900,100 (Sale – Inter-se transfer on 14.11.2017 consequent to Composite Scheme of Arrangement)	0.48	0	0.00
	At the end of the year	0	0.00	-	-
7	**Gargi Business Ventures Private Limited**				
	At the beginning of the year	100	0.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	100 (Sale – Inter-se transfer on 14.11.2017 consequent to Composite Scheme of Arrangement)	0.00	0	0.00
	At the end of the year	0	0.00	-	-
8	**Manz Retail Private Limited**				
	At the beginning of the year	100	0.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	100 (Sale – Inter-se transfer on 14.11.2017 consequent to Composite Scheme of Arrangement)	0.00	0	0.00
	At the end of the year	0	0.00	-	-
9	**ESES Commercials Private Limited**				
	At the beginning of the year	100	0.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	100 (Sale – Inter-se transfer on 14.11.2017 consequent to Composite Scheme of Arrangement)	0.00	0	0.00
	At the end of the year	0	0.00	-	-

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

SN	For Each of the Top 10 Shareholders	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.	**Black River Food 2 Pte. Ltd**				
	At the beginning of the year	100	0.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	14,96,56,999 (Allotment of shares pursuant to conversion of Compulsorily Convertible Debentures and interest thereon on 26.10.2017)	8.12	14,96,57,099	8.12
		1,000 (Sale of shares on 12.01.2018)	0.00	14,96,56,099	7.82
		1,22,696 (Sale of shares on 19.01.2018)	0.01	14,95,33,403	7.82
		22,000 (Sale of shares on 02.02.2018)	0.00	14,95,11,403	7.81
	At the end of the year	14,95,11,403	7.81	-	-
2.	**Arisaig India Fund Limited**				
	At the beginning of the year	15,20,43,000	9.15	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	4,67,440 (Sale of shares on 27.10.2017)	0.03	15,15,75,560	8.23
		10,00,000 (Sale of shares on 09.02.2018)	0.05	15,05,75,560	7.87
		12,74,041 (Sale of shares on 16.02.2018)	0.07	14,93,01,519	7.80
		23,49,317 (Sale of shares on 02.03.2018)	0.12	14,69,52,202	7.68
		4,24,181 (Sale of shares on 09.03.2018)	0.02	14,65,28,021	7.66
		29,36,425 (Sale of shares on 16.03.2018)	0.15	14,35,91,596	7.50
		5,50,716 (Sale of shares on 23.03.2018)	0.03	14,30,40,880	7.48
	At the end of the year	14,30,40,880	7.48	-	-
3.	**Verlinvest SA**				
	At the beginning of the year	14,05,13,969	8.45	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-
	At the end of the year	14,05,13,969	7.34	-	-

SN	For Each of the Top 10 Shareholders	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
4.	**Bennett, Coleman and Company Limited**				
	At the beginning of the year	10,03,76,591	6.04	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	9,00,000 (Sale of Shares on 07.04.2017)	0.05	9,94,76,591	5.98
		11,55,000 (Sale of Shares on 14.04.2017)	0.07	9,83,21,591	5.91
		15,45,298 (Sale of Shares on 21.04.2017)	0.09	9,67,76,293	5.82
		15,06,000 (Sale of Shares on 28.04.2017)	0.09	9,52,70,293	5.73
		12,26,000 (Sale of Shares on 05.05.2017)	0.07	9,40,44,293	5.66
		15,52,000 (Sale of Shares on 12.05.2017)	0.09	9,24,92,293	5.56
		9,12,000 (Sale of Shares on 19.05.2017)	0.05	9,15,80,293	5.51
	At the end of the year	9,15,80,293	4.79	-	-
5.	**International Finance Corporation**				
	At the beginning of the year	100	0.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	6,68,64,981 (Allotment of shares pursuant to conversion of Compulsorily Convertible Debentures and outstanding unpaid coupons on 01.01.2018)	3.49	6,68,65,081	3.49
		1,20,000 (Sale of shares on 31.03.2018)	0.01	6,67,45,081	3.49
	At the end of the year	6,67,45,081	3.49	-	-
6.	**K L Enterprises LLP**				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	45,00,000 (Acquisition of Shares 04.08.2017)	0.27	45,00,000	0.27
		35,00,000 (Acquisition of Shares 11.08.2017)	0.21	80,00,000	0.47
		20,00,000 (Acquisition of Shares 25.08.2017)	0.12	1,00,00,000	0.59
		1,25,00,000 (Acquisition of Shares 01.09.2017)	0.74	2,25,00,000	1.33
		67,00,000 (Sale of Shares 29.09.2017)	0.40	1,58,00,000	0.93
		2,00,000 (Acquisition of Shares 26.01.2018)	0.01	1,60,00,000	0.84
		15,00,000 (Acquisition of Shares 16.02.2018)	0.08	1,75,00,000	0.91
	At the end of the year	1,75,00,000	0.91	-	-
7.	**Krishnanshi Traders Private Limited**				
	At the beginning of the year	85,81,554	0.52	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	76,50,000 (Acquisition of Shares on 21.04.2017)	0.46	1,62,31,554	0.98
	At the end of the year	1,62,31,554	0.85	-	-
8.	**Tata Mutual Fund - Tata India Tax Savings Fund**				
	At the beginning of the year	1,45,02,000	0.87	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	17,500 (Sale of shares on 14.04.2017)	0.00	1,44,84,500	0.87
		2,50,000 (Sale of shares on 12.05.2017)	0.02	1,42,34,500	0.86
		2,000 (Acquisition of shares on 30.06.2017)	0.00	1,42,36,500	0.86
		1,25,000 (Acquisition of shares on 11.08.2017)	0.01	1,43,61,500	0.85
		90,000 (Acquisition of shares on 25.08.2017)	0.01	1,44,51,500	0.85
		7,50,000 (Sale of shares on 15.09.2017)	0.04	1,37,01,500	0.81
		2,00,000 (Sale of shares on 06.10.2017)	0.01	1,35,01,500	0.80
		2,00,000 (Sale of shares on 13.10.2017)	0.01	1,33,01,500	0.79
		3,08,000 (Sale of shares on 20.10.2017)	0.02	1,29,93,500	0.77
		1,80,000 (Sale of shares on 03.11.2017)	0.01	1,28,13,500	0.70
		60,000 (Acquisition of shares on 17.11.2017)	0.00	1,28,73,500	0.70
		6,00,000 (Acquisition of shares on 24.11.2017)	0.03	1,34,73,500	0.73
		80,000 (Acquisition of shares on 08.12.2017)	0.00	1,35,53,500	0.74
		5,35,000 (Acquisition of shares on 15.12.2017)	0.03	1,40,88,500	0.76
		8,32,000 (Acquisition of shares on 22.12.2017)	0.05	1,49,20,500	0.81
		9,000 (Sale of shares on 29.12.2017)	0.00	1,49,11,500	0.81
		13,000 (Sale of shares on 12.01.2018)	0.00	1,48,98,500	0.78
		51,000 (Sale of shares on 09.02.2018)	0.00	1,48,47,500	0.78
		2,00,000 (Acquisition of shares on 23.02.2018)	0.01	1,50,47,500	0.79
		3,60,000 (Acquisition of shares on 23.03.2018)	0.02	1,54,07,500	0.81
		78,000 (Sale of shares on 31.03.2018)	0.00	1,53,29,500	0.80
	At the end of the year	1,53,29,500	0.80	-	-

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	**Indianivesh Limited**				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	18,644 (Acquisition of shares on 15.09.2017)	0.00	18,644	0.00
		66,95,500 (Acquisition of shares on 29.09.2017)	0.40	67,14,144	0.40
		750 (Sale of shares on 20.10.2017)	0.00	67,13,394	0.40
		500 (Sale of shares on 27.10.2017)	0.00	67,12,894	0.36
		25,00,000 (Acquisition of shares on 22.12.2017)	0.14	92,12,894	0.50
		793 (Sale of shares on 19.01.2018)	0.00	92,12,101	0.48
		29,00,000 (Acquisition of shares on 02.02.2018)	0.15	1,21,12,101	0.63
		19,00,000 (Acquisition of shares on 16.02.2018)	0.10	1,40,12,101	0.73
		8,50,000 (Acquisition of shares on 23.02.2018)	0.04	1,48,62,101	0.78
		7,500 (Sale of shares on 09.03.2018)	0.00	1,48,54,601	0.78
	At the end of the year	1,48,54,601	0.78	-	-
10.	**Santosh Desai**				
	At the beginning of the year	1,63,40,169	0.98	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	6,00,000 (Sale of Shares on 21.07.2017)	0.04	1,57,40,169	0.95
		1,50,000 (Sale of Shares on 28.07.2017)	0.01	1,55,90,169	0.94
		2,00,000 (Sale of Shares on 08.09.2017)	0.01	1,53,90,169	0.91
		2,46,082 (Sale of Shares on 15.09.2017)	0.01	1,51,44,087	0.89
		2,00,000 (Sale of Shares on 06.10.2017)	0.01	1,49,44,087	0.88
		2,00,000 (Sale of Shares on 22.12.2017)	0.01	1,47,44,087	0.80
		2,00,000 (Sale of Shares on 05.01.2018)	0.01	1,45,44,087	0.76
		2,00,000 (Sale of Shares on 02.02.2018)	0.01	1,43,44,087	0.75
		2,00,000 (Sale of Shares on 09.02.2018)	0.01	1,41,44,087	0.74
	At the end of the year	1,41,44,087	0.74	-	-

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year (As on 31st March, 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**G N Bajpai**				
	At the beginning of the year	250,000	0.02	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	-	-	-	-
	At the end of the year	250,000	0.01	-	-
2	**K K Rathi**				
	At the beginning of the year	3,025,105	0.18	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	400,000 (Sale of shares on 10.04.2017)	0.02	2,625,105	0.16
		2,622,830 (Transfer by way of gift on 10.04.2017)	0.16	2,275	0.00
	At the end of the year	2,275	0.00	-	-
3	**Narendra Baheti**				
	At the beginning of the year	680,000	0.04	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	10,000 (Sale of shares on 17.07.2017)	0.00	670,000	0.04
		13,000 (Sale of shares on 18.07.2017)	0.00	657,000	0.04
		4,000 (Sale of shares on 19.07.2017)	0.00	653,000	0.04
		2,000 (Sale of shares on 20.07.2017)	0.00	651,000	0.04
		5,000 (Sale of shares on 21.07.2017)	0.00	646,000	0.04
		2,000 (Sale of shares on 24.07.2017)	0.00	644,000	0.04
		2,000 (Sale of shares on 25.07.2017)	0.00	642,000	0.04
		2,000 (Sale of shares on 26.07.2017)	0.00	640,000	0.04
		1,000 (Sale of shares on 31.07.2017)	0.00	639,000	0.04
		1,000 (Sale of shares on 01.08.2017)	0.00	638,000	0.04
		2,000 (Sale of shares on 24.08.2017)	0.00	636,000	0.04

Sr. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year (As on 31st March, 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		3,000 (Sale of shares on 28.08.2017)	0.00	633,000	0.04
		3,000 (Sale of shares on 30.08.2017)	0.00	630,000	0.04
		1,000 (Sale of shares on 01.09.2017)	0.00	629,000	0.04
		7,000 (Sale of shares on 06.09.2017)	0.00	622,000	0.04
		8,000 (Sale of shares on 07.09.2017)	0.00	614,000	0.04
		4,000 (Sale of shares on 08.09.2017)	0.00	610,000	0.04
		2,000 (Sale of shares on 08.09.2017)	0.00	608,000	0.04
		8,000 (Sale of shares on 13.09.2017)	0.00	600,000	0.04
		1,000,000 (Allotment of shares under ESOP on 11.09.2017)	0.06	1,600,000	0.09
		600,000 (Allotment of shares under ESOP on 27.12.2017)	0.03	2,200,000	0.12
	At the end of the year	2,200,000	0.11	-	-
4	**Ashni Biyani**				
	At the beginning of the year	67,169	0.00	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	-	-	-	-
	At the end of the year	67,169	0.00	-	-
5	**Manoj Gagvani**				
	At the beginning of the year	603,000	0.04	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	55,000 (Acquisition of shares under ESOP on 24.05.2017)	0.00	6,58,000	0.04
		8,000 (Sale of shares on 18.07.2017)	0.00	6,50,000	0.04
		10,000 (Sale of shares on 21.07.2017)	0.00	6,40,000	0.04
		500 (Sale of shares on 27.07.2017)	0.00	6,39,500	0.04
		29,500 (Sale of shares on 06.09.2017)	0.00	6,10,000	0.04
		5,000 (Sale of shares on 08.09.2017)	0.00	6,05,000	0.04
		5,000 (Purchase of shares on 08.09.2017)	0.00	6,10,000	0.04
		8,500 (Sale of shares on 12.09.2017)	0.00	6,01,500	0.04
		6,000 (Purchase of shares on 12.09.2017)	0.00	6,07,500	0.04
		3,500 (Sale of shares on 19.09.2017)	0.00	6,04,000	0.04
		35,000 (Acquisition of shares under ESOP on 29.10.2017)	0.00	6,39,000	0.03
		4,000 (Sale of shares on 30.10.2017)	0.00	6,35,000	0.03
		10,000 (Sale of shares on 22.12.2017)	0.00	6,25,000	0.03
		15,000 (Sale of shares on 26.12.2017)	0.00	6,10,000	0.03
		5,000 (Sale of shares on 27.12.2017)	0.00	6,05,000	0.03
		300,000 (Allotment of shares under ESOP on 27.12.2017)	0.02	9,05,000	0.05
		10,000 (Sale of shares on 28.12.2017)	0.00	8,95,000	0.05
		10,000 (Sale of shares on 02.01.2018)	0.00	8,85,000	0.05

Sr. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year (As on 31st March, 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		5,000 (Sale of shares on 17.01.2018)	0.00	8,80,000	0.05
		30,000 (Acquisition of shares under ESOP on 05.02.2018)	0.00	9,10,000	0.05
		10,000 (Sale of shares on 12.03.2018)	0.00	9,00,000	0.05
		8,000 (Sale of shares on 13.03.2018)	0.00	8,92,000	0.05
	At the end of the year	8,92,000	0.05	-	-
6	**Ravin Mody**				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	-	-	-	-
	At the end of the year	0	0.00	-	-

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	39,517.42	-	-	39,517.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	193.01	-	-	193.01
Total (i+ii+iii)	39,710.42	-	-	39,710.42
Change in Indebtedness during the financial year				
.Addition	25,000.00	7,500.00	-	32,500.00
.Reduction	14,616.43	2,500.00	-	17,116.43
Net Change	10,383.57	5,000.00	-	15,383.57
Indebtedness at the end of the financial year				
i) Principal Amount	49,486.30	5,000.00	-	54,486.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	607.69	-	-	607.69
Total (i+ii+iii)	50,093.99	5,000.00	-	55,093.99

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ashni Biyani** (Whole Time Director)	Narendra Baheti (Executive Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	83.50	148.50	232.00
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	1.39	640.15*	641.54
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	84.89	788.65	873.54
	Ceiling as per the Act	The remuneration paid to Whole Time Director and Executive Director is within the ceiling prescribed under the Companies Act, 2013		

*perquisite value on stock options exercised during the year

**Appointed as Managing Director with effect from 22nd May, 2018

B. Remuneration to other directors

(₹ In lakhs)

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	**G. N. Bajpai**	**Vibha Rishi**	**Adhiraj Harish**	
	Fee for attending Board /Committee / Independent Directors' Meetings	4.75	3.00	4.00	11.75
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	**4.75**	**3.00**	**4.00**	**11.75**
2	Other Non-Executive Directors	**Kishore Biyani**	**K. K. Rathi**	**Frederic De Mevius**	
	Fee for attending Board /Committee Meetings	2.75	3.50	0.50	6.75
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	**2.75**	**3.50**	**0.50**	**6.75**

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

(₹ In lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Ravin Mody (Chief Financial Officer w.e.f. 27th May, 2017)	**Manoj Gagvani (Company Secretary & Head – Legal)**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	100.39	86.48	186.87
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	1.79	247.37*	249.16
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	**102.18**	**333.85**	**436.03**

* includes perquisite value of ₹ 247.08 lakhs on stock options exercised during the year

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

(i) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Director, Company Secretary and Manager during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18

Sr. No.	Name of Director/KMP and designation	Remuneration of Director / KMP for Financial Year 2017-18* (₹ in lakhs)	% increase in Remuneration for Financial Year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1.	Ashni Biyani# Whole Time Director	84.89	0%	34.05
2	Devendra Chawla Chief Executive Officer (*ceased w.e.f 31st July, 2017*)	117.08	Not Applicable	46.97
3	Narendra Baheti Executive Director	148.50	Not Applicable	59.58
4	Ravin Mody Chief Financial Officer (*appointed w.e.f 27th May, 2017*)	102.18	Not Applicable	40.99
5	Manoj Gagvani Company Secretary and Head-Legal	86.77	3%	34.81
6	Manoj Saraf Chief Financial Officer (*ceased to be Chief Financial Officer w.e.f 26th May, 2017*)	33.11	Not Applicable	13.28

#Appointed as Managing Director with effect from 22nd May, 2018

*Remuneration does not includes the perquisite value on stock options exercised during the year:

a. Devendra Chawla : ₹ 77.59 lakhs
b. Narendra Baheti : ₹ 640.15 lakhs
c. Manoj Gagvani : ₹ 247.08 lakhs
d. Manoj Saraf : ₹ 23.09 lakhs

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

In the financial year 2017-18, there was an increase of 12% in the median remuneration of employees.

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

There were 1603 permanent employees on the rolls of Company as on 31st March, 2018.

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

The average percentage increase made in the salaries of employees other than the managerial personnel for the financial year i.e. 2017-18 was 10% whereas the increase in the managerial remuneration for the same financial year was 18%.

(v) Key parameters for any variable component of remuneration availed by the directors :

No variable component forms part of remuneration paid to Whole Time Director. In respect of the Executive Director, the variable component of remuneration is in line with policy of the Company which largely takes into consideration the performance of the Company as well as the individual concerned.

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

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

Disclosures relating to Employee Stock Option Scheme(s) in respect of Options granted till 31st March, 2018

Sr. No	Particulars	FVIL ESOP-2011	FCEL ESOP-2014
A	Disclosures in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 36 in Notes to Standalone Financial Statements	
B	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 – Earnings Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	0.17	
C	**Details related to ESOS**		
(i)	A description of each ESOS that existed at any time during the year including the general terms and conditions of each ESOS		
(a)	Date of Shareholders' Approval	10th August, 2010 and 16th January, 2012	12th January, 2015 and 12th May, 2015
(b)	Total Number of Options approved under ESOS	5,00,00,000	Primary Route : 3,19,50,000 Secondary Route : 7,98,00,000
(c)	Vesting Requirements	At the end of one year from the date of Grant – 30% of options granted At the end of two years from the date of Grant – 30% of options granted At the end of three years from the date of Grant – 40% of options granted	At the end of one year from the date of Grant – 20% of options granted At the end of two years from the date of Grant – 30% of options granted At the end of three years from the date of Grant – 50% of options granted
(d)	Exercise price or Pricing formula	₹ 6	Primary Route : The exercise price per Option shall not be less than the face value of Equity Shares and shall not exceed market price of the Equity Share of the Company as on date of grant of Options, as may be decided by Nomination and Remuneration / Compensation Committee. Secondary Route : The exercise price per Option shall not exceed market price of the Equity Share of the Company as on date of grant of Options or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher, as may be decided by Nomination and Remuneration / Compensation Committee.
(e)	Maximum term of Options granted	Three Years from the date of Vesting	Three Years from the date of Vesting
(f)	Source of Shares (primary, secondary or combination)	Primary	Primary and Secondary
(g)	Variation of terms of Options	Nil	Nil
(ii)	Method used to account for ESOS - Intrinsic or fair value	Fair Value	Fair Value

(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable		

(iv)	Option Movement during the year (for each ESOS)			
		FVIL ESOP-2011 (Primary Route)	**FCEL ESOP-2014 (Secondary Market Route)**	**FCEL ESOP-2014 (Primary Route)**
a)	Number of Options outstanding at the beginning of the Period	1,06,50,000	1,22,88,000	95,00,000
b)	Number of Options granted during the year	Nil	84,00,000	Nil
c)	Number of Options forfeited / lapsed during the year	21,00,000	13,15,000	8,00,000
d)	Number of Options vested during the year.	36,00,000	43,81,500	19,00,000
e)	Number of Options exercised during the year	35,24,983	39,31,500	14,18,000
f)	Number of shares arising as a result of exercise of Options	35,24,983	39,31,500	14,18,000
g)	Money realized by exercise of Options	2,11,49,898	₹ 691.21 Lakhs	3,03,45,200
h)	Loan repaid by the Trust during the year from exercise price received	Not Applicable	₹ 629.99 Lakhs	Not Applicable
i)	Number of options outstanding at the end of the year	50,25,017	1,54,41,500	72,82,000
j)	Number of Options exercisable at the end of the year.	2,25,017	10,14,000	4,82,000

Sr. No	**Particulars**	**FVIL ESOP-2011**	**FCEL ESOP-2014**
v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Refer Note No. 36 in Notes to Standalone Financial Statements	
vi)	Employee wise details of options granted to:		
(a)	Senior Managerial Personnel (Directors and Key Managerial Personnel)	Refer Note 1	
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Refer Note 1	
(c)	Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company from the time of grant.	Nil	
vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:		
(a)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Refer Note No. 36 in Notes to Standalone Financial Statements	

Sr. No	Particulars	FVIL ESOP-2011	FCEL ESOP-2014
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	The fair value of each Option is estimated using the Black Scholes Option Pricing model.	
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options and is based on the daily volatility of the Company's stock price on NSE. The Company has incorporated the early exercise of Options by calculating expected life on past exercise behaviour.	
(d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	There are no market conditions attached to the grant and vest.	

Details related to Trust:

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

(i) General information on all schemes

Sr. No.	Particulars	Details
1	Name of the Trust	Future Consumer Enterprise Employees Welfare Trust
2	Details of the Trustee(s)	Vistra ITCL (India) Limited (*formerly known as IL & FS Trust Company Limited*)
3	Amount of loan disbursed by Company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to Company / any company in the group) as at the end of the year	₹ 2,352.56 lakhs
5	Amount of loan, if any, taken from any other source for which Company / any company in the group has provided any security or guarantee.	Nil
6	Any other contribution made to the Trust during the year	Nil

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

(a)	Number of shares held at the beginning of the year;	1,52,21,634 equity shares
(b)	Number of shares acquired during the year through:	Nil
	(i) primary issuance	Nil
	(ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
(c)	Number of shares transferred to the employees / sold along with the purpose thereof	39,36,500 equity shares pursuant to exercise of options granted to the employees
(d)	Number of shares held at the end of the year	1,12,85,134 equity shares

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

Sr. No	Particulars	Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
a)	Held at the beginning of the year	1,52,21,634	0.92%
b)	Acquired during the year	Nil	Nil
c)	Sold during the year	Nil	Nil
d)	Transferred to the employees during the year	39,36,500	0.24%
e)	Held at the end of the year	1,12,85,134	0.68%

Note 1: **Details of Options granted during the year**:

A	Key Managerial Personnel / Senior Management Personnel		
Sr. No.	**Name of the Employee**	**Designation**	**No. of Options granted**
			FCEL ESOP-2014 (Primary Route)
1	Mr. Ravin Mody	Chief Financial Officer	10,00,000
2	Mr. Girish Rao	Chief – IT	10,00,000
3	Mr. Tuhin Ray	Chief – Sales	4,00,000
4	Mr. Maneesh Sharma	Head- Packaging	4,00,000
B	**Other employee(s) who have received a grant amounting to 5% or more of option granted during the year**		
Sr. No.	**Name of the Employee**	**Designation**	**No. of Options granted**
			FCEL ESOP-2014 (Secondary Route)
1	Mr. Sadashiv Nayak	Director of Subsidiary company	15,00,000
2	Mr. Anuraag Agrawal	Director of Subsidiary company	10,00,000
3	Mr. Milind Sarwate	Director of Subsidiary company	10,00,000
4	Mr. Kamaldeep Singh	Director of Subsidiary company	6,00,000
5	Mr. Rajiv Sharma	Director of Subsidiary company	6,00,000
6	Mr. Venkatesh Kumar	Director of Subsidiary company	6,00,000

MANAGEMENT DISCUSSION AND ANALYSIS

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

The purpose of this discussion is to provide an understanding of financial statements and a composite summary of performance of Future Consumer Limited (**"Company"**) and the eco-system in which it is operating.

Management Discussion and Analysis is structured to comprise:

- Economic Overview
- Industry Overview
- Business and Operational Overview
- Competitive Landscape
- Risks, Threats and Internal Adequacy
- Human Resources
- Review of Consolidated Financial Performance

ECONOMIC OVERVIEW

International Monetary Fund (IMF) reaffirmed India as the world's sixth largest economy - pegged at $2.6 trillion for 2017 in the World Economic Outlook for 2018. While the major economies of the world continued to witness slowdown during the year under review, economic growth in India has remained resilient. India's GDP is forecasted to grow at 7.4% in 2018 up from 6.7% in 2017 supported by resurgent net exports and strong private consumption and is expected to touch 7.8% in 2019, making India one of the fastest growing economies in the World. At this rate, the IMF projects that India is poised to cross the $3 trillion mark surpassing UK, to enter the top 5 major economies of the World. The robust strategy of economic development of the current Indian Government has created a positive outlook for India.

There are continued clear signs of demand recovery post the short term disruptions. Demand is back on track as a result of Government efforts towards reviving the manufacturing sector with initiatives such as Make in India, supported by moderate inflation rates, favorable monsoons, lower commodity prices, increased FDI investments and growth in urban markets, with rural markets following the trend. Initiatives such as demonetization and GST implementation are expected to lead to formalization of the economy which should benefit the modern trade. India is at an inflection point with various new opportunities unfolding such as massive young workforce, rapid urbanization, political and economic stability and key structural reforms.

INDUSTRY OVERVIEW

India is home to one of the largest young population in the World, population that is aspiring, growing, earning, spending and consuming a whole range of products and services, expanding the opportunity for all stakeholders in the market to carve a niche for themselves. India's Food & Home and Personal Care ("HPC") industry is pegged at ~$300 billion in 2017 and is expected to grow at a CAGR of 11% to ~$500 billion over the next five years with organized segment growing at a CAGR of 20% over the same period. The Food & Beverages sector contributes over ~92% of the overall market. The staples and pulses segment is highly unbranded, creating a huge opportunity. Indian consumption sector is largely divided into urban and rural markets, attracting companies from across the World. The rise in income along with the rise in growing youth population and rural consumption is expected to drive growth. The low current penetration in rural markets offers an attractive opportunity for growth to major food and HPC companies.

The Indian Retail market, is estimated to grow at a CAGR of ~9% to reach $1.1 trillion by FY20 from $840 billion in fiscal year 2017, with modern trade poised to grow at 20-25% per annum which will translate into higher revenues for food and HPC companies, focusing on modern trade. Demand for packaged and branded goods is rising in India, which is a huge untapped market.

India is an ancient food culture with deeply entrenched habits and preferences. As we are all aware of the saying, "*You are what you eat*", India interacts with food in a very unstructured and multi-textured way. Indian homes and personal care regimes are highly influenced by cultures and beliefs that go back thousands of years. With the vast unbranded and under penetrated opportunity currently existing across categories, the Company has successfully introduced FMCG 2.0 with aim of attracting the new age consuming generation.

BUSINESS AND PERFORMANCE OVERVIEW

The Company continues to focus on the "FMCG 2.0" for the "Fast Moving Consumer Generation", building brands that nourish, excite, allow one to indulge and build a healthier future.

During the year under review, the Company has established its presence as a new age food and HPC company for a new era with operations ranging from sourcing, manufacturing, branding and distribution, striking a widespread cord between the lives of the farmers, a factory labourer, a worker on the shop floor and the house wife. The Company continues to strengthen its position as an integrated food and HPC company by building a strong portfolio of food and HPC brands that speak, react and respond to the rhythm of the Fast Moving Consumer Generation, allowing for a multi-prolonged engagement with our consumers. This portfolio comprises over two dozen innovative brands and is well supported by two key pillars viz. strong distribution network for supplies to over 103,000 stores across India and expertise in the fields of sourcing and manufacturing.

It has always been the Company's endeavor to develop and build brands to acquire lifetime value of today's Fast Moving Consumer Generation. Each of the product is developed after a detailed product research and development process supported by rich consumer insights.

Centre of Plate

The Company has a wide portfolio of brands that cater to all the everyday essentials for the Indian kitchen. The brand

‘Golden Harvest’ leads the Centre of Plate category achieving the milestone of crossing ₹1,000 crore in sales during the fiscal 2018. Golden Harvest Prime extended its portfolio with the launch of high quality super foods such quinoa, pearl millet, black rice, jasmine rice etc. During the year under review, the Company launched its first organic, all natural, pesticide free brand ‘Mother Earth’, offering pulses, spices, rice and sugar along with the launch of a dedicated rice brand, ‘Shubra’, offering 99.5% fat free alternatives. The brand ‘Sangi’s Kitchen’ has extended its portfolio with the launch of authentic spices such as Coriander, Kashmiri Chilli, Turmeric Powder and a range of essential herbs and seasonings. Bringing all the real flavors of India to your plate, brand Desi Atta has significantly scaled up its offerings with around 50 variants of the tastiest and healthiest flours and ready mixes from almost all regions of the Country.

Processed Foods and Dairy

The Company’s processed foods category comprises of indulgence focused brands and innovative products, including fusion foods such as ‘Peri Peri Bhujiya’ and ‘Schezwan Chutney’ to surprising new flavors of green tea and beverages, fresh twists in dairy and bakery products to home and beauty solutions that combine the Indian wisdom and international know-how.

During the year under review, the brand “Tasty Treat” became Company’s 1st processed food brand to cross ₹100 crore in sales. “Tasty Treat”, a brand which stimulates the indulgence, the ‘drool factor’ and the ‘mindless munching’, now boasts of a wide range of products, which include new age namkeens, ready- to- eat snacks, pop-corns, beverages with an Indian twist, wafer-biscuits, sauces, frozen snacks and much more. However, the highlight of fiscal year 2018, was the launch of Tasty Treat biscuits and cookies range, competing with the best brands in the market in terms of taste and quality.

In the fiscal year 2018, the Company launched products in several value-added and high margin categories. These products are well positioned to command higher price point as they incorporate unique tastes and preferences of the Indian palate such as wafflets, kettle chips and popcorn under the brand, "Pooof!". The brand “Karmiq” achieved one of the biggest milestones during the year under review by touching ~ ₹ 50 crore sales in dry fruit category.

The Company has also extended its exciting range of fusion drinks under the brand “Sunkist” with the launch of Zesty Tomato and 5 other flavors in time for the summer season. The Company has further introduced the idea of healthy snacking with the launch of tasty and healthy flavored oats in four delicious savory and two sweet flavors under its brand “Kosh”.

The Company continues to explore new products and categories which will enable high growth coupled with higher profitability.

Home & Personal Care

The Company has successfully launched new brands as well as undertaken extension of its existing brands by identifying new areas of consumption. During the year, the look & feel of "CleanMate", Company's largest brand in the HPC space was revamped to a more uniform architecture. The brand “CleanMate” further forayed its journey into the range of home cleaning products with the launch of bathroom cleaner. Further the brand “CleanMate” also featured in Bollywood superstar Akshay Kumar’s movie, 'Toilet, Ek Prem Katha' and created a fund, Swachh Bharat Kosh. This gained a lot of traction for CleanMate and helped achieve record sales of ~₹ 70 Crore during the fiscal year 2018.

Furthermore, understanding the self-cleansing regimes of the Indian consumer, the Company relaunched its brand “Think Skin” body wash in attractive packaging and fragrances at a disruptive price proposition. The brand is available in 5 new variants Lemon Fresh, Aqua Flash, Wild Rose, Sandal Clear and Active Sports. With the new launches, the visual identity of “Swiss Tempelle” was also revamped to make it look more contemporary and ‘Product of Switzerland’ was reinforced on the packaging. All Swiss Tempelle products are ‘Paraben Free’.

The brand “Kara” has scaled through the insights of evolving woman and their need for ‘Beauty-on-the-go’, from refreshing wipes and skin care wipes to face masks and nail polish removers. Kara continued to display a strong growth trajectory during the year under review, achieving over ₹ 25 crore in brand sales, exhibiting more than 3x growth since acquisition. Kara wipes help restore beauty with the goodness of all natural skin friendly active ingredients such as Neem, Aloe-Vera etc. and are made from 100% viscose fiber with high moisture absorption capacity. “Kara” has significantly increased penetration across general trade and modern trade to over 32,000 outlets from 20,000+ outlets over last year. The brand expanded its footprint from ~86 towns in FY16 to ~164 towns in fiscal year 2018.

The Company introduced a new personal care brand “TS”, offering grooming tools and accessories with a distinct character that openly glorifies vanity, not hide it, and revels in its outcome. The brand “TS” provides the most effective and efficient products that fuel a desire for making every day glamourous. The exaggerated bursts of product colors infuse energy in the idea of self-grooming.

The Company has revamped its lifestyle home fragrances brand, Pratha, offerings a range of incense sticks and various other products that aid while worshiping, meditation and relaxing in unique blends of soothing fragrances, which help reduce stress and enhance overall well-being.

The Company has ventured into the baby care products category with the launch of “Puretta”, with a promise to cater to all the needs of a new born baby. “Puretta” is targeting the huge untapped potential in the baby care category which includes baby care accessories, feeding and nursing products like feeding bottles, sippers, baby grooming range, baby dining accessories, etc. These products are ISI and BIS certified, built with highest quality standards, made from 100% Food Grade Plastic, BPA Free, are safe and non-toxic for the babies.

Distribution Network

The Company continues to expand its distribution network across various channels for a direct and swift engagement with majority of consumers via disintermediation. The Company has established a vast distribution network comprising ~103,000 stores across various formats and channels with the aim to increase penetration of its products across leading modern and general trade channels. The Company's partnership with the Government of Rajasthan's Public Distribution Network has now an access to over 6,100 Fair Price Shops. Leveraging its partnership with Indo Nissin in financial year 2016-17, the Company has unlocked potential access to nearly 2 lakh touchpoints. The Company tapped into new modern trade formats such as HyperCity, WHSmith, Foodworld and Heritage.

Sourcing & Manufacturing

The Company has one of the leading agri-sourcing operations in the Country with access to over 88 locations across India and 7,000 farmers. The harvest is processed at one of the 29 mechanized processing centers of the Company for further grading, quality checks, processing, and packing and distributed through 37 distribution centers to modern and general retail outlets in almost 100 cities across India. The Fruits and Vegetable business handles over 600MT of produce daily, sourced through 23 collection centers and 1,710 registered farmers, distributed through 15 distribution centers.

The Company's subsidiaries, joint ventures and associates play a vital role to complete the overall offering. The Company has entered into various joint ventures to support its foray into manufacturing across various new age categories. These entities largely support the Company *via* offering manufacturing capabilities, infrastructure and strong brands. The Company has partnered with LT Foods, amongst the leaders in packaged rice, to set up a milling and processing plant for rice and Hain Celestial, one of the manufacturer of natural and better-for-you products, amongst others. Majority of the manufacturing facilities have been set up at the India Food Park and commenced operations in the last 2-3 years. As the products manufactured in these facilities are in the initial phase, there exists a significant unutilized capacity to support the ramp up of these categories.

AWARDS AND RECOGNITIONS

During the year under review, the "Tasty Treat Firangi Bhujiya TVC" won Bronze at the Foxglove Awards 2017 while Swiss Tempelle won the "Best Use of Social Media" award for "#GetSwissed" campaign at the Digital Industry Awards 2017. Furthermore, Golden Harvest won the No. 1 Basmati Rice award by "Jaago Grahak Jaago". "Desi Atta" won the Golden Spoon Awards for the IMAGES most admired food innovation of the year – Ingredients, Products and Processes.

Performance of Subsidiary, Joint Venture and Associate companies:

Subsidiary Companies:

1. **Aadhaar Wholesale Trading and Distribution Limited ("Aadhaar")**

   Aadhaar, a wholly owned subsidiary of the Company, is in the business of rural and semi-urban wholesale and distribution of fast moving consumer products and general merchandise. It is actively pursuing wholesale distribution and franchisee models in this segment. Aadhaar also has an access to ~6,100 Fair Price Shops in Rajasthan. With capital inflows expected in backend infrastructure, linkages with rural markets are expected to be stronger. In the coming year, Aadhaar intends to build wholesale centers which facilitate effective access to General Trade. Aadhaar has already started a pilot wholesale center at Nadiad, Gujarat. For the fiscal year 2018, Aadhaar has registered revenues of ₹306.15 crore.

2. **The Nilgiri Dairy Farm Private Limited ("Nilgiris")**

   With origin in 1905, Niligiris is a leading dairy and bakery brand in South India with a franchisee network of ~210 stores. The brand Nilgiris has grown to become a household name in the south India with consumers spanning successive generations. The brand has a unique portfolio, supported by manufacturing facilities for dairy categories. Nilgiris also has franchisee operated chain of convenience stores with a strong presence in urban centers across India's southern states. Nilgiris has registered consolidated revenues of ₹ 230.10 crore for the fiscal year 2018.

   The subsidiaries of Nilgiris are mentioned as below:

   a) Appu Nutritions Private Limited

   b) Nilgiri's Mechanised Bakery Private Limited

   c) Nilgiris Franchise Private Limited

   During the year, Nilgiri's Mechanised Bakery Private Limited and Appu Nutritions Private Limited outsourced their bakery related manufacturing operations to a third party.

3. **Bloom Food and Beverages Private Limited,** *formerly known as Bloom Fruit and Vegetables Private Limited* **("Bloom")**

   Bloom, a wholly owned subsidiary of the Company, is predominantly engaged in the business of trading in all types of fruits and vegetables. Bloom has registered revenues of ₹ 211.67 crore for the fiscal year 2018.

4. **Integrated Food Park Private Limited ("IFPPL")**

   IFPPL, a subsidiary of the Company, has in partnership with the Ministry of Food Processing Industries, Government of India, set-up a state-of-the-art India Food Park facilitates which provides end-to-end food processing along the value chain (grading, sorting, pulping, packaging & distribution) from the farm to the market. Equipped with world-class food processing units comprising of 70,000 tonne storage capacity, cold storage unit and in-house pulping, dehydration and frying and roasting line, IQF, milling, flouring, spice and dal units, this massive park is spread across 110 acre land at Tumkur region in Karnataka. IFPPL is home to several food processing firms where it enables them to work through a single window system. At present, IFPPL houses 21 operational manufacturing units. IFPPL also houses other facilities such as effluent / sewage treatment plant, central canteen, meeting and conference rooms, office cabin, micrology lab and research and development lab. After fiscal year 2018, the Company has increased its stake in IFPPL to 99.93% by acquiring the entire equity shares held by Capital Foods Private Limited. IFPPL has registered revenues of ₹19.54 crore and EBITDA of ₹ 8.42 crore for the fiscal year 2018.

5. **Aussee Oats Milling (Private) Limited (“Aussee Oats”)**

Aussee Oats operates a state-of-the-art “oats based” breakfast cereals manufacturing facility (EOU - Export Oriented Unit) in Sri Lanka through a Joint Venture initiative with SVA India Limited and the Company. The Company holds 50% plus one ordinary share of Aussee Oats. Aussee Oats predominantly focuses on manufacturing and sale of a range of breakfast cereals such as mueslis, oats, cornflakes, wheat flakes and many more variants. The finished products are targeted to be sold by Aussee Oats in various countries such as India, Sri Lanka, Pakistan, Nepal, Bangladesh, Bhutan etc. Aussee Oats has registered revenues of ₹ 26.65 crore for the fiscal year 2018 (converted into Indian Rupees at the exchange rate of USD 1= ₹ 65.04).

6. **Aussee Oats India Private Limited (“Aussee Oats India”)**

Aussee Oats India is engaged in the business of selling, importing, exporting and processing primarily oats and oats based products in India. The Company holds 50% plus one equity share of Aussee Oats India. Aussee Oats India has registered revenues of ₹17.14 crore for the fiscal year 2018.

7. **Sublime Foods Private Limited (“Sublime Foods”)**

Sublime Foods is engaged in the business of manufacturing convenient food products such as sauces, chutneys, condiments, dressings and mayonnaise for Company’s brand - “Sangi’s Kitchen”. The manufacturing unit has been set up by Sublime Foods at the India Food Park, Tumkur, which mainly which produces dips and sauces such as sweet, chilli garlic, schezwan, mayonnaise, tamarind (imli), coriander & mint and Italian classic arrabiatta and alfredo. It has capabilities to produce other variety of such food products such as jams, jellies, confectionery fillings, different types of cheese and few dairy products. These products are made in equipment imported from Italy with an automated manufacturing system to ensure safety and hygiene standards. The Company owns 51% stake in Sublime Foods. Sublime has registered consolidated revenues of ₹14.36 crore for the fiscal year 2018.

Avante Snack Foods Private Limited (“Avante Foods”)

Avante Foods is a subsidiary of Sublime Foods is engaged in the business of manufacturing, processing, branding, packaging, warehousing and dealing in items in snack food category, fried chips of various fruits and vegetables, nuts and seeds based snacks, dehydrated fruits and vegetables snacks, extruded snacks made from rice and other grains and other food products. Avante Foods manufactures food products such as kettle Chips under the brand Pooof! from facility set up at India Food Park, Tumkur.

Avante Foods has registered revenues of ₹ 3.32 crore for the fiscal year 2018.

8. **MNS Foods Private Limited (“MNS Foods”)**

MNS Foods, a subsidiary of the Company is engaged in the business of manufacturing and trading of all kinds of wafer biscuits, chocolate enrobed wafer biscuits, confectionaries, bakery, cookies, pastries, cereals foods, canned foods, lemon drops, extruded foods, tinned fruits, preserved foods, nutrients, vegetables, fruits, jams, pickles, sausages, diet foods, toffees, chocolates and packaging activities. During the fiscal year 2018, MNS Foods has commenced its operations for manufacturing of Tasty Treat wafer biscuits and Pooof! wafflets from its manufacturing facilities set up at India Food Park, Tumkur. The Company holds 50.01% stake in MNS Foods. MNS Foods has registered revenues of ₹13.78 crore for the fiscal year 2018.

9. **Future Food and Products Limited (“FFPL”) and Future Food Processing Private Limited (“FFPPL”)**

FFPL and FFPPL have been set-up with the objective to focus on establishment of food processing units. These entities are in the process of setting up necessary infrastructural facilities at Nagpur.

10. **Future Consumer Products Limited (“FCPL”)**

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

11. **FCEL Overseas FZCO (“FCEL Overseas”)**

FCEL Overseas has been set up in UAE to undertake the business of dealing in furthering exports of range of Company's products.

12. **FCEL Food Processors Limited (“FCEL Food Processors”)**

FCEL Food Processors, a wholly owned subsidiary, has diversified its objects to carry on the business of manufacturing, processing, branding, packaging, warehousing, and/or otherwise dealing in food products. FCEL Food Processors is yet to commence operations.

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

ACK is a subsidiary of the Company, which is predominant for holding oldest content brands. Within its ambit ACK owns the flagship brands ‘Amar Chitra Katha’ and ‘Tinkle’. It has basket of 400+ titles and over 100 proprietary characters. It is an established leader in the under 15 age group with diverse product offerings in various formats that are compatible to new media platforms.

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

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

a) ACK Media Direct Limited

b) IBH Books & Magazines Distributors Limited

c) Ideas Box Entertainment Limited

ACK has registered total income of ₹ 30.68 crore for the fiscal year 2018.

Joint Venture Companies:

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

   The Company entered into a joint venture arrangement with Swiss based Mibelle A. G., a division of Migros Group, amongst the largest consumer goods company in Central Europe, by forming a 50:50 joint venture company under the name Mibelle Future Consumer Products AG at Switzerland. The brand 'Swiss Tempelle' launched a variety of body wash and lotions and is further extending the range, during the year under review. The brand Swiss Tempelle generated revenues of ~₹ 7.00 crore

2. **Genoa Rice Mills Private Limited ("Genoa")**

   Genoa is a 50: 50 joint venture with LT Foods Limited, amongst the leaders in the packaged rice space, undertaking the business of manufacturing and distribution of rice and with an objective of developing the first national brand outside the Basmati rice space. Genoa is engaged in the business of processing, marketing and distribution of rice and has set up its milling and processing plant at India Food Park, Tumkur.

3. **Hain Future Natural Products Private Limited ("Hain")**

   Hain is a 50:50 joint venture with Tilda Hain India Private Limited. Tilda Hain India Private Limited is part of Hain Celestial Group Inc., a leading organic, natural and better-for-you products and is listed on NASDAQ. Hain Celestial Group participates in almost all natural categories with nearly 57 brands. The JV has launched the Soya milk brand 'Dream', during the year under review and introduced brands and products comprising Terra vegetable chips, Garden of Eatin Tortilla chips, Dream rice etc manufactured at the India Food Park.

COMPETITIVE LANDSCAPE

The food and HPC market has been characterized by the presence of both national, regional and small domestic players. The HPC segment has seen creation of multiple brands over the years, however, the food and beverages market remains largely unbranded and fragmented.

The Company believes in building products customized and relevant to today's fast moving consumer generation. The Company focusses on customer centricity and in doing so has developed a strong portfolio of brands with wide range of products. The Company is well positioned to benefit from its continuous endeavor to expand distribution channels, enhance its sourcing expertise and focused marketing initiatives. The Company's focus on modern trade and significant potential of the Future Group network also provides the Company with an edge as the consumer rapidly upgrades to the modern trade.

RISKS, THREATS AND INTERNAL ADEQUACY

The industry in which the Company operates has some inherent risks such as ever changing consumer demand, competitive intensity and cost volatility. This requires identifying, monitoring and mitigating risks predominantly in the areas of business, operations, finance and compliance.

The Company has Enterprise Risk Management (ERM) Policy in place. The aim of this policy is not to eliminate risk but to assist the Company personnel to manage the risks involved in all the activities to maximize opportunities and minimise adverse consequences.

Key Features of ERM Policy are:

- Identifying and taking opportunities to improve performance as well as taking action to avoid or reduce the chances of something going wrong
- A systematic process that can be used when making decisions to improve the effectiveness and efficiency of performance
- Effective communication
- Accountability in decision making

Risk Committee Meeting is held once in every 6 months wherein all the critical risks along with current mitigation plans identified during the period are presented to the Board members. This ensures all the critical risks are covered and suitable mitigation plans are in place or needs to be implemented to overcome /avoid the risk to ensure controls are operating effectively.

In the current financial year, w.e.f. Q3'18 the Company has appointed KPMG as Internal Auditors. We expect this engagement to assist to help us in setting industry bench mark and drive to implement best industry practice within our organization.

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

HUMAN RESOURCES

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

To gain a competitive edge in a highly dynamic industry, your Company continues to focus on progressive employee relation policies and creating an inclusive work culture with strong talent pipeline. Several initiatives are being implemented by the Company across its operations to strengthen talent management, capability development and performance management processes. These initiatives has been giving positive impact on talent attraction, retention and commitment. The Company has in place a variety of measures to engage the employees and ensure career progression, helping employees move from their current level to a higher level. As on 31st March, 2018, there were 1,603 permanent employees in the Company.

REVIEW OF CONSOLIDATED FINANCIAL PERFORMANCE

The financial statements have been prepared in accordance with Indian Accounting Standards and the relevant provisions of the Companies Act, 2013 and Rules made thereunder, as amended/ re-enacted, from time to time, as applicable. The financial performance of the Company for the year under review is not comparable to the previous financial year on account of acquisition of various subsidiaries and associates in the previous and current year.

The Company has recorded a revenue from operations of ₹ 3,005.01 crore and EBITDA profit of ₹ 66.40 crore in the year under review as against an income from operations of ₹ 2,115.84 crore and EBITDA profit of ₹ 20.69 crore in the previous year. During the year under review, Net Loss, stood at ₹ 25.98 crore, narrowed by ₹ 35.02 crore.

SUMMARY OF CONSOLIDATED INCOME STATEMENT

Particulars (₹ cr)	FY18	FY17
Revenue from Operations	**3,005.01**	**2,115.84**
Cost of Goods Sold	2,597.44	1,827.20
Gross Profit	**407.57**	**288.64**
Gross Margin (%)	***13.6%***	***13.6%***
Other Income	32.54	25.04
Expenses		
Employee Benefit Expense	125.81	97.80
Other Expense	227.65	181.16
Finance Costs	52.68	44.86
Depreciation and amortization expense	45.48	32.61
Profit / (Loss) Before Tax	**(11.52)**	**(42.74)**
Share of Profit / (Loss) in Associates & JVs*	(16.96)	(17.37)
Deferred Tax (Expenses) / Credit	2.50	(0.89)
Net Profit / (Loss) for the Year*	**(25.98)**	**(61.01)**

**Attributable to owners of the company*

Revenue from Operations

During the year ended 31st March, 2018 (fiscal year 2018), the Company recorded consolidated Revenue from Operations of ₹ 3,005.01 crore, an increase of 42.0% over previous year Revenue from Operations of ₹ 2,115.84 crore. Revenue from Operations consists of income from sale of products and other operating income by the Company and its subsidiaries.

Cost of Goods Sold

Cost of goods sold primarily includes costs in relation to purchases of finished goods and raw materials and other cost. During fiscal year 2018, our overall Cost of Goods Sold grew by 42.2% accounting for 86.4% of our Revenue from Operations for both fiscal year 2018 and fiscal year 2017.

Employee Benefit Expense

Employee cost include salaries and bonuses to our employees, ESOP charges, contributions to provident funds and other funds as well as staff welfare expenses. During fiscal year 2018, Employee Benefit Expense grew 28.6% over the previous year and accounted for 4.2% and 4.6% of our Revenue from Operations for fiscal year 2018 and fiscal year 2017, respectively.

Other Expenses

Other Expenses primarily include expenses towards payment of rent, power, water and fuel, advertisement, publicity and selling expenses, travelling expenses, legal and professional charges etc. Our Other Expenses accounted for 7.6% and 8.6% of Revenue from Operations for fiscal year 2018 and fiscal year 2017, respectively. Our overall Other Expenses for fiscal year 2018 grew by 25.7% over fiscal year 2017.

Finance Costs

Finance Costs primarily consisting of interest on working capital loans, fixed loans and term loans stood at ₹ 52.68 crore in fiscal year 2018.

Depreciation and Amortization Expense

For the year, Depreciation and Amortization expense has increased from ₹ 32.61 crore in fiscal year 2017 to ₹ 45.48 crore in fiscal year 2018. The increase is primarily on account of increase in fixed asset base and one time impairment of FCPL.

Profit after Tax

Loss for fiscal year 2018 was ₹30.64 crore, an improvement of 53.2% over fiscal year 2017.

SUMMARY OF BALANCE SHEET

Assets (₹ cr)	FY18	FY17
Non-Current Assets		
Fixed Assets Including Intangibles	979.03	933.56
Financial Assets	70.64	67.64
Other Non-Current Assets	29.52	25.88
Total Non-Current Assets	**1,079.19**	**1,027.08**
Current Assets		
Inventories	224.24	175.73
Trade Receivables	492.95	324.15
Cash & Bank Balances	44.75	47.54
Other Current Assets	181.32	117.29
Total Current Assets	**943.26**	**664.71**
Total Assets	**2,022.45**	**1,691.79**

Equity and Liabilities (₹ cr)	FY18	FY17
Shareholder's Funds	**999.48**	**896.30**
Liabilities		
Non-Current Liabilities		
Borrowings	310.14	154.19
Other Non-Current Liabilities	89.14	100.11
Total Non-Current Liabilities	**399.28**	**254.30**
Current Liabilities		
Borrowings	230.35	184.21
Trade Payables	239.09	167.93
Other Current Liabilities	154.25	189.05
Total Current Liabilities	**623.69**	**541.19**
Total Equity and Liabilities	**2,022.45**	**1,691.79**

FINANCIAL POSITION

As on 31st March, 2018 (fiscal year 2018), Shareholder's Funds of the Company amounted to ₹ 999.48 crore (fiscal year 2017: ₹ 896.30 crore).

As on 31st March, 2018, the Net Working Capital of the Company amounted to ₹ 478.10 crore, this included ₹224.24 crore (fiscal year 2018: ₹175.73 crore) of Inventories, ₹492.95 crore (fiscal year 2017: ₹324.15 crore) of Trade Receivables and ₹239.09 crore (fiscal year 2017: ₹167.93 crore) of Trade Payables.

SUMMARY OF DEBT

As on 31st March, 2018, the Company's Gross Debt stood at ₹ 617.65 crore comprising Non-Current Borrowings of ₹ 310.14 crore, Short-Term Borrowings of ₹ 230.35 crore and Current Maturities of Long-term Borrowings of ₹ 77.16 crore (fiscal year 2017 Gross Debt: ₹ 471.43 crore; Non-Current Borrowings: ₹154.19 crore; Short-Term Borrowings: ₹184.21 crore and Current Maturities of Long-Term Borrowings: ₹133.03 crore) and Cash & Cash Equivalents stood at ₹ 44.75 crore (fiscal year 2017: ₹47.54 crore)

BUSINESS RESPONSIBILITY REPORT

Overview

Future Consumer Limited *(formerly known as Future Consumer Enterprise Limited)* **("FCL"/"Company")**, India's first sourcing-to-supermarket food company is designed to cater to the fast moving consumer who shop at modern retail chains. The Company is thus placed uniquely to produce and bring to market products that are innovative, local, healthy and nutritious and adhere to high standards for environmental protection, health and safety. Collaboration with stakeholders has helped the Company to create positive impacts across the value chain not only in delighting customers but also in lives of farmers, suppliers and factory workers.

The Directors of FCL hereby present the Business Responsibility Report **("BRR")** of the Company for the financial year ended on 31st March, 2018, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L52602MH1996PLC192090
2	Name of the Company	Future Consumer Limited *(formerly known as Future Consumer Enterprise Limited)*
3	Registered address	Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
4	Website	www.futureconsumer.in
5	E-mail id	investor.care@futureconsumer.in
6	Financial Year reported	2017-18
7	Sectors/key products/services	1. Food - Branded Packaged Food Business (Groceries, Dairy, Beverages, Bakery, Snacks and Munch and other World Foods) 2. Home Care Products 3. Personal Hygiene Care Products
8	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	The Company predominantly operates in India and has presence in international markets through its subsidiaries.
	(b) Number of National Locations	FCL carries out business activities all over India with major manufacturing locations at Karnataka, Maharashtra and Haryana.
9	Markets served by the Company - Local/State/National/ International	FCL serves national and international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	INR 1,14,806.02 Lakhs
2	Total Turnover (INR)	INR 2,42,930.13 Lakhs (standalone)
3	Total profit after taxes (INR)	INR 3,234.68 Lakhs (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	With regard to the year under review, the Company was not required to spend any amount on CSR activities, since the criteria of average net profits of the Company during the three immediately preceding financial years, to be calculated under Section 198 of the Companies Act, 2013 was not achieved.
5	List of activities in which expenditure in 4 above has been incurred	Not Applicable

SECTION C: OTHER DETAILS

Sr. No.	Particulars	Company Information
1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Company encourages its subsidiaries to participate in Business Responsibility (BR) initiatives of the Company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company encourages adoption of BR initiatives by its business partners, which currently aggregates to less than 30% of all the business partners.

SECTION D: BR INFORMATION

1. **Details of Director / Directors responsible for BR:**

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

Sr. No.	Particulars	Details
1	Director Identification Number (if applicable)	00058775
2	Name	Ms. Ashni Biyani
3	Designation	Managing Director*
4	Telephone number	022 – 6119 0000
5	E-mail ID	ashni.biyani@futuregroup.in

*appointed as Managing Director w.e.f. 22nd May, 2018

2. **Principle-wise BR Policy / Policies (as per NVGs):**

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

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

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies conform to voluntary sustainability guidelines such as the Global Reporting Initiative (GRI) and is also based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Details of compliance (contd...)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	The functional heads of the respective departments oversee the implementation of the policies.								
6	Indicate the link for the policy to be viewed online?	http://futureconsumer.in/Investors.aspx#policies.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?*	N	N	N	N	N	N	N	N	N
(b)	**If answer to the question at serial number 1 against any principle, is 'No', please explain why**	Not Applicable								

*During the reporting period a Sustainability Cell has been developed at Future Group level, with the objective to evaluate the sustainability vision, framework and policies. Deployment of these policies, processes will be in line with international guidelines and on achieving sufficient robustness, your Company will invite a third party to audit and certify performance.

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company/ its Committees assess the various business responsibility initiatives undertaken by the Company on an annual basis.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the BRR for the year 2017-18 forms part of the Annual Report, which is published annually. It is available on the website of the Company at – http://www.futureconsumer.in/annual-reports.html

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

The Company is committed to conducting business legally, ethically with integrity and transparency with the stakeholders, FCL sensitises its employees on ethical conduct at all levels including adherence to the Code of Conduct, Anti-Bribery and Anti-Corruption framework which applies across its employees, vendors, contractors and third parties.

These are made available to all stakeholders through the Company website http://futureconsumer.in/Investors.aspx#companypresentations> and vide declaration in the annual report.

Governance

Addressing key concerns as communicated by the policies through high level of transparency and accountability -the Board of Directors and its Committee(s) ensure that the business grows while complying with applicable regulations and beyond in its endeavour to create happy communities.

CSR

'Happiness Matters' is the cornerstone of Future Group's sustainability framework. Future Group is committed to creating a happy ecosystem. The Group's sustainability vision is "Striving to grow responsibly and achieve the dual goal of a happy environment and society, both of which are necessary ingredients for business continuity and growth." The four pillars of the sustainability framework is "Responsible Products", "Resource Efficiency", "Responsible Supply Chain" and "Happy Communities".

The Corporate Social Responsibility Committee of the Company is responsible for formulating, implementing and monitoring the Corporate Social Responsibility Policy of the Company.

The coming reporting period will see deployment of these policies on the basis of these four pillars through strengthening of processes, creation of roadmaps, target setting and performance management. The Company will extend the same to FCL's supply chain stakeholders.

Grievance Redressal Mechanism

FCL has in place, grievance redressal mechanism that addresses stakeholder complaints, concerns and queries. The Company has laid out processes to ensure that the Company resolves such cases satisfactorily thus improving its relationship with its stakeholders and adding value to business though transparency and disclosure.

Employee Grievance Mechanism

The Company has adequate mechanism to redress complaints that may be received on grounds of harassment or any act that is found to be abusive or discriminatory with regard to caste, religion, gender etc. through the Internal Complaints Committee (**"ICC"**) which comprises of 64 representatives across all formats across the Future Group. During the reporting period, no complaints were received by the ICC.

FCL is a member of the POSH Committee at the Future Group level, which takes care of all sexual harassment complaints. The POSH policy is made available on the intranet for easy access to all employees. All employees are entitled to report any instance of victimization by way of sexual harassment by writing at - posh@futuregroup.in and seek redressal of their grievances. The Company has received no complaints on sexual harassment during the reporting period.

Investor Grievance Mechanism

The Company has a designated e-mail ID – investor.care@futureconsumer.in for addressing the investor complaints. During the reporting period, the Company has received 2 (two) investor complaints which have been satisfactorily resolved by the Company and its Registrar and Share Transfer Agents (**"RTA"**).

Customer Grievance Mechanism

The customer relationship management team and the quality team work simultaneously towards resolving grievances from FCL's customers. FCL believes in expeditious resolution of its customer grievances and in its endeavor to keep the customer satisfied it has a robust and vigilant mechanism in place. During the reporting period, there has been no material customer grievance.

Vigilance Policy

FCL's vigil mechanism empowers stakeholders to confidently respond to concerns around suspected misconduct, unethical behavior, actual or suspected fraud or any action that violates the Code of Conduct or any business responsibility policy.

FCL has deployed whistle blower protection policy to safeguard the identity of the person(s) who has/have reported the violation.

There were no complaints received by FCL under the Whistle Blower Policy as on March 31st 2018.

Principle 2: Product Stewardship

Increasing consumption, growing nutrition requirements, increased emphasis on food security and quality standards are changing the Indian landscape of food. There is also a growing consciousness of ingredients used, its impact on human health and the environment. This trend is also becoming increasingly relevant in the home and personal care category.

The Company is sensitive towards the growing concerns of pollution caused by packaging waste, disposable plastic and its negative impact which are detrimental to human health and the physical environment.

During the reporting period, FCL has put in place a Product Stewardship Policy which seeks to ensure that all stages of the product life-cycle including sourcing of raw materials, semi-processed materials, finished products and packaging materials and its disposal do not add to the concern of negative impact on society and environment. Through increased capacity building, awareness training, programs and audits over the next reporting period, the Company will endeavour that all value chain members are aware of their respective responsibilities.

New Product Development

New Product Development and continuous quality improvement is a key focus area for the Company. A full-fledged Research and Development Lab spread over 11,000 square feet, which houses infrastructure for carrying out lab scale work on building a full range of processed foods across all categories has been set up at India Food Park.

FCL has been engaging with world renowned organizations in the food ingredient, flavours and supplements segment during the process of development of exciting new products. FCL has also been working closely with Dupont in developing ingredients, technologies and products in the bakery, beverage & dairy space. This has supported its move to alternative protein derivatives that are vegetable based.

The Company also works with various organizations for the development of various flavours, seasonings and spice extracts and blends for its snack products like potato chips and namkeens.

For the forthcoming year, the Company is working towards solvent free spice extracts using super critical carbon dioxide as an alternative with Plant Lipids. This will ensure no residues and resource conservation through continuous recycling of the fluid for 6 months for every single charge.

Product Health and Safety

The Company's manufacturing locations adhere to the highest standards of food safety by complying with HACCP, ISO 14000, ISO 22000 standards for Food Safety Management and BRC FSMS certifications.

Nutrition is considered one of the critical parameters for addressing health and well-being. The Company focuses on nutrition by promoting healthy eating habits, organic food products and health drinks. Brands like 'Golden Harvest' Atta is wheat fortified with iron.

The Home & Personal Care categories such as body and face washes, shampoos have also integrated environmental consciousness and ensure that they do not contain formaldehydes releasing preservatives and micro beads.

The 'Think Skin' brand ensures all body washes sold are Paraben free. Wipes sold under the brand name 'Kara' are made of viscous fiber and are 100% alcohol free.

FCL ensures food safety in processing, packing and retailing as all processing units broadly follow HACCP principles:

- Control of food safety through process control by prevention method.
- Identification of potential food safety concerns (viz. Food safety hazards, contamination, CCP)

Product Labelling

FCL ensures appropriate labelling and declarations in accordance with the Food Safety and Standards (Packaging and Labelling) Regulations, 2011 notified by the Food Safety and Standards Authority of India (FSSAI) and the Legal Metrology (Packaged Commodities) Rules, 2011.

FCL discloses relevant information truthfully and factually including cautionary statements, as and when required. Where considered necessary, the Company also educates its customers on the safe and responsible usage of their products including guidelines for product handling, storage and disposal and makes sure that the same is explicitly visible.

Sustainable Sourcing

Being present from Farm to Fork, the Company strives to consistently achieve benchmarks related to food quality, consistency and goodness. The Company ensures that these are intact whilst improving efficiencies and generating stakeholder value through the organization.

Rice, sugar, wheat, oil seeds, pulses, dry fruits and spices, fruits and vegetables and more are sourced through over 88 centers and more than 6000 farmers across the Country for further grading, quality checks, processing, packaging and distribution. These are then further processed at mechanized centers, such as pulses in Indore, wheat at Nimrani in Madhya Pradesh, north-based spices in Sonepat, multiple locations in Haryana and south-based spices at Tumkur. "Desi Atta" branded products are processed at Nerul (Navi Mumbai) and Tumkur, following stringent quality standards. Full quality compliance processes including, third party audits, Agmark certification, FSSAI compliance, batch level traceability are adhered and distributed across delivery centers to cater to modern and traditional retail requirements.

FCL sources bananas, mangoes, guava and papaya for pulping purposes from an assortment of farmers, farming communities and informal co-operatives from across Karnataka, Andhra Pradesh, Telengana and Maharashtra. FCL’s manufacturing partners process these fruits by using eco-friendly technologies to prepare pulps which are then aseptically packed and transported to FCL’s manufacturing sites across various locations in India for further processing into jams, spreads and beverages.

The Company's subsidiary Nilgiris Diary Farm Private Limited procures cow milk meeting the minimum procurement standards of 3.5% Fat and 7.5% SNF (Solids not fat) from about 7000 farmers.

Local Procurement

FCL works closely with the ground level, reputed voluntary organizations thus leveraging their farmer connect and market knowledge, particularly for products that can be grown in the chosen geographies but are non-traditional there.

The Company's Farm Fresh business is committed towards local procurement and making available fresh local produce to customers at retail stores at affordable prices, within 12 hours from harvesting with the support of 21 distribution centres across the Country. Farm collection centres located at 16 locations across India source onion, tomato, oranges, watermelon and potatoes from Farmer Producer Organizations and vegetables from about 2600 farmers. Distribution centers are well equipped with packaging infrastructure, cold storages and quality equipment to ensure that right product is delivered to the customer.

Procurement of seasonal and geography specific produce are sourced directly, such as Strawberries from Mahabaleshwar, Oranges from Farmer Producer Companies in Warud and Paratwada in Nagpur, Kinnow Orange directly from Abohar in Punjab, Apples from Himachal Pradesh, Opal Apples from Washington, Green Peas from Solan in Himachal Pradesh, Bananas and Mangoes from Andhra Pradesh and Zespri Kiwi from Kiwi Grower Cooperatives in New Zealand.

FCL is in the process to augment processing capacities across multiple locations in order to make available freshly packed products to cater to traditional local demand.

FCL sources agarbattis, dhoop locally from small co-operatives and women entrepreneurs.

Recycling

Fresh and processed food products that are expired or are rejected or degraded in handling, storage and transportation are recycled in-house and converted to compost, which is then utilised in-house or given to farmers for agricultural purposes.

Principle 3: Employee Welfare

FCL's Human Resource processes are guided by the inherent values of the Group and are in line with the laws of the land concerning labour and human rights, as updated from time to time.

FCL’s Human Resource policies ensure that there is no child labour, forced labour or any form of involuntary labour, paid or unpaid at any of its premises.

Non Discrimination in recruitment and employment

At FCL, a streamlined process is followed to have a fair and effective recruitment process free from biases of caste, creed, color or gender. To be an inclusive employer, FCL's policy does not discriminate with people having disability. In order to build a pro-inclusion mind-set and create a positive environment amongst stakeholders, FCL has designed appropriate communication and training programs.

The manpower at FCL as on 31st March, 2018 was 1,603.

Total Employee Strength	No. of female employees	No. of Temporary/ contractual/ casual	No. of Disabled Employees
1603	205	50*	Nil

*The Company hires manpower on temporary / contractual / casual basis as per the operational requirements from time to time.

Group	Total Strength	No. of female employees	% of female employees to total strength
Band 1	811	105	13%
Band 2	465	54	12%
Band 3	220	35	16%
Band 4	80	10	13%
Band 5	27	1	4%
Total	1603	205	13%

Gender Diversity and Women Empowerment

FCL currently employs 12.7% women in the workforce, who occupy 10.2% of the top management positions within the Company.

Recruitment Programmes

Future Business Innovator Program (FBI):

FCL had conducted 11 FBIs at SIBM, TAPMI and XLRI. FBI is a Management Trainee Program for Tier 1 B-Schools. Under this programme, hirings are done at the general management role, who are mapped to roles as per business requirement and their preferences based on projects they undertake with different concepts after a year.

Future Summer Samurai:

FCLs' summer internship program for Tier 1 B-Schools has entertained 28 interns from IIM-C, IIM-L, MICA, JBIMS and NMIMS for 2 months of their Summer Internship. They are mentored by Business Heads and get hands on experience.

New Employee Hires

During the reporting year, FCL hired 460 employees of which 15.4% are female employees.

Facilities for employee well-being

Facilities for employee well-being (Khushali)

Employees are provided the liberty of a flexi time window to complete the core working period of 8 hours, to enable employees to achieve a balanced work life.

Flexi Pay Policies such as Maternity leave as well as Paternity leave have been incorporated as governed by Indian laws. Insurance policies such as Mediclaim, EDLI and Life security plans have been implemented on a group level.

Under FCLs' Khushali Programme, the Company has partnered with various corporates to provide benefits that can be availed by the employees.

Housing Benefits

FCL has partnered with reputed real estate developers to provide discount to employees while buying a house and also other benefits such as buy back offerings, and flexi-payment plan for houses at their desired location.

Healthcare Benefits

FCL employees and their dependents can avail free ambulance and health check-up service at leading hospitals, while availing discounts for other services. Through the Companys' initiative with a reputed pharma company, FCL employees are benefited with free lung test service, free BMD service and nutritionist support.

Childcare and Education Service Benefits

The Company has, taking into consideration the day care and pre-school requirement of employees' children, by fostering relations with World of Children, so that employees can avail these services at discount.

Catering to Daily Needs

During the reporting period, FCL has extended the Employee discount benefits which can be availed by three dependents nominated by the employee. Besides this, various other initiatives of FCL towards catering to daily needs include providing fuel for travel, food coupons acceptable at select food stations, tie-up with taxi operators to facilitate commute of employees during outstation business travel and increased mobile data usage.

Collective Bargaining

FCL employees do not formally participate in any collective bargaining mechanism. FCL instead ensures all grievances of the employees are addressed through an established grievance mechanism and create a culture that empowers an employee to communicate and resolve issues amicably.

Employee Retention

Through diverse trainings concerning overall development of the employee to customized growth plans, a robust retention scheme is catered to. Along with this, an Employee Assistance Plan is developed to help employees deal with personal and professional problems that might adversely impact work performance, heath and overall well-being. The Company encourages its employees to apply for Internal Job Postings so as to explore other formats and verticals.

Employee growth, training and development and overall well-being

FCL ensures continuous skill and competence upgradation of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis.

Employees undergo a job skill analysis to ensure that they are well equipped in terms of functional as well as skill based competencies required for the job. Through Individual Development Plans, customised training needs are identified and imparted to all eligible employees.

Ban Jao Biyani

FCL functions in a holacratic style where the brand entrepreneur is solely responsible to manage the P&L of the brand and is expected to work with multiple teams within FCL and other formats across the group. To harness the large talent pool from within the group organization, FCL has consistently run three rounds of the contest over last three years.

The candidates who applied were shortlisted using psychometric analysis, case study analysis followed by an extensive personal evaluation through rounds of interview.

Shortlisted candidates undergo a boot camp session to live the life of an entrepreneur for a pre-determined duration by undertaking store visits to working on projects and recommendations.

The select few are handpicked to become brand entrepreneurs and product leads at FCL.

During the reporting year 100 candidates applied for the contest of which 39 profiles were selected for the boot camp session. 10 such candidates were selected as brand entrepreneurs and product leads.

Prevention of Sexual Harassment (POSH) Training

Awareness on the Code of Conduct and the sexual harassment policy is provided to all new employees during induction. The Company also organized POSH trainings for its employees at offices and stores to sensitize them about the definition of sexual harassment, how to identify sexual harassment, how to avoid/protect oneself from being a victim of sexual harassment and the reporting procedure of sexual harassment complaints.

A two day ICC training workshop was conducted on 1st and 2nd February, 2018 in Mumbai. The focus of the session was investigation skills, basic counselling skills like listening, paraphrasing and dealing with biases through case studies and role plays activities based on real life examples. Other topics covered were:

- Role of Internal Complaints Committee (**"ICC"**);
- Critical attitudes of an ICC member;
- Investigation Process & Report writing.

Health and safety:

FCL has already defined safety principles and policies for occupational safety and environment. Risk assessment through aspect-impact study was completed for India Food Park and Farm Fresh operations. Assessment for other businesses are on its way.

In 2017, both India Food Park and Nilgiris units celebrated Safety Week with various trainings and poster competitions. Reward recognition is done for the same and Guidelines for regular reward recognition are being structured.

- Safety Manual for India Food Park was developed and is aligned with OHSAS 18001 defining individual roles and responsibilities.
- All units have undertaken at least one evacuation mock drill and observations are recorded.

Category of Employees	Health Related Trainings conducted	Safety Training conducted
Permanent Employees	3	23
Contractual Employees	2	18 Daily Project Contractor Safety meeting
TOTAL	5	41

Employees were given safety and skill up-gradation training during the reporting period as under :

- Permanent Employees: 14.4%
- Permanent Women Employees : 12.2%
- Casual/Temporary/Contractual Employees: 54%

Principle 4: Stakeholder Engagement

FCL's stakeholder engagement policy is inclusive of its employees, community, suppliers, customers and investors. It encourages transparency in dealings, effective communication and deploying effective grievance mechanisms for responding to stakeholder concerns.

FCL proactively engages with stakeholders to create a common dialogue that allows learning, understanding of the operating environment, pooling of resources to positively impact and solve problems that improve overall performance.

Employee Engagement

FCL believes that its employees are its strong resource. During the reporting period, the Company has engaged with its employees through various programs and activities such as :

- Conducting weekly town halls
- Brand Jive - an initiative towards togetherness
- Celebrating monthly birthdays
- Festive celebrations- Ganesh Chaturthi and Ayudha Pooja
- Blood donation camp in association with Red Cross
- Planting trees on World Environment Day
- Celebrated ethnic day during festivals

Weekly Town halls spur idea creation and awareness campaigns to promote thought leadership and exchange of views amongst top management and peers.

Outbound, an annual team outing programme conducted in December 2017 focussed on team building activities that helped employees define roles, responsibilities, resolve conflicts and execute business goals.

Supplier Engagement

India's major challenge is to cope with the growing food consumption demand, increasing food security challenges at farm level, waste generated due to lack of adequate storage in-field and in-field during logistics. Approximately 40% of the country's fruits and vegetables go to waste annually.

FCL's has been undertaking farmer engagement programme in Madhya Pradesh (at Indore, Nimrani, Dhamnod, Dhar), in Karnataka (Bidar) and Maharashtra (Nanded district) over past couple of years and is now taken to the next level. This includes providing seeds and counselling farmers about likely price trends to help them in sowing decisions.

The Company has encouraged farmers to shift from intensive to organic farming methods to minimize health & safety hazards and improve soil health through reduced use of pesticides and fertilizers. Field officers train the farmers for good agricultural practices, sorting and grading standards.

The Company works with local communities who are its major suppliers of rice, sugar, wheat, oil seeds, pulses, dry fruits, spices, fruits and vegetables in educating them on improved cropping techniques, selection of crop, production planning and crop planting methodology.

FCL plans to continue handholding with the objective of building long term relationships.

The Company has also supported few new small packaging vendors in building their capabilities to comply with specifications and integrate essential processes through on the job training.

Customer Engagement

FCL actively engages with customers and identifies unique spaces within existing categories that capture new consumption habits. It also engages post-purchase with the customers and seek their valuable feedback which is taken into consideration during new product development.

Net Promotor Score survey is undertaken to gauge customer loyalty on an annual basis. A total of 18.3 million people participated in the survey, which has helped us achieve an NPS of -10 during the reporting period.

Automated engine for customer polling is in place and neuro-linguistic programming (NLP) enables the Company to capture customer free flow. This process helps resolve grievances at the store level by identifying detractors.

Investor Engagement

FCL values investor concerns and at every investor meet the Company presents the initiatives taken by the Company to improve key performance indicators and projections for business growth.

Statutory bodies

FCL maintains cordial relations with all its stakeholders including the statutory bodies and regulators. It also maintains records as required and ensures internal and external compliances.

Principle 5: Human Rights

FCL is committed to upholding human rights aligned with national and international conventions and regulations. FCL recognizes and respect the human rights of concerned stakeholders within and beyond the workplace. FCL's human rights policy extends across all its entities.

All contracts with suppliers, contractors and vendors incorporate a mandate for compliance with labour laws, timely wage payments, medical facilities to be provided, and ensuring contributions to various funds and other welfare measures.

The Company ensures collection of age proofs and PAN cards of all candidates hired, to ensure compliance with "no child labour." FCL ensures non-discrimination of any kind while communicating the job description to recruitment channels.

The Company ensures that all individuals impacted by the business have access to grievance mechanism.

Principle 6: Environment

FCL has developed its Environment Management Systems (EMS) to help in identifying and assessing environmental risks, preventing and mitigating the environmental impact caused due to its operations and products. FCL continuously seeks to improve its environmental performance, create an environment friendly culture through employee engagement, and encourage the mantra *'reduce, reuse and recycle'*.

FCL has implemented various initiatives on increasing manufacturing efficiency, wastage reduction and enhancing capacity utilization.

Energy efficiency and Climate stewardship:

During the reporting period FCL has developed its Energy and Carbon Policy with a commitment towards low carbon transformation through reduced energy consumption and procuring energy from renewable sources.

The primary energy sources used during the reporting period are as follows:-

Scope and Boundary	Actual Consumption 2017-2018 (FCL units and its Subsidiaries at India Food Park, Tumkur)
Energy	11262.24 GJ (3128400 kwh units)
Wood	Nil
LPG	1,76,221 Kgs
HSD	31,205 LTR
Briquette	1,42,000 Kgs
Electricity (Secondary Source of Energy)(Solar)	7486.1892 GJ (2079497 kwh Units)

As an action towards the commitment, FCL has commissioned an additional 2 MW solar plant at its India Food Park making the plant self-reliant through installation of a captive 3 MW solar power plant onsite resulting in an offset of 4,500 tonnes CO_2equivalent/ year.

Nearly all the LPG fired burners are replaced with briquette fired boilers and all TFL lighting fixtures used within the manufacturing plant are changed to energy efficient LED lighting.

Rain water upto 4000KL has been treated post which it is utilized as processed water, which has improved operational efficiency resulting in significant energy savings during the reporting year. Energy saving is obtained by arresting steam leakages through insulation and power factor corrections.

Hot dairy products derived from the process section are being intermittently held in a Quick Chilling Chamber maintained at a minimum of 2^oC which has resulted in 15% reduction of refrigeration load and energy savings of 350KWh/day.

Installation of grease and fat trap in the water inlet line of the effluent treatment plant at the Dairy unit ensures effluent water from aeration tank is free from fat and grease particles. Aeration efficiency of 10% is observed resulting in 180 KWh of energy savings per day. Further, replacement of the surface aeration system by the diffuser type aeration system for 'Aerator Tank 01' has resulted in 360 KWh energy savings per day.

Energy efficiency projects planned for the next reporting period at the dairy unit are under evaluation, which broadly are as follows:-

1. Installation of Economiser for Boiler Feed Water System
2. Improving efficiencies of steam traps to enhance Energy Productivity.
3. Replacement of Surface Aerating system by Diffuser Aeration system at 'Aerator Tank 02'.

Further, a condensate recovery system is proposed for energy conservation in the Fruit and Vegetable division at India Food Park.

At the Company's India Food Park and dairy unit, all norms specified by CPCB/SPCB for ambient air quality and standards are adhered to.

Water conservation:

FCL is committed to conservation of water resources and has taken various initiatives that would contribute to conservation of water in the coming years.

Water resource mapping of Tumkur area, across the India Food Park operations, and benchmarking studies of water consumption at operating level was conducted during the reporting period.

A level controller installed on the process lines helps in automatically cutting off the water supply from the overhead tanks to the process tanks ensuring no water wastage.

Rainwater harvesting studies has been undertaken at India Food Park facility. As a part of water conservation initiatives taken, spring loaded taps were installed at India Food Park and hoses were provided with spray guns to reduce water consumption in vessel cleaning process. The Effluent Treatment Plant has undergone improvements through provision of bar screens and fat trap, the RO reject is used for floor washing purposes and toilet flushing. A new effluent treatment plant of 400 KLD capacity will be installed at the India Food Park in the next financial year to treat and re-use treated water in-process application thereby reducing withdrawal of fresh water for similar purposes.

A water softening unit has been installed at the dairy unit, which has replaced the use of RO water for the boiler resulting in reduction of water consumption by 30,000 litres per day.

At India Food Park, recovery of condensate water is proposed at the pulping line of the Fruit and Vegetable block.

Waste management:

Optimising resource consumption through reduce-reuse-recycle in operations is a key objective of the Company.

Few initiatives in that regard are:

- Raw food refuse (peels and corn cobs) are given to villagers to provide feed to cattle.
- Waste from processing of food or rejected material is being converted to compost though Windrow composting process.

Principle 7: Public Advocacy

FCL actively participates in industry events and is a member of the Retailers Association of India (RAI).

FCL is committed to public good, however it has not advocated or lobbied through any association. The senior leadership team interacts with various professional bodies and organizations to anticipate and understand the economic scenario, industrial environment, future emission norms, Government regulations and advancement of public goods and services. These inputs are used for defining future growth drivers.

Principle 8: Inclusive Growth

Inclusive growth and sustainability are at the core of strategy and business practices at FCL. For the long-term sustainable growth, FCL has identified livelihood and self-sufficiency of rural communities as important areas of intervention.

Rajasthan State Government has signed a pact with FCL to launch the first of its kind initiative 'Annapurna Bhandar Yojna' for providing multi-brand products of daily consumption at fair price shops ("**FPS**"), through 5000 Public Distribution System("**PDS**") stores in the state. Under the public private partnership (**"PPP"**) scheme. PDS stores are expected to be upgraded by providing better quality multi-brand consumer goods at competitive prices to the poorest sections of the society through FPS, to support about 1,05,000 families.

FCL is partnering with FoodTech India in modernizing the supply chain infrastructure for fruits and vegetables. The Company started this joint project with the Government of Netherlands at Karnataka, in which cucumber, tomatoes and brinjal are being produced in greenhouse to give better quality with advanced technology and thereby reducing the waste.

At India Food Park facility, the community also involves itself with employee engagement activities at plant level including blood donation camps, tree plantation drives and festival celebrations.

Principle 9: Customer Value

FCL values its customers and works towards increasing customer loyalty by adhering to highest standards of quality and compliance requirements, while addressing social and environmental concerns of the community.

Being a customer centric organization FCL proactively interacts with its customers (For more details refer to Principle 4) and have set in place a robust grievance mechanism cum feedback mechanism, conducted through post product launch surveys to address complaints. FCL endeavors to ensure no complaint received remains unresolved. With an objective to maintain zero grievances received, the Company has resolved all complaints during the reporting period.

FCL always endeavours that its advertising and communications do not mislead or confuse the consumers or violate any of the principles regulating such matters.

FCL ensures that product labelling guidelines are followed as per the local regulatory requirements. FCL branded products disclose product information including product ingredients as required by FSSAI and also endeavor to phase out toxic chemicals in home and personal care products. (For more details, please refer notes under Principle 2).

CORPORATE GOVERNANCE REPORT

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

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company firmly believes and has consistently practiced good corporate governance. Corporate Governance encompasses every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure. At Future Consumer, the framework for Corporate Governance essentially involves balancing the interests of the company's stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. The Company constantly strives to generate long term value and trust for its stakeholders.

The Company has established procedures and systems to ensure regular dissemination of information to the Board of Directors of the Company to ensure effective oversight of the Company's business activities. The Board provides strategic direction to the company's senior management and oversees the interests of all stakeholders. It reviews corporate policies, overall performance, accounting and reporting standards and other significant areas of management, corporate governance and regulatory compliance.

The Company's governance framework is continuously monitored to facilitate effective entrepreneurial and prudent management that can deliver the long-term success to the Company.

BOARD OF DIRECTORS

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

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

Ms. Ashni Biyani does not serve as an Independent Director of any other listed company.

During the fiscal year 2018, five meetings of the Board of Directors were held on the following dates:

26th May, 2017, 14th August, 2017, 8th November, 2017, 8th February, 2018 and 31st March, 2018.

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

The details of Directorship and Membership/Chairmanship of the Committees of the Board held by the Directors as on 31st March, 2018 and their attendance at the meetings (including meetings attended through electronic mode) during the year are as follows:

Name of the Director	Category	No. of Board Meetings held during the financial year 2017-18	No. of Board Meetings attended by the Director during the financial year 2017-18	Attendance at the last AGM	No. of Directorships in other public limited companies#	No. of Committee positions held including the Company*	
						Chairman of the Committee	Member
Mr. G. N. Bajpai	Chairman, Independent Director & Non Executive Director	5	5	Yes	7	4	5
Mr. Kishore Biyani	Promoter, Vice-Chairman & Non-Executive Director	5	4	Yes	6	1	3
Ms. Vibha Rishi	Independent Director & Non-Executive Director	5	3	No	9	1	5
Mr. Frederic de Mevius	Non-Executive Director	5	1	No	0	0	0
Mr. K K Rathi	Non-Executive Director	5	4	No	4	1	6
Ms. Ashni Biyani##	Whole Time Director	5	2	No	5	0	1

Name of the Director	Category	No. of Board Meetings held during the financial year 2017-18	No. of Board Meetings attended by the Director during the financial year 2017-18	Attendance at the last AGM	No. of Directorships in other public limited companies#	No. of Committee positions held including the Company*	
						Chairman of the Committee	Member
Mr. Adhiraj Harish	Independent Director & Non-Executive Director	5	4	Yes	3	0	5
Mr. Deepak Malik	Non-Executive Director & Nominee Director	5	3	No	0	0	0
Mr. Narendra Baheti	Executive Director	5	4	No	2	0	1

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

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

appointed as Managing Director with effect from 22nd May, 2018

As on 31st March, 2018, the number of directorship / committee membership / chairmanship of all the Directors is within the respective limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

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

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has familiarized its Independent Directors to provide insights into the Company and to enable them to understand the Company's business in depth, to acclimatize them with the processes and functionaries of the Company and to assist them in understanding their role and responsibilities. Presentations are periodically made at the Board and Committee meetings *inter alia* covering the key traits of the Company as a FMCG organisation, its vision, business model, strategy, operations, markets, brands, new product launches, budget, financial performance, risk management framework and internal control processes and for such other areas as may be considered necessary.

The details of the familiarization programme of Independent Directors are placed on the website of the Company – http://futureconsumer.in/Investors.aspx#policies.html.

MEETING OF INDEPENDENT DIRECTORS

As stipulated under the Code for Independent Directors under the Companies Act, 2013 and SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 8th February, 2018.

The meeting was attended by all the Independent Directors.

AUDIT COMMITTEE

Terms of Reference

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

a. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b. Recommending to the Board the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company;

c. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

d. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

e. Review and monitor the auditor's independence and performance and effectiveness of audit process;

f. To approve transactions and subsequent modification(s) to the transactions of the Company with related parties;

g. To scrutinize inter-corporate loans and investments of the Company;

h. Valuation of undertaking or assets of the Company, wherever it is necessary;

i. Evaluation of internal financial controls and risk management systems;

j. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the provisions of Companies Act, 2013 and Rules thereto and that of the Listing Agreement.

The Statutory Auditors and Internal Auditors and executives from accounts, finance and corporate secretarial function also attend Audit Committee Meetings.

Composition and Attendance at Meetings

As on 31st March, 2018, the composition of the Audit Committee has been as under:

a) Mr. G.N. Bajpai

b) Ms. Vibha Rishi

c) Mr. K K Rathi

d) Mr. Adhiraj Harish

During the financial year 2017-18, five meetings of Audit Committee were held on the following dates: 26th May, 2017, 14th August, 2017, 8th November, 2017, 8th February, 2018 and 31st March, 2018.

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

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. G. N. Bajpai	Chairman	Independent & Non-Executive Director	5
Ms. Vibha Rishi	Member	Independent & Non-Executive Director	3
Mr. K K Rathi	Member	Non-Executive Director	4
Mr. Adhiraj Harish	Member	Independent & Non-Executive Director	4

Mr. G.N. Bajpai, Chairman of the Audit Committee was present at the last Annual General Meeting held on 29th August, 2017.

NOMINATION AND REMUNERATION / COMPENSATION COMMITTEE

Terms of Reference

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

a. To undertake a process of due diligence to determine the 'fit and proper' status of existing Directors, if required;

b. To undertake a process of due diligence to determine the 'fit and proper' status of the person proposed to be elected as a Director of the Company;

c. To finalise the format and obtain declarations from the Directors as may be required under the Companies Act, 1956, and/or other statutory provisions and update on the same to the Board of Directors from time to time;

d. To recommend the suitable change(s), if required to the Board of Directors of the Company;

e. Framing suitable policies and systems to ensure that there is no violation by an employee of any applicable laws in India or overseas, including:

   i) The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or

   ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995;

f. Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment;

g. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **("ESOP Guidelines")**, in particular, those stated in Clause 5 of the ESOP Guidelines;

h. Formulating criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

i. Formulation of criteria for evaluation of Independent Directors and the Board and also criteria for evaluation of performance of the Independent Directors;

j. Devising a policy on Board diversity;

k. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

l. To carry out evaluation of every Director's performance.

m. Such other matters as may be delegated by the Board of Directors of the Company.

Composition and Attendance at Meetings

As on 31st March, 2018, the composition of Nomination and Remuneration / Compensation Committee has been as under:

a) Mr. Adhiraj Harish

b) Mr. G.N.Bajpai

c) Mr. Kishore Biyani

d) Mr. Deepak Malik

e) Ms. Vibha Rishi

During the financial year 2017-18, three meetings of Nomination and Remuneration / Compensation Committee were held on the following dates:

26th May, 2017, 14th August, 2017 and 8th November, 2017.

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

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. Adhiraj Harish	Chairman	Independent & Non-Executive Director	2
Mr. G. N. Bajpai	Member	Independent & Non-Executive Director	3
Mr. Kishore Biyani	Member	Promoter, Vice-Chairman & Non-Executive Director	2
Mr. Deepak Malik	Member	Non-Executive Director & Nominee Director	2
Ms. Vibha Rishi	Member	Independent & Non-Executive Director	2

Performance Evaluation of Board

In compliance with the provisions of Companies Act, 2013 and SEBI Listing Regulations, the Company has undertaken the performance evaluation process for the Board of Directors, its Committees and that of individual Directors. The performance evaluation was undertaken as per the Guidance Note on Board evaluation issued by Securities and Exchange Board of India, setting out parameters for conducting performance evaluation of the Board.

The details of the performance evaluation undertaken are provided in the Directors' Report.

REMUNERATION OF DIRECTORS

Remuneration Policy has been disclosed in the Directors' Report as **Annexure II**

Details of remuneration paid to the Directors during the Financial Year 2017-18:

Name of the Director	Sitting Fees* (₹)	Remuneration (₹)	Total (₹)	No of Stock Options outstanding as on 31st March, 2018
Mr. Kishore Biyani	2,75,000	Nil	2,75,000	Nil
Mr. G. N. Bajpai	4,75,000	Nil	4,75,000	Nil
Ms. Vibha Rishi	3,00,000	Nil	3,00,000	Nil
Mr. Frederic de Mevius	50,000	Nil	50,000	Nil
Ms. Ashni Biyani#	Nil	84,88,908	84,88,908	Nil
Mr. K K Rathi	3,50,000	Nil	3,50,000	Nil
Mr. Adhiraj Harish	4,00,000	Nil	4,00,000	Nil
Mr. Deepak Malik	Nil	Nil	Nil	Nil
Mr. Narendra Baheti#	Nil	1,48,50,417**	1,48,50,417**	48,00,000

*includes fees paid for Board, Committee and Independent Directors Meetings

** Includes perquisite value of ₹ 640.15 lakhs on stock options exercised during the year

Remuneration paid by way of salary (plus permissible contribution to provident fund, other funds and payment of gratuity, which are not included in computation of the ceiling on perquisites) plus other allowances and reimbursements payable as per Company policy.

In terms of the respective Agreement entered into by the Company with Ms. Ashni Biyani and Mr. Narendra Baheti, notice period is six months and severance fees is equal to monthly remuneration payable for six months.

Non-Executive Directors

The Non-Executive Directors of the Company are not paid any remuneration except by way of sitting fees for attending meetings of Board of Directors and its Committee(s). The Non-Executive Independent Directors of the Company are paid sitting fees for attending the Meeting(s) of Independent Directors. The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the financial year 2017-18.

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

Sr. No.	Name of the Director	No. of equity shares held as on 31st March, 2018 (Own or held by / for other persons on a beneficial basis)
1	Mr. G. N. Bajpai	2,50,000
2	Mr. K K Rathi	2,275

STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE

Terms of Reference

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

a. To approve Transfer / Transmission / Dematerialisation of Equity Shares of the Company;

b. To approve issue of Duplicate/Consolidated/Split Share Certificate(s);

c. To do all necessary acts, deeds and things, as may be required, including authorizing any person(s) to endorse the Share Certificate(s), affixing Common Seal of the Company on Share Certificate(s) as per Article of Association of the Company etc;

d. To do all acts, deeds and things as may be required for admission of Equity Shares of the Company with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL];

e. To decide and approve any matters relating to Equity Shares and /or any other securities issued by the Company and any other matters as may be specifically authorized by the Board of Directors;

f. To oversee and resolve grievances of shareholders and other security holders of the Company;

g. To do all acts, deeds and things as may be required to be undertaken in terms of the provisions of Companies Act, 2013 and rules made there under.

Composition and Attendance at Meetings

As on 31st March, 2018, the composition of Stakeholders' Relationship and Share Transfer Committee has been as under:

a) Mr. Kishore Biyani

b) Mr. Adhiraj Harish

During the financial year 2017-18, one meeting of Stakeholders' Relationship and Share Transfer Committee was held on 8th February, 2018.

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

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

During the year under review, 3 (Three) complaints/ correspondences were received by the Company and Link Intime India Private Limited, Registrar and Share Transfer Agent. The shareholder's complaints / correspondences were resolved and there were no pending complaints or unattended correspondences as on 31st March, 2018.

Name, Designation and Address of Compliance Officer

Mr. Manoj Gagvani - Company Secretary & Head-Legal

Future Consumer Limited
Knowledge House, Shyam Nagar,
Off. Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai – 400 060

RISK MANAGEMENT COMMITTEE

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

Composition and Attendance at Meetings

As on 31st March, 2018, the composition of Risk Management Committee has been as under:

a) Mr. K K Rathi

b) Ms. Ashni Biyani

c) Mr. Ravin Mody

During the financial year 2017-18, two meetings of the Risk Management Committee were held on following dates: 23rd May, 2017 and 8th November, 2017.

Attendance of the Directors/Members at the Risk Management Committee meetings held during the financial year is as under:

Name of Directors / Members	Designation	Category	No. of Meeting(s) Attended
Mr. K K Rathi	Chairman	Non-Executive Director	2
Ms. Ashni Biyani	Member	Whole Time Director	0
Mr. Ravin Mody*	Member	Chief Financial Officer	1
Mr. Manoj Saraf**	Member	Chief Financial Officer	1

*Appointed as Member w.e.f. 14th August, 2017

**Ceased to be Chief Financial Officer / Member of the Committee w.e.f. 26th May, 2017

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013.

Composition and Attendance at Meetings

As on 31st March, 2018, the composition of Corporate Social Responsibility Committee has been as under:

a) Ms. Ashni Biyani

b) Mr. Kishore Biyani

c) Ms. Vibha Rishi

During the financial year 2017-18, no meeting of the Corporate Social Responsibility Committee was held.

COMMITTEE OF DIRECTORS

The Company has constituted a Committee of Directors to undertake certain activities in the regular course of business and to further perform such other functions pursuant to the powers granted by the Board of Directors from time to time.

Composition and Attendance at the Meetings

As on 31st March, 2018, the composition of Committee of Directors has been as under:

a) Mr. Kishore Biyani

b) Mr. G. N. Bajpai

c) Ms. Ashni Biyani

During the financial year 2017-18, no meeting of the Committee of Directors was held. However, various matter(s) have been approved by the Committee of Directors by way of resolution passed through circulation during the year.

GENERAL BODY MEETINGS

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

Year	Day, Date and Time	Venue
2014-15	Wednesday, 26th August, 2015 at 3.00 p.m.	Rangswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2015-16	Monday, 29th August, 2016 at 2.30 p.m.	Rangswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2016-17	Tuesday, 29th August, 2017 at 11.30 a.m.	Rangswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021

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

AGM	AGM Date	Special Resolutions passed
19th	26th August, 2015	None
20th	29th August, 2016	None
21st	29th August, 2017	a) Appointment of Mr. Narendra Baheti (DIN: 00057255) as an Executive Director of the Company and payment of remuneration. b) Re-appointment of Ms. Ashni Biyani (DIN: 00058775) as a Whole Time Director of the Company and payment of remuneration

POSTAL BALLOT

Special Resolution(s) passed through Postal Ballot:

During the financial year 2017-18, two Special Resolution(s) were approved by the Shareholders of the Company through postal ballot process.

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

The details of the Postal Ballot conducted during the financial year 2017-18, results of which were announced on 24th March, 2018, are provided herein below. No special resolution(s) are proposed to be passed by postal ballot at the 22nd Annual General Meeting.

Postal Ballot Notice dated 8th February, 2018, result whereof was announced on 24th March, 2018

SPECIAL RESOLUTION: Issue of Non-Convertible Debentures.

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	825,312,807	825,312,807	100.00	825,312,807	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	Total	**825,312,807**	**825,312,807**	**100.00**	**825,312,807**	**0**	**100.00**	**0.00**
Public – Institutions	E-Voting	404,985,960	170,768,629	42.17	164,828,665	5,939,964	96.52	3.48
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	Total	**404,985,960**	**170,768,629**	**42.17**	**164,828,665**	**5,939,964**	**96.52**	**3.48**
Public - Non Institutions	E-Voting	683,134,896	1,719,227	0.25	1,714,506	4,721	99.73	0.27
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		11,590,748	1.70	11,587,748	3000	99.97	0.03
	Total	**683,134,896**	**13,309,975**	**1.95**	**13,302,254**	**7,721**	**99.94**	**0.06**
Total		**1,913,433,663**	**1,009,391,411**	**52.75**	**1,003,443,726**	**5,947,685**	**99.41**	**0.59**

SPECIAL RESOLUTION: Further Issue of Securities.

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]* 100	(4)	(5)	(6)=[(4)/ (2)]*100	(7)=[(5)/(2)]* 100
Promoter and Promoter Group	E-Voting	825,312,807	825,312,807	100.00	825,312,807	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	Total	**825,312,807**	**825,312,807**	**100.00**	**825,312,807**	**0**	**100.00**	**0.00**
Public – Institutions	E-Voting	404,985,960	170,768,629	42.17	21,467,110	149,301,519	12.57	87.43
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	Total	**404,985,960**	**170,768,629**	**42.17**	**21,467,110**	**149301519**	**12.57**	**87.43**
Public - Non Institutions	E-Voting	683,134,896	1,719,827	0.25	1,582,230	137,597	92.00	8.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		11,589,621	1.70	11,587,121	2,500	99.98	0.02
	Total	**683,134,896**	**13,309,448**	**1.95**	**13,169,351**	**140,097**	**98.95**	**1.05**
Total		**1,913,433,663**	**1,009,390,884**	**52.75**	**859,949,268**	**149,441,616**	**85.19**	**14.81**

DISCLOSURES

Whistle Blower Policy

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

The purpose of the Policy is to provide a framework to promote responsible and secure whistle blowing and to provide a channel to the employee(s), Directors and other stakeholders to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policy/ies of the Company, as adopted / framed from time to time. The mechanism provides for adequate safeguards against victimization of employee(s), Directors and other stakeholders to avail of the mechanism and also provide for direct access to the CEO / Chairman of the Audit Committee in exceptional cases. No personnel have been denied access to the Audit Committee under the Whistle Blower Policy.

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

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

Related Party Transactions

Policy for dealing with related party transactions **(“RPT Policy”)** is placed on the website of the Company - http://futureconsumer.in/Investors.aspx#policies.html.

During the year under review, the Company has not entered into any material related party transactions, as defined under the RPT Policy of the Company.

Policy on Material Subsidiary

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

Statutory Compliance, Penalties and Strictures

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

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

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

The Company is exposed to foreign exchange risk arising from import of goods and services. The Company manages the foreign exchange risk with appropriate hedging activities. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31st March, 2018 are disclosed in Note No. 35.5 under notes to the Standalone Financial Statements.

Code of Conduct

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

The Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2017-18. A declaration to this effect in terms of Regulation 26 of the SEBI Listing Regulations, forms part of the Annual Report.

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

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under Schedule V of SEBI Listing Regulations.

Means of Communication and Shareholder Information

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

The Official news releases and presentations made to institutional investors or analyst are also displayed on the website of the Company www.futureconsumer.in, from time to time.

General Shareholder Information

Annual General Meeting

Date and Time	29th August, 2018, 11.30 a.m.
Venue	Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai - 400 021
Financial Year	The financial year of the Company is from April 1 to March 31 of the following year.
First Quarter Results	By second week of August, 2018
Second Quarter Results	By second week of November, 2018
Third Quarter Results	By second week of February, 2019
Fourth Quarter / Annual Results	By end of May, 2019
Date of Book Closure	Thursday, 23rd August, 2018 to Wednesday, 29th August, 2018 (both days inclusive)
Dividend Payment Date	Not Applicable

Corporate Identity Number (CIN):L52602MH1996PLC192090

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

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

Stock Code:

BSE Limited	:	533400
National Stock Exchange of India Limited	:	FCONSUMER
International Securities Identification Number ("ISIN")	:	INE220J01025

Listing Fees

Listing fees for both the Stock Exchange(s) for the year 2017-18 has been paid.

Debentures

The Company had issued and allotted 1,000 Secured, Rated, Redeemable, Non-Convertible, Taxable Debentures of ₹ 10.00 lakh each (**"NCDs"**) on 17th March, 2015. 400 Series A NCDs have been redeemed on 17th March, 2017 and 600 Series B NCDs have been redeemed on 17th March, 2018. The NCDs were listed on the Wholesale Debt Market (WDM) of BSE Limited.

Further, the Company has issued and allotted 5,000 Senior, Rated, Listed, Redeemable, Secured, Non-Convertible Debentures (**"NCDs 1"**) in the form of Separately Transferable Redeemable Principal Parts (**"STRPP"**), having face value of ₹ 1,00,000/- each on 16th March, 2017. Series I and Series II NCDs 1 are redeemable in three installments in the ratio of 30:30:40 on 16th September, 2018, 16th March, 2019 and 16th March, 2020 respectively in STRPP. The NCDs 1 are listed on WDM of BSE Limited.

During the year, the Company has issued and allotted 5,000 Senior, Rated, Listed, Redeemable, Secured, Non-Convertible Debentures (**"NCDs 2"**) in the form of Separately Transferable Redeemable Principal Parts (**"STRPP"**), having face value of ₹ 1,00,000/- each on 5th September, 2017 and 1,500 Senior, Redeemable, Secured, Non-Convertible Debentures (**"NCDs 3"**) having face value of ₹ 10,00,000/- each on 15th February, 2018. NCDs 2 are redeemable in three installments in the ratio of 30:30:40 on 5th March, 2019, 5th September, 2019 and 5th September, 2020 respectively in STRPP and NCDs 3 are redeemable in seventeen installments within seven years from the date of allotment. The NCDs 2 are listed on WDM of BSE Limited.

Security Code and ISIN for NCDs, NCDs 1, NCDs 2 and NCDs 3:

NCDs	Security Code	ISIN
750 Series I NCDs STRPP 1	955947	INE220J07030
750 Series I NCDs STRPP 2	955948	INE220J07048
1000 Series I NCDs STRPP 3	955949	INE220J07055
750 Series II NCDs STRPP 1	955950	INE220J07063
750 Series II NCDs STRPP 2	955951	INE220J07071
1000 Series II NCDs STRPP 3	955953	INE220J07089
1500 Series III NCDs STRPP 1	956884	INE220J07097
2000 Series III NCDs STRPP 2	956886	INE220J07105
2000 Series III NCDs STRPP 3	956887	INE220J07113
1500 NCDs	Unlisted	INE220J07121

Debenture Trustee(s)

For NCDs, NCDs 1 and NCDs 2
Vistra ITCL (India) Limited
(Formerly IL & FS Trust Company Limited)
The IL & FS Financial Centre,
Plot No. C-22, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Tel.: + 91 22 2659 3535
Fax.: + 91 22 2653 3297

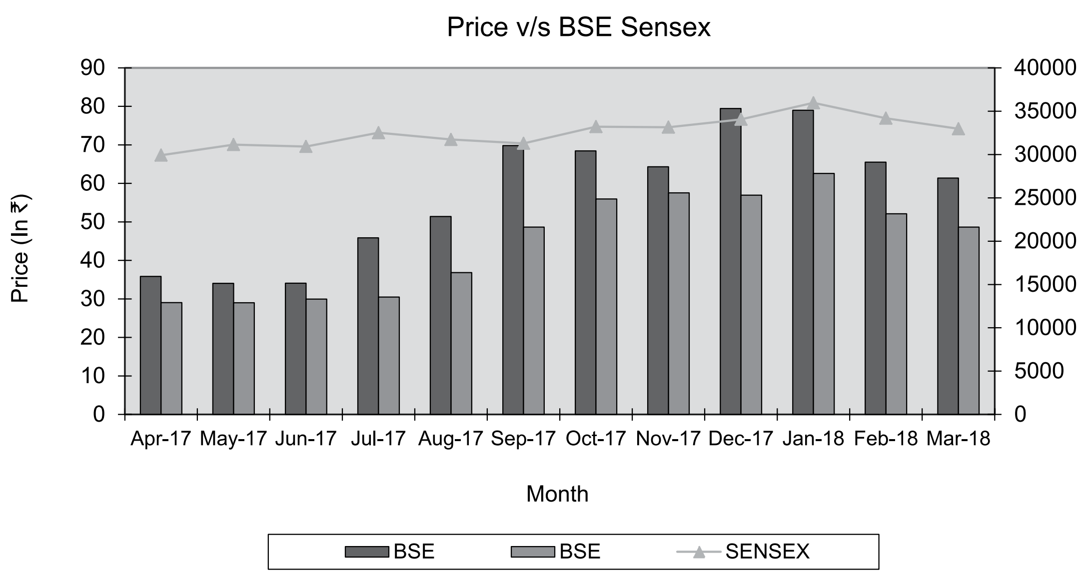
For NCDs 3

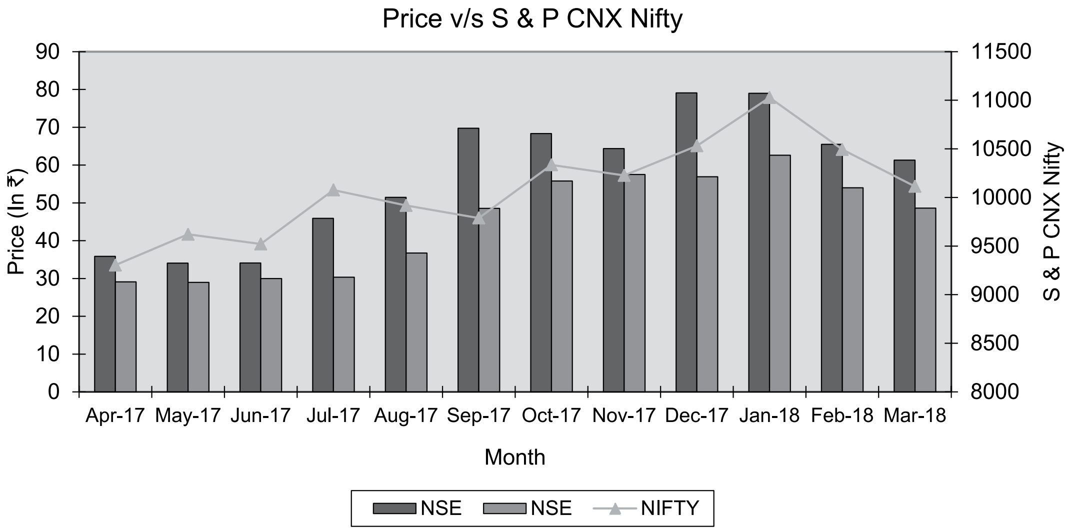
Catalyst Trusteeship Limited
GDA House, Plot No 85,
Bhusari Colony (Right),
Paud Road, Pune – 411 038

Market Price Data during Financial year 2017-18:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2017	35.85	29.05	35.85	29.10
May, 2017	34.05	29.00	34.05	28.95
June, 2017	34.10	29.95	34.10	30.00
July, 2017	45.85	30.50	45.90	30.35
August, 2017	51.40	36.85	51.45	36.75
September, 2017	69.80	48.65	69.75	48.55
October, 2017	68.45	55.95	68.35	55.80
November, 2017	64.30	57.55	64.35	57.50
December, 2017	79.45	56.95	79.10	56.90
January, 2018	79.00	62.60	79.00	62.60
February, 2018	65.50	52.10	65.50	54.00
March, 2018	61.40	48.65	61.30	48.60

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





Registrar and Share Transfer Agents

LINK INTIME INDIA PRIVATE LIMITED
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400083.
Tel: + 91 22 4918 6270 Fax: +91 22 4918 6060
Email: rnt.helpdesk@linkintime.co.in

Share Transfer System

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

Distribution of Shareholding as on 31st March, 2018

Share holding (Number of Shares)	Number of Shareholders	% to total	No. of Shares	% to total
1 - 500	89,416	66.12	1,61,79,877	0.85
501 - 1000	19,246	14.23	1,59,94,930	0.84
1001 - 2000	11,264	8.33	1,75,72,795	0.92
2001 - 3000	4,251	3.14	1,11,37,458	0.58
3001 - 4000	1,992	1.47	72,83,080	0.38
4001 - 5000	2,256	1.67	1,08,01,046	0.56
5001 - 10000	3,471	2.57	2,66,52,255	1.39
10001 and above	3,345	2.47	1,80,78,12,222	94.48
Total	**1,35,241**	**100.00**	**1,91,34,33,663**	**100.00**

Categories of Shareholding as on 31st March, 2018

Category	No. of Shares	Shareholding %
Promoters and their relatives / Promoter Group Companies*	83,52,73,476	43.65
Clearing Members*	1,54,53,143	0.81
Indian Companies	22,38,79,030	11.70
Foreign Company	14,95,11,403	7.81
Financial Institutions	26,76,983	0.14
Hindu Undivided Family	1,01,86,864	0.53
Mutual Funds	1,65,85,873	0.87
Nationalised Banks	200	0.00
Non Nationalised Banks	2,58,639	0.01
Non Residents Indians	85,93,900	0.45
Non Residents Indians (Non Repatriable)	46,10,762	0.24
Office Bearers	42,35,289	0.22
Indian Public	24,56,04,375	12.84
Trusts	89,500	0.00
Directors/Relatives of Directors	48,29,190	0.25
Independent Director	2,50,000	0.01
Foreign Portfolio Investors (Corporate)	38,00,09,902	19.86
Employee Benefit Trust - under SEBI (Share Based Employee Benefits) Regulations, 2014	1,12,85,134	0.59
Alternate Investment Funds	1,00,000	0.01
Total	**1,91,34,33,663**	**100.00**

** 39,74,546 equity shares acquired by Promoter / Promoter Group entities and not reflecting in the beneficiary position received from the Registrar and Share Transfer Agents have been reduced from the category 'Clearing Members' and added under the category 'Promoters and their relatives / Promoter Group Companies'.*

Dematerialization of Shares and Liquidity

As on 31st March, 2018, a total of 191,29,59,580 equity shares aggregating to 99.98% of the total issued, subscribed and paid-up equity share capital of the Company are in dematerialised form.

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

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

Plant Location :

1) India Food Park, Vasanthanarasapur Industrial Area, Phase - 3, Kora - Hobli, Dist - Tumkur, Karnataka - 572 138
2) Plot No. D 222/1A, TTC MIDC, Shirwane, Nerul, Navi Mumbai - 400 706
3) Plot no. 1280, Sector -38, Ph-I, HSIIDC, Industrial Estate Rai, Haryana

Address for Correspondence:

Registrar and Share Transfer Agents
Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083
Tel: + 91 22 4918 6270
Fax: +91 22 4918 6060
Email ID: rnt.helpdesk@linkintime.co.in

Company

Future Consumer Limited

Registered Office:
Knowledge House, Shyam Nagar,
Off. Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai - 400 060
Tel: +91 22 6644 2200
Fax: + 91 22 6644 2201

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

Designated Email ID: investor.care@futureconsumer.in

Compliance with Mandatory and Non-Mandatory requirements of the SEBI Listing Regulations

The Company has complied with mandatory requirements of the SEBI Listing Regulations to the extent applicable.

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

1. **The Board**

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

2. **Shareholders' Rights**

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

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

   There are no modified opinion(s) on the financial statements for the financial year 2017-18. Standard practices and procedures are followed to ensure unmodified financial statements.

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

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

5. **Reporting of Internal Auditor**

   The Internal Auditor reports to the Audit Committee.

DECLARATION

I, Ashni Biyani, Managing Director of Future Consumer Limited, hereby declare that all the members of the Board of Directors and the Senior Management 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 for the financial year ended 31st March, 2018.

For **Future Consumer Limited**

Place: Mumbai
Date: 22nd May, 2018

Ashni Biyani
Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE MEMBERS OF
FUTURE CONSUMER LIMITED
Knowledge House, Shyam Nagar,
Off. Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai – 400060.

1. The Corporate Governance Report prepared by Future Consumer Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include.
   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
   iii. Obtained and read the Directors Register as on March 31, 2018 and verified that at least one women director was on the Board during the year;
   iv. Obtained and read the minutes of the following meetings held from April 1, 2017 to March 31, 2018:
      (a) Board of Directors meeting;
      (b) Audit committee;
      (c) Annual General meeting;
      (d) Nomination and Remuneration/Compensation committee;
      (e) Stakeholders Relationship and Share Transfer committee;
      (f) Independent directors meeting; and
      (g) Risk management committee;

v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report 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.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Per Pramod Kumar Bapna
Partner
Membership Number: 105497

Place of Signature: Mumbai

Date: May 22, 2018

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Future Consumer Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Future Consumer Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Other Matter

The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 26, 2017.

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 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

   (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (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 the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38 to the standalone Ind AS financial statements;

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

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

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership Number: 105497

Place of Signature: Mumbai
Date: May 22, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FUTURE CONSUMER LIMITED

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(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. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.

(vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, goods and services tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, goods and services tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on March 31, 2018 on account of any dispute, are as follows:

Statute	Nature of the dues	Amount (₹ in Lacs)*	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2.62	2009-10	Income Tax Appellate Tribunal
		155.65	2010-11	Income Tax Appellate Tribunal
		1,551.24	2011-12	Income Tax Appellate Tribunal
Delhi Value Added Tax Act, 2004	Sales Tax	706.06	2012-13	Additional Commissioner of Sales Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	Sales Tax	6.18	2010-11	Deputy Commissioner of Sales Tax
		10.71	2010-11	Joint Commissioner of Sales Tax (Appeals)
		10.81	2011-12	Joint Commissioner of Sales Tax (Appeals)
		19.22	2011-12	Joint Commissioner of Sales Tax (Appeals)
		6.71	2012-13	Joint Commissioner of Sales Tax (Appeals)
West Bengal Value Added Tax Act, 2003	Sales Tax	40.03	2013-14	Joint Commissioner of Sales Tax

Statute	Nature of the dues	Amount (₹ in Lacs)*	Period to which the amount relates	Forum where the dispute is pending
Madhya Pradesh Vat, Act 2002	Sales Tax	2.62	2014-15	Deputy Commissioner of Commercial tax (Appeals)
Uttar Pradesh Value Added Tax Act, 2008	Sales Tax	0.47	2012-13	Additional Commissioner of Commercial tax (Appeals)
West Bengal Value Added Tax Act, 2003	Sales Tax	639.16	2015-16	Joint Commissioner Commercial Taxes
The Central Excise Act,1944	Excise Duty	0.93	2013-14	Custom, Excise and Service Tax Appellate Tribunal

*Net of deposits

(viii) In our opinion and according to the information and explanations provided by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations provided by the management, the Company has utilized the monies raised by way of debt instruments and term loans for the purposes for which they were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations provided by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E/E300003

Per Pramod Kumar Bapna
Partner
Membership No.: 105497

Place: Mumbai
Date: May 22, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF FUTURE CONSUMER LIMTED

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

We have audited the internal financial controls over financial reporting of Future Consumer Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E/E300003

Per Pramod Kumar Bapna
Partner
Membership No.: 105497

Place: Mumbai
Date: May 22, 2018

BALANCE SHEET AS AT 31ST MARCH 2018

(₹ In Lakhs)

Particulars	**Note**	**As at 31st March 2018**	**As at 31st March 2017**
Assets			
1 Non current assets			
(a) Property, plant and equipment	4	10,148.33	4,943.73
(b) Capital work in progress	42	4,798.86	5,702.47
(c) Goodwill	4	3,566.32	3,566.32
(d) Other intangible assets	4	15,810.50	14,470.49
(e) Intangible assets under development		-	2,732.13
(f) Financial assets			
(i) Investments	5	67,054.32	63,602.90
(ii) Loans	6	2,915.90	1,704.04
(iii) Other financial assets	7	681.80	536.62
(g) Deferred tax assets (net)	8	-	-
(h) Other non-current assets	9	940.73	855.46
Total non-current assets		**105,916.76**	**98,114.16**
2 Current assets			
(a) Inventories	10	19,852.11	14,152.05
(b) Financial assets			
(i) Investments	11	892.80	-
(ii) Trade receivables	12	43,517.10	27,650.93
(iii) Cash and cash equivalents	13	2,741.51	2,723.71
(iv) Bank balances other than (iii) above	13	162.84	68.17
(v) Loans	6	30,033.00	22,437.97
(vi) Other financial assets	7	3,871.51	1,626.24
(c) Other current assets	9	1,611.68	1,995.19
Total current assets		**102,682.55**	**70,654.26**
Total assets		**208,599.31**	**168,768.42**
Equity and Liability			
1 Equity			
(a) Equity share capital	14	114,128.91	98,836.24
(b) Other equity	15	16,107.19	14,831.25
Total equity		**130,236.10**	**113,667.49**
Liability			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	28,280.17	11,534.04
(ii) Other financial liabilities	17	56.77	31.93
(b) Provisions	18	514.25	333.50
Total non-current liabilities		**28,851.19**	**11,899.47**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	20,054.22	15,701.55
(ii) Trade payables	20	19,910.49	12,712.44
(iii) Other financial liabilities	21	7,304.42	13,027.47
(b) Provisions	18	1,119.57	819.30
(c) Other current liabilities	22	1,123.32	940.70
Total current liabilities		**49,512.02**	**43,201.46**
Total equity and liability		**208,599.31**	**168,768.42**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements	1-48		

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

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

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

per Pramod Kumar Bapna
Partner
Membership No : 105497

Manoj Gagvani
Company Secretary
& Head - Legal

Ravin Mody
Chief Financial Officer

Place : Mumbai
Date : 22 May 2018

Place : Mumbai
Date : 22 May 2018

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ In Lakhs)

Particulars		Note	Year ended 31st March 2018	Year ended 31st March 2017
1	**Revenue**			
	(a) Revenue from operations	23	242,930.13	164,498.55
	(b) Other income	24	4,882.30	3,445.42
	Total income		**247,812.43**	**167,943.97**
2	**Expenses**			
	(a) Cost of materials consumed	25	4,237.23	3,703.97
	(b) Purchases of stock-in-trade (traded goods)		212,841.68	144,757.98
	(c) Changes in inventories of finished goods and stock-in-trade	26	(5,561.04)	(4,978.66)
	(d) Employee benefits expense	27	9,257.08	6,672.35
	(e) Finance costs	28	4,550.03	3,698.86
	(f) Depreciation and Amortisation expense	29	2,523.60	1,724.43
	(g) Other expenses	30	16,701.48	11,569.79
	Total expenses		**244,550.06**	**167,148.72**
3	**Profit before tax (1-2)**		**3,262.37**	**795.25**
4	**Tax expense**		-	
	(a) Current tax	8	-	-
	(b) Deferred tax	8	27.69	17.58
	Net tax expense		**27.69**	**17.58**
5	**Profit for the period (3-4)**		**3,234.68**	**777.67**
6	**Other comprehensive income**			
	(a) Items that will not be reclassified to statement of profit or loss			
	Remeasurement of losses on defined benefit plans		(89.62)	(56.90)
	(b) Income tax relating to items that will not be reclassified to statement of profit or loss		27.69	17.58
			(61.93)	**(39.32)**
7	**Total comprehensive income for the year, net of tax (5+6)**		**3,172.75**	**738.35**
	Earnings per share (Face value ₹ 6 each)	32		
	Basic (₹)		**0.17**	**0.04**
	Diluted (₹)		**0.17**	**0.04**
	Summary of significant accounting policies	2		
	The accompanying notes are an integral part of the financial statements	1-48		

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No : 105497

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

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Ravin Mody
Chief Financial Officer

Place : Mumbai
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Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

(a) Share Capital (Refer Note 14)

(₹ In Lakhs)

Particulars	Amount
Balance as at 31st March 2016	**98,754.54**
Changes in Equity Share capital during the Year :	
Equity shares issued and allotted during the year	0.01
Issue of Equity shares under employee share option plan (ESOP) (Refer Note 36)	303.00
Shares purchased (net) by ESOP trust treated as treasury shares	(221.31)
As at 31st March 2017	**98,836.24**
Changes in Equity Share capital during the Year :	
Equity shares issued and allotted during the year	14,759.91
Issue of Equity shares under employee share option plan (ESOP) (Refer note 36)	296.58
Shares purchased (net) by ESOP trust treated as treasury shares	236.18
As at 31st March 2018	**114,128.91**

(b) Other Equity (Refer Note 15)

(₹ In Lakhs)

Particulars	Equity Component of compound financial instruments	Reserves & Surplus						Money received against share warrants	Other comprehensive income	Total Other Equity
		Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings			
Balance at 31st March 2016	**-**	**314.94**	**3,100.88**	**0.59**	**1,016.83**	**5.20**	**(31,738.76)**	**1,675.00**	**59.70**	**(25,565.62)**
Profit for the year	-	-	-	-	-	-	777.67	-	-	**777.67**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(39.32)	**(39.32)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**777.67**	**-**	**(39.32)**	**738.35**
Recognition of share-based payments	-	-	-	-	2,367.45	-	-	-	-	**2,367.45**
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(729.98)	-	-	**(729.98)**
Transfer to securities premium on exercise of ESOP	-	-	966.38	-	(966.38)	-	-	-	-	**-**
Transfer to retained earning on exercise of ESOP	-	-	-	-	(163.77)	-	163.77	-	-	**-**
Issue of compulsory convertible debentures	38,021.02	-	-	-	-	-	**-**	-	**-**	**38,021.02**
Issue of Shares	-	-	0.03	-	-	-	**-**	-	**-**	**0.03**
As at 31st March 2017	**38,021.02**	**314.94**	**4,067.29**	**0.59**	**2,254.13**	**5.20**	**(31,527.30)**	**1,675.00**	**20.38**	**14,831.25**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

(₹ In Lakhs)

Particulars	Equity Component of compound financial instruments	Reserves & Surplus						Money received against share warrants	Other comprehensive income	Total Other Equity
		Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings			
Profit for the year	-	-	-	-	-	-	3,234.68	-	-	**3,234.68**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(61.93)	**(61.93)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**3,234.68**	**-**	**(61.93)**	**3,172.75**
Issue of share warrants	-	-	-	-	-	-	-	5,025.00	-	**5,025.00**
Recognition of share-based payments	-	-	-	-	1,376.95	-	-	-	-	**1,376.95**
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	453.83	-	-	**453.83**
Transfer to securities premium on exercise of ESOP	-	-	932.74	-	(932.74)	-	-	-	-	**-**
Transfer to retained earning on exercise of ESOP	-	-	-	-	(268.05)	-	268.05	-	-	**-**
Issue of Shares	(38,021.02)	-	35,968.43	-	-	-	-	(6,700.00)	-	**(8,752.59)**
As at 31st March 2018	**-**	**314.94**	**40,968.46**	**0.59**	**2,430.29**	**5.20**	**(27,570.74)**	**-**	**(41.55)**	**16,107.19**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements 1-48

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No : 105497

Place : Mumbai
Date : 22 May 2018

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

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Ravin Mody
Chief Financial Officer

Place : Mumbai
Date : 22 May 2018

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

Particulars	Year ended 31st March 2018		Year ended 31st March 2017	
Cash flows from operating activities				
Net profit before tax as per the Statement of Profit and Loss		3,262.37		795.25
Adjustments to reconcile profit before tax to net cash flows:				
Finance costs (including fair value change in financial instruments)	4,550.03		3,698.86	
Finance income (including fair value change in financial instruments)	(3,566.14)		(2,756.76)	
Interest on income tax refund	(0.54)		(293.80)	
Provision no longer required written back	-		(100.00)	
Loss on disposal of property, plant and equipment	18.37		44.34	
Net loss/ (gain) on financial assets measured at fair value through profit or loss	(936.00)		(118.34)	
Loss on disposal of investments	5.60		-	
Impairment of investments	880.00		-	
Impairment loss recognised on trade receivables	15.26		4.00	
Amortisation of intangible assets	1,443.48		1,084.89	
Depreciation and impairment of property, plant and equipment	1,080.12		639.54	
Share-based payment expenses	476.71		935.70	
Net gain on financial guarantees liability amortized	(30.50)	3,936.39	(50.85)	3,087.58
		7,198.76		**3,882.83**
Working capital adjustments:				
Increase in trade and other receivables	(17,718.72)		(11,738.24)	
Increase in inventories	(5,700.06)		(5,077.82)	
Decrease/(Increase) in other assets	396.46		(837.30)	
Increase in trade payables	7,198.05		5,753.40	
Increase in provisions	481.02		538.36	
Increase in other liabilities	263.18	(15,080.07)	855.31	(10,506.29)
Cash flow used in operations		**(7,881.31)**		**(6,623.46)**
Income taxes (paid)/refund		(169.13)		1,367.22
Net cash flow used in operating activities		**(8,050.44)**		**(5,256.24)**
Cash flows from investing activities				
Investment in Subsidiaries/Joint Ventures		(1,238.11)		(346.05)
Disposal of Investment		0.19		2,000.00
Loans (given) / refunded (Net)		(10,962.54)		(18,131.90)
Interest received		2,745.91		2,026.59
Purchase of property, plant and equipment including CWIP		(5,078.43)		(4,562.89)
Proceeds from sale of property, plant and equipment		302.87		97.47
Purchase of intangible assets		(51.34)		(2,752.00)
Net cash flow used in investing activities		**(14,281.45)**		**(21,668.78)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	458.53	303.05
Proceeds from issue of share warrants	5,025.00	-
Purchase of treasury shares	-	(1,296.22)
Proceeds on exercise of ESOP out of treasury shares	690.00	344.92
Proceeds from issue of convertible debentures (Net of expenses)	-	43,154.47
Proceeds from long term borrowings (Net of expenses)	24,725.77	10,359.87
Repayment of long term borrowings	(8,731.98)	(20,445.36)
Proceeds from short term borrowings (net)	4,352.67	(974.61)
Interest paid	(4,170.30)	(3,241.38)
Net cash flow from financing activities	**22,349.69**	**28,204.74**
Net increase in cash and cash equivalents	**17.80**	**1,279.72**
Cash and cash equivalents at the beginning of the year	2,723.71	1,443.99
Cash and cash equivalents at the end of the year (Refer Note 13)	**2,741.51**	**2,723.71**

Changes in liability due to financial activities (₹ In Lakhs)

Particulars	As at 1 April 2017	Cash flows	Changes in fair value of financial instruments	Converted to Equity	As at 31 March 2018
Current borrowings (Refer Note 19)	15,701.55	4,352.67	-	-	20,054.22
Non- current borrowings, including current maturities (Refer Note 16)	23,815.86	15,993.79	467.43	(5,845.00)	34,432.08
Total	**39,517.41**	**20,346.46**	**467.43**	**(5,845.00)**	**54,486.30**

Summary of significant accounting policies	2
The accompanying notes are an integral part of the financial statements	1-48

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No : 105497

Place : Mumbai
Date : 22 May 2018

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

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

Ravin Mody
Chief Financial Officer

Place : Mumbai
Date : 22 May 2018

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

1. General Information about the Company

Future Consumer Limited (the "Company") is a company incorporated in India on 10th July 1996, under the name "Subhikshith Finance and Investments Limited". The name of the Company was changed to "Future Ventures India Private Limited" with effect from 9th August 2007 and it became a Public Limited Company with effect from 7th September 2007 as "Future Ventures India Limited". The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited since 10th May 2011. The name of the Company was changed to "Future Consumer Enterprise Limited" w.e.f. 30th September 2013 and then to "Future Consumer Limited" effective from 13th October 2016. The Company is engaged in the business of sourcing, manufacturing, branding, marketing and distribution of fast moving consumer goods ("FMCG"), Food and Processed Food Products in Urban and Rural India. Earlier the Company was regulated by the Reserve Bank of India (the "RBI") as a non-deposit taking Non-Banking Financial Company ("NBFC"). The RBI in terms of application made by the Company has vide its order passed on 21st July 2015 cancelled the Certificate of Registration granted to the Company. Consequently, the Company ceased to be an NBFC.

The registered office of the Company is located at Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060 and the corporate office is located at 247 Park, Tower 'C', LBS Marg, Vikhroli (West), Mumbai 400 083.

The financial statements were authorised for issue in accordance with a resolution of the Board of directors passed on 22 May 2018.

2. Significant Accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit planned – plan assets measured at fair value

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' ("Ind AS 17"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' ("Ind AS 2") or value in use in Ind AS 36 'Impairment of Assets' ("Ind AS 36").

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

The principal accounting policies are set out below.

The financial statements are presented in INR, which is the functional currency and all values are rounded up to two decimal points to the nearest lakh (₹ 00,000), except when otherwise indicated.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is 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

The Company classifies all other liabilities as non-current.

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

Based on the nature of services and the normal time between the acquisition of assets and their realisation into cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

2.3 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 Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognised in statement of profit or 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' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") 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 recognizing a gain in respect thereof, the Company determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company 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 Company 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 Company recognizes 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 Company recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Company'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 statement of profit or 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 statement of profit or 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' ("Ind AS 37") and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 'Revenue' ("Ind AS 18").

2.4 Goodwill and impairment of goodwill

Goodwill arising on acquisition of a business is carried at cost as established at date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash generating units (or groups of cash-generating units, "CGU") that are expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Amounts disclosed as revenue are exclusive of taxes and net of trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as the proportion of the total time expected to complete the service that has elapsed at the end of reporting period.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Dividend and Interest income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 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 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.

2.7 Foreign Currency Transactions and Translation

The management of the Company has determined Indian rupee ("INR") as the functional currency of the Company. In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in statement of profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences for long term foreign currency monetary items existing as on previous year, the exchange difference arising on settlement / restatement of long term foreign currency monetary items are capitalised as part of depreciable property, plant and equipment to which the monetary items relates and depreciated over the remaining useful life of such assets.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

The Company may incur borrowing costs during an extended period in which it suspends the activities necessary to prepare an asset for its intended use or sale. Such costs are costs of holding partially completed assets and do not qualify for capitalisation. However, the Company does not normally suspend capitalising borrowing costs during a period when it carries out substantial technical and administrative work. The Company also does not suspend capitalising borrowing costs when a temporary delay is a necessary part of the process of getting an asset ready for its intended use or sale.

The Company shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.9 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 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 or loss. Past service cost is recognised in statement of profit or 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
- Re-measurement.

The Company presents the first two components of defined benefit costs in statement of profit or 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.

2.10 Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of the Company by the weighted average number of equity shares outstanding during the financial year (net of treasury shares).

Diluted earnings per share adjusts the figure used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.11 Share-based payment arrangements

Share-based payment transactions of the Company

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 over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Share-based payment transactions among group entities

The cost of equity-settled transactions pertaining to group entities is recognised as debit to investment in those group companies, together with a corresponding increase in equity (Employee stock option reserve) over the vesting period. The cumulative amount recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Company does not recover the cost of employee stock options from its subsidiaries.

2.12 Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. While preparing standalone financial statements, temporary differences are calculated using the carrying amount as per standalone financial statements and tax bases as determined by reference to the method of tax computation.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.13 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, for rental to others or for administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that incremental future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation on tangible property, plant and equipment has been provided on straight line method as per the useful life prescribed in Schedule II of the Company's Act, 2013, except in case of leasehold improvements and moulds.

Estimated useful lives of the assets are as follows:

Asset	Useful Life	Asset	Useful Life
Buildings	60 Years	Computers	3 Years
Plant and Equipment	15 Years	Furniture and Fixtures	10 Years
Leasehold improvements	Lease Term	Office Equipment	5 Years
Moulds	2 Years	Vehicles	10 Years

Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Company has selected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

2.14 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in statement of profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset	Useful Life	Asset	Useful Life
Trademark	5 Years	Brand*	10 Years
Software	3 -6 Years	Brand Usage Rights	25 Years

* Kara Brand has an indefinite useful life.

Deemed cost on transition to Ind AS

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of the transition date measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

2.15 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

2.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 FVTPL are recognised immediately in statement of profit or loss.

2.19 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in statement of profit or loss for fair value through other comprehensive income (“FVTOCI”) debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to statement of profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement of profit or loss and is included in the "Other Income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income for investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to statement of profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit or loss.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

2.20 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound instruments

The component parts of compound instruments (convertible debentures) 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 or 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.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

However, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense are included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

When guarantee in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as cost of investment.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'/'Other expenses'.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.21 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit or loss immediately. Company does not designate the derivative instrument as a hedging instrument.

2.22 Treasury Shares

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

2.23 Contingent liabilities

A contingent liability is:-

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) a present obligation that arises from past events but is not recognised because:-

i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.24 Operating segment

The management views the Company's operation as a single segment engaged in business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

3. 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 recognized 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) Impairment of investments in subsidiaries, joint ventures and associate and impairment of goodwill

Determining whether the goodwill or investments in subsidiaries, joint ventures and associate are impaired requires an estimate in the value in use. In considering the value in use, the Management have anticipated the future cash flows, discount rates and other factors of the underlying businesses/companies. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In certain cases, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Any subsequent changes to the cash flows could impact the carrying value of investments/goodwill.

d) Provisions, liabilities and contingencies

Provisions and liabilities are recognized 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 judgement 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 recognized.

e) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

f) Share based payments

The Company initially measures the cost of equity-settled transactions with employees using an appropriate valuation model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note no 36.

g) Employee benefit plans

The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

4. Property, plant and equipment, goodwill and other intangible assets

(₹ In Lakhs)

Description of Assets	Gross Block (At cost / deemed cost)				Depreciation / Amortisation				Net Block
	As at 1st April 2017	Additions	Deletions	As at 31st March 2018	As at 1st April 2017	For the Period	Deletions	As at 31st March 2018	As at 31st March 2018
A. Property, plant and equipment									
Freehold land	423.83	19.30	-	443.13	-	-	-	-	**443.13**
Building	384.47	1,921.50	-	2,305.97	12.47	6.65	-	19.12	**2,286.85**
Office equipments	293.17	133.30	51.86	374.61	132.92	58.62	32.61	158.93	**215.68**
Computers	421.79	93.31	50.55	464.55	292.69	70.43	47.03	316.09	**148.46**
Furniture & fixtures	1,517.24	105.08	295.36	1,326.96	477.79	186.01	93.99	569.81	**757.15**
Vehicles	100.48	0.51	2.01	98.98	51.13	7.54	0.72	57.95	**41.03**
Plant & machinery	3,329.99	4,038.13	132.98	7,235.14	665.21	704.63	40.30	1,329.54	**5,905.60**
Leasehold improvements	227.17	294.83	5.49	516.51	122.20	46.24	2.36	166.08	**350.43**
Total	**6,698.14**	**6,605.96**	**538.25**	**12,765.85**	**1,754.41**	**1,080.12**	**217.01**	**2,617.52**	**10,148.33**
B. Other intangible assets									
Brands, brand usage rights and trademarks (Refer note ii)	16,614.49	-	-	16,614.49	2,169.09	1,093.07	-	3,262.16	**13,352.33**
Software	27.54	2,783.49	-	2,811.03	2.45	350.41	-	352.86	**2,458.17**
Total	**16,642.03**	**2,783.49**	**-**	**19,425.52**	**2,171.54**	**1,443.48**	**-**	**3,615.02**	**15,810.50**
C. Goodwill (Refer note 43.1)	3,566.32	-	-	3,566.32	-	-	-	-	**3,566.32**
Total	**3,566.32**	**-**	**-**	**3,566.32**	**-**	**-**	**-**	**-**	**3,566.32**

4. Property, plant and equipment, goodwill and other intangible assets (Previous year)

(₹ In Lakhs)

Description of Assets	Gross Block (At cost / deemed cost)				Depreciation / Amortisation				Net Block
	As at 1st April 2016	Additions	Deletions	As at 31st March 2017	As at 1st April 2016	For the Period	Deletions	As at 31st March 2017	As at 31st March 2017
A. Property, plant and equipment									
Freehold land	423.83	-	-	423.83	-	-	-	-	**423.83**
Building	383.43	1.04	-	384.47	6.17	6.30	-	12.47	**372.00**
Office equipments	226.17	67.49	0.49	293.17	87.15	46.19	0.42	132.92	**160.25**
Computers	345.28	84.42	7.91	421.79	248.04	52.56	7.91	292.69	**129.10**
Furniture & fixtures	1,422.54	95.60	0.90	1,517.24	328.65	149.50	0.36	477.79	**1,039.45**
Vehicles	95.11	18.03	12.66	100.48	48.62	11.95	9.44	51.13	**49.35**
Plant & machinery	2,345.71	1,131.40	147.12	3,329.99	348.25	335.64	18.68	665.21	**2,664.78**
Leasehold improvements	189.34	48.32	10.49	227.17	86.56	37.40	1.76	122.20	**104.97**
Total	**5,431.41**	**1,446.30**	**179.57**	**6,698.14**	**1,153.44**	**639.54**	**38.57**	**1,754.41**	**4,943.73**
B. Other intangible assets									
Brands, brand usage rights and trademarks (Refer note ii)	16,614.49	-	-	16,614.49	1,084.95	1,084.14		2,169.09	**14,445.40**
Software	9.32	19.87	1.65	27.54	2.55	0.75	0.85	2.45	**25.09**
Total	**16,623.81**	**19.87**	**1.65**	**16,642.03**	**1,087.50**	**1,084.89**	**0.85**	**2,171.54**	**14,470.49**
C. Goodwill (Refer note 43.1)	3,566.32	-	-	3,566.32	-	-	-	-	**3,566.32**
Total	**3,566.32**	**-**	**-**	**3,566.32**	**-**	**-**	**-**	**-**	**3,566.32**

Notes:

(i) For property, plant and equipment pledged as security (Refer note 16)

(ii) Includes Kara brand of ₹ 1,209 lakhs (Previous Year : ₹ 1,209 lakhs) with indefinite useful life (Refer note 43.2)

5. Non Current Investments

Unquoted

(₹ In Lakhs)

Particulars	Number of Units		Amount	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
Investment in equity shares				
i) Subsidiaries (At cost, fully paid up)				
Aadhaar Wholesale Trading and Distribution Limited	43,400,000	43,400,000	21,103.60	21,072.41
Future Consumer Products Limited (Refer note 45)	900,000	900,000	1,620.00	2,000.00
Future Food and Products Limited	31,300,000	31,300,000	2,696.73	2,226.47
Star and Sitara Wellness Limited	-	1,809,000	-	-
Express Retail Services Private Limited	-	50,000	-	5.79
Future Food Processing Private Limited (formerly known as Future Personal Care and Hygiene Products Private Limited)	2,010,000	2,010,000	240.76	218.83
The Nilgiri Dairy Farm Private Limited	241,435	241,435	25,279.93	25,263.38
Appu Nutritions Private Limited	240	240	210.60	210.60
Nilgiri's Mechanised Bakery Private Limited	21,600	21,600	249.76	227.83
Nilgiris Franchise Private Limited	-	-	61.04	0.57
Integrated Food Park Private Limited	37,428,100	21,428,100	3,834.09	2,195.48
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	1,000,000	10,000	234.06	22.42
FCEL Food Processors Limited (Partly paid up)	5,000,000	5,000,000	3.50	3.50
FCEL Overseas FZCO (A company incorporated in UAE, face value DHS 1000 each)	60	-	11.28	-
ii) Joint Ventures (At cost, fully paid up)				
Amar Chitra Katha Private Limited	369,940	369,940	6,463.23	6,402.76
Aussee Oats Milling (Private) Limited (a company incorporated in Sri Lanka, face value LKR 10 each)	24,569,920	11,702,189	1,206.00	650.34
Aussee Oats India Private Limited	500,001	500,001	50.91	50.91
Sublime Foods Private Limited	1,500,000	750,000	187.96	79.86
MNS Foods Private Limited	450,001	450,001	78.25	45.15
Mibelle Future Consumer Products AG (a company incorporated in Switzerland, face value CHF 1000 each)	300	100	717.57	237.03
Genoa Rice Mills Private Limited	1,250,000	1,250,000	125.00	125.00
Hain Future Natural Products Private Limited	5,000	-	0.50	-
iii) Associate (At cost, fully paid up)				
Sarjena Foods Private Limited (Refer note 46)	324,675	324,675	-	500.00
iv) Others (At cost, fully paid up)				
Saraswat Co-operative Bank Limited	50	-	0.01	-
Investment in preference shares				
i) Subsidiaries (At FVTPL, fully paid up)				
Future Consumer Products Limited (Refer note 45)	145,000	145,000	115.50	130.63
The Nilgiri Dairy Farm Private Limited	4,684,270	4,684,270	1,409.74	1,225.86
ii) Joint venture (At FVTPL, fully paid up)				
Aussee Oats Milling (Private) Limited (a company incorporated in Sri Lanka, face value LKR 10 each)	11,380,155	11,380,155	434.30	408.30
Investment in debentures (At FVTPL, fully paid up)				
0% Optionally convertible debentures of Capital Foods Private Limited (Refer note 11)	-	744,000	-	151.55
	166,480,747	**138,470,706**	**66,334.32**	**63,454.67**
Share application money	-	-	720.00	148.23
Total	**166,480,747**	**138,470,706**	**67,054.32**	**63,602.90**

The list of subsidiaries, joint ventures and associates along with proportion of ownership interest held are disclosed in note 2.3 of consolidated financial statement.

6. Loans (Unsecured, considered good)

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Non-current		
Loans to related parties (Refer Note 37)	2,915.90	1,704.04
Total	**2,915.90**	**1,704.04**
Current		
Loans to related parties (Refer Note 37)	29,910.92	22,168.62
Inter corporate deposits	122.08	269.35
Total	**30,033.00**	**22,437.97**

7. Other financial assets (Unsecured, considered good)

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Non-current		
Security deposits	303.07	190.39
Other deposits	53.92	55.71
Interest accrued on deposits	292.39	165.27
Bank deposits with more than 12 months maturity	32.42	125.25
Total	**681.80**	**536.62**
Current		
Security deposits	215.43	55.02
Other deposits	-	1.00
Other receivables from related parties	-	12.92
Interest accrued on deposits	1,786.31	1,264.68
Other receivables	1,869.77	292.62
Total	**3,871.51**	**1,626.24**

8. Deferred Tax Balances

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet:

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Deferred tax assets	3,514.72	2,774.71
Deferred tax liabilities	(3,514.72)	(2,774.71)
Net	**-**	**-**

8.1 Movement of Deferred Tax

Deferred tax assets/(liabilities) in relation to the year ended 31st March 2018 (₹ In Lakhs)

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
Deferred tax assets:				
Provision for doubtful debts	1.24	3.48	-	4.72
Provisions for employee benefits	222.04	255.18	27.69	504.91
Convertible instruments	808.01	(808.01)	-	-
Tax losses (to the extent of net deferred tax liability)	1,743.42	1,261.67	-	3,005.09
Total deferred tax assets	2,774.71	712.32	27.69	3,514.72
Deferred tax liabilities:				
Property, plant, equipment and intangible assets	(2,713.23)	(712.66)	-	(3,425.89)
Taxable temporary differences on financial liability measured at amortised cost	(61.48)	(27.35)	-	(88.83)
Total deferred tax laibilities	(2,774.71)	(740.01)	-	(3,514.72)
Total	**-**	**(27.69)**	**27.69**	**-**

Deferred tax assets/(liabilities) in relation to the year ended 31st March 2017 **(₹ In Lakhs)**

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
Deferred tax assets:				
Provision for doubtful debts/ advances	-	1.24	-	1.24
Provisions for employee benefits	29.59	174.87	17.58	222.04
Convertible instruments	-	808.01	-	808.01
Tax losses (to the extent of net deferred tax liability)	2,287.59	(544.17)	-	1,743.42
Total deferred tax assets	2,317.18	439.95	17.58	2,774.71
Deferred tax liabilities:				
Property, plant, equipment and intangible assets	(2,200.52)	(512.71)	-	(2,713.23)
Taxable temporary differences on financial liability measured at amortised cost	(116.66)	55.18	-	(61.48)
Total deferred tax laibilities	(2,317.18)	(457.53)	-	(2,774.71)
Total	**-**	**(17.58)**	**17.58**	**-**

8.2 Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Tax losses (revenue in nature)	31,063.21	35,185.84
Tax losses (capital in nature)	1,397.79	1,397.79
Total	**32,461.00**	**36,583.63**

a) Unused tax losses of revenue nature include losses of ₹ 9,885.97 lakhs (Previous year ₹ 10,345.90 lakhs) (as below) that are available for offsetting for eight years against future taxable profits of the Company in which the losses arose.

(₹ In Lakhs)

Financial Year	As at 31st March 2018	As at 31st March 2017
2009-10	-	459.93
2010-11	276.86	276.86
2011-12	373.89	373.89
2012-13	571.92	571.92
2014-15	4,601.10	4,601.10
2015-16	3,655.82	3,655.82
2016-17	406.38	406.38
Total	**9,885.97**	**10,345.90**

b) Unused tax losses of capital nature will expire by March 2019.

8.3 The current tax expense for the year can be reconciled to the accounting profit as follows:

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Profit before tax	3,262.37	795.25
Other Comprehensive Income before tax	(89.62)	(56.90)
Total	**3,172.75**	**738.35**
Income tax expense calculated at 30.9% (Previous year 30.9%)	980.38	228.15
Effect of expenses not allowed for income tax purposes	3,256.13	2,362.06
Effect of additional allowance for tax purpose, limited to net taxable income for the year	(4,236.51)	(2,590.21)
Total	**-**	**-**

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Income tax expense/ (income) relating to items that will not be reclassified to statement of profit or loss	(27.69)	(17.58)
Deferred tax expense recognized in statement of proift or loss	27.69	17.58
Current tax expense recognized in statement of profit or loss	-	-
Total	**-**	**-**

9. Other assets

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Non-current		
Capital advance	85.09	156.54
Expenditure for purchase of non current investment	-	12.95
Advance taxes (net)	855.64	685.97
Total	**940.73**	**855.46**
Current		
Advances to employees	100.38	46.42
Advances given to suppliers	550.64	1,462.27
Other advances	197.13	148.11
Balances with government authorities	763.53	338.39
Total	**1,611.68**	**1,995.19**

10. Inventories

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Raw materials (at cost)	432.64	406.68
Finished goods (at lower of cost and net realisable value)	36.62	30.28
Stock - in - trade (at lower of cost and net realisable value)	19,210.36	13,655.66
Packing material (at cost)	172.49	59.43
Total	**19,852.11**	**14,152.05**

Notes:-

i) For Inventory hypothecated as security, refer note 16

ii) The amount of write down of inventories recognised as an expense during the year is ₹ 167.87 lakhs (Previous year: ₹ 102.02 lakhs).

11. Current investments

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Investment in debentures (unquoted, at FVTPL, fully paid up)		
0% Optionally convertible debentures of Capital Foods Private Limited	892.80	-
Total	**892.80**	**-**

The Company subscribed to 7,44,000 optionally convertible debentures ("OCD") issued and allotted by Capital Foods Private Limited ("Capital Foods") at a face value of ₹ 100 each for a total consideration of ₹ 744 lakhs. Total tenure of the OCD was 20 years from the date of issue, expiring on 30th September, 2031. Capital Foods proposed to redeem the debentures in FY 2018-19, which the Company has accepted, accordingly classified as current investments.

12. Trade receivables (unsecured)

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Considered good (For related party, refer note 37)	43,517.10	27,650.93
Considered doubtful	19.26	4.00
	43,536.36	**27,654.93**
Less: Expected credit loss allowance	(19.26)	(4.00)
Total	**43,517.10**	**27,650.93**

Movement in expected credit loss allowance (₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Opening balance	(4.00)	(1.89)
Changes in loss allowance		
Impairment allowance based on expected credit loss	(15.26)	(2.11)
Closing Balance	**(19.26)**	**(4.00)**

Note:

(i) For trade receivables hypothecated as security (Refer note 16)

13. Cash and cash equivalents

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balances with banks		
On current accounts	1,754.31	2,693.17
In fixed deposit accounts	465.22	-
Cheques on hand	492.70	-
Cash on hand	29.28	30.54
Total	**2,741.51**	**2,723.71**
Other bank balance:		
As margin money	162.84	68.17
Total	**162.84**	**68.17**

During the current year the Company entered into non-cash investment activity of converting inter corporate deposit amounting to ₹ 1,984.17 lakhs (previous year ₹ 4,866.41 lakhs) into investments in equity instruments. These are not reflected in the statement of cash flows.

14. Equity share capital

a) Particulars	As at 31st March 2018		As at 31st March 2017	
	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs
Authorised				
Equity shares of ₹ 6 each	5,650,000,000	339,000.00	5,650,000,000	339,000.00
Unclassified shares of ₹ 10 each	1,670,000,000	167,000.00	1,670,000,000	167,000.00
Total		**506,000.00**		**506,000.00**
Issued, subscribed and fully paid-up capital				
Equity shares of ₹ 6 each	1,913,433,663	114,806.02	1,662,492,238	99,749.54
Less : Shares held by ESOP trust treated as treasury shares	(11,285,134)	(677.11)	(15,221,634)	(913.30)
Total	**1,902,148,529**	**114,128.91**	**1,647,270,604**	**98,836.24**

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

Particulars	As at 31st March 2018		As at 31st March 2017	
	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs
Equity shares at the beginning of the year	1,647,270,604	98,836.24	1,645,909,050	98,754.54
Add : Equity shares issued and alloted during the year	245,998,442	14,759.91	200	0.01
Add : Allotment pursuant to exercise of stock options granted under FVIL - Employees Stock Option Plan - 2011	3,524,983	211.50	5,050,000	303.00
Add : Allotment pursuant to exercise of stock options granted under Future Consumer Enterprise Limited - Employees Stock Option Plan - 2014	1,418,000	85.08	-	-
Add/(Less) : Shares transferred to employees during the year (Previous year : Shares purchased (net) by ESOP trust treated as treasury shares)	3,936,500	236.18	(3,688,646)	(221.31)
Equity shares at the end of the year	**1,902,148,529**	**114,128.91**	**1,647,270,604**	**98,836.24**

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

Particulars	As at 31st March 2018		As at 31st March 2017	
	No of Shares	% of Holding	No of Shares	% of Holding
Future Capital Investment Private Limited	791,302,624	41.36	631,342,055	37.98
Arisaig India Fund Limited	143,040,880	7.48	152,043,000	9.15
Future Enterprises Limited (formerly known as Future Retail Limited)	100	-	150,000,000	9.02
Verlinvest SA	140,513,969	7.34	140,513,969	8.45
Black River Food 2 Pte. Ltd	149,511,403	7.81	100	-
Bennett, Coleman and Company Limited	91,580,293	4.79	100,376,591	6.04

d) 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 dividends and no voting rights. Further details of the employee share option plan are provided in note no. 36

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

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

ii) Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.

iii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

iv) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to vote in proportion to his share of the paid-up capital of the Company.

f) During the financial year 2017-18:

i) The Company has allotted 29,476,462 equity shares to Srishti Mall Management Company Private Limited consequent to conversion of Warrants, at a conversion price of ₹ 22.73 per share.

ii) The Company has allotted 149,656,999 equity shares to Black River Food 2 Pte. Ltd. consequent to conversion of Compulsorily Convertible Debentures and coupons thereon, at a conversion price of ₹ 22.73 per share.

iii) The Company has allotted 66,864,981 equity shares to International Finance Corporation consequent to conversion of Compulsorily Convertible Debentures and coupons thereon, at a conversion price of ₹ 22.73 per share.

g) As at 31st March, 2018, 12,307,017 equity shares (FY 2017: 20,150,000 equity shares and FY 2016 - 15,700,000 equity shares) were reserved for issuance towards outstanding employee stock options granted (Refer note 36).

h) Aggregate number of equity shares allotted as fully paid up without payment being received in cash for the period of 5 years immediately preceding the balance sheet date is 45,918,367 equity shares issued in 2014-15.

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

15. Other Equity

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Capital redemption reserve	5.20	5.20
Share options outstanding account	2,430.29	2,254.13
General reserve	0.59	0.59
Securities premium account	40,968.46	4,067.29
Equity Component of Compound Financial Instruments	-	38,021.02
Capital reserve for bargain purchase business combinations	314.94	314.94
Money received against share warrants	-	1,675.00
Retained earnings	(27,570.74)	(31,527.30)
Other comprehensive income	(41.55)	20.38
Total	**16,107.19**	**14,831.25**

Description of reserves

Capital redemption reserve

As per the provisions of the Companies Act, 2013 capital redemption reserve is created out of the general reserve for the amount of share capital reduction in earlier years.

Share options outstanding account

This reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 36.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Items included in the general reserve will not be reclassified subsequently to profit or loss.

Securities premium account

Where the Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares was transferred to a "securities premium account" as per the provisions of the Companies Act, 2013.

Equity component of compound financial instruments

The Company had issued Compulsory Convertible Debentures ("CCD") with each CCD being compulsorily convertible into equity shares of the Company at a fixed conversion price appropriately adjusted for corporate events.

The instrument is a compound instrument and therefore total proceeds is divided into 'equity' and 'liability'. The equity portion is recorded under this reserve.

Capital reserve for bargain purchase business combinations

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years.

Retained earnings

This represents the surplus/ (deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

16. Non Current borrowings

(₹ In Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Non-Current	Current	Non-Current	Current
Secured - at amortised cost				
Term loans from banks	4,737.04	227.27	1,903.80	220.94
Term loans from financial institutions	3,333.33	1,111.11	4,444.45	555.55
Buyer's Credit	-	313.53	312.53	-
Debentures :				
10.55% Redeemable non convertible debentures of ₹ 1 lakh each	963.62	1,500.00	2,436.63	-
11.00% Redeemable non convertible debentures of ₹ 1 lakh each	963.55	1,500.00	2,436.63	-
9.95% Redeemable non convertible debentures of ₹ 1 lakh each	3,447.22	1,500.00	-	-
11.07% Redeemable non convertible debentures of ₹ 1 lakh each	14,835.41	-	-	-
11.95% Redeemable non convertible debentures of ₹ 10 lakh each	-	-	-	5,979.46
Compulsory Convertible Debenture				
Black River Food 2 Pte. Ltd.	-	-	-	3,868.54
International Finance Corporation	-	-	-	1,657.33
Total	**28,280.17**	**6,151.91**	**11,534.04**	**12,281.82**

Details of security and repayment terms for secured Non Current borrowings

(₹ In Lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2018	As at 31st March 2017
1	**Term Loan from bank**			
(i)	a) First pari passu charge on Movable and Immovable fixed assets of the Rice Unit and proposed Flour/Spice processing units at Tumkur, Bangalore b) Second charge on current assets of the proposed Rice unit and Flour/Spice processing units at Tumkur c) Personal Guarantee of Mr. Kishore Biyani d) Debt Service Reserve Account (DSRA) FD for 3 months interest payment.	The Loan was repaid on November 07 2017. Rate of Interest on this loan was 11.50% per annum.	-	2,124.74
(ii)	a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing. b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering facility amount. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Company.	The first repayment instalment due on February 2019. Thereafter the loan is repayable in 21 equal quarterly instalments starting from February 2020. Interest of 10.50% p.a.	4,964.31	-
2	**Term Loan from financial institution:** a) First ranking pari passu charge over (i) Land and Building owned by subsidiary The Nilgiri Dairy Farm Private Limited (NDF) located at Bangalore and (ii) Land and building owned by subsidiary of NDF, Appu Nutritions Private Limited (Appu) located at Bangalore. b) Irrevocable and unconditional guarantee of Mr Kishore Biyani.	The Loan is repayable in 18 equal quarterly instalments (next instalment due in June 2018) Interest of 10.90% p.a.	4,444.44	5,000.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ In Lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2018	As at 31st March 2017
3	**Buyer's Credit from a bank is secured by:** a) First charge on Movable and Immovable property plant and equipment of the proposed Rice Unit and Flour/Spice processing units at Tumkur Bangalore b) Second charge on current assets of the proposed Rice unit and Flour/Spice processing units at Tumkur c) Personal Guarantee of Mr. Kishore Biyani d) DSRA FD for 3 months interest payment	The loan is repayable in June 2018. Interest @ 8.95% - 9.15% p.a. payable annually.	313.53	312.53
4	**11.95% NCD:** Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing and unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon.	Series B of ₹ 6,000 lakhs repaid in March 2018. Interest of 11.95% p.a. is payable quarterly from date of allotment. These debentures were privately placed with mutual funds and were listed in Wholesale Debt Segment of BSE Limited.	-	5,979.46
5	**10.55% NCD:** a) Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee.	Series A of ₹ 750 Lakhs repayable in September 2018, Series B of ₹ 750 Lakhs repayable in March 2019 & Series C of ₹ 1,000 Lakhs repayable in March 2020. Interest of 10.55% p.a. payable quarterly from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	2,463.62	2,436.63
6	**11% NCD:** a) Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee	Series A of ₹ 750 Lakhs repayable in September 2018, Series B of ₹ 750 Lakhs repayable in March 2019 & Series C of ₹ 1,000 Lakhs repayable in March 2020. Interest of 11.00% p.a. payable annually from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	2,463.55	2,436.63
7	**9.95% NCD:** a) Secured by first pari passu charge on Rice / Combi mills assets of the Company to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee	Series A of ₹ 1,500 Lakhs repayable in March 2019, Series B of ₹ 1,500 Lakhs repayable in September 2019 & Series C of ₹ 2,000 Lakhs repayable in September 2020. Interest of 9.95% p.a. payable annually from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	4,947.22	-

(₹ In Lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2018	As at 31st March 2017
8	**11.07 % NCD:** a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing. b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the company	The NCDs is redeemable in 17 equal quarterly installments starting from February 2021. Interest on the facility will be charged @ 11.07% p.a. Interest will be paid in cash in arrear and on a quarterly basis, inclusive of a cash coupon as follows: year 1 @ 8.00% p.a., year 2 @10.00% p.a. & year 3 @ 11.07% p a. All accrued and unpaid Interest, on the facility will be capitalised quarterly and paid on the final maturity date, or the date on which the facility has been repaid in full.	14,835.41	-
9	**8.50% Compulsory Convertible Debentures of ₹ 1 lakh each**	The CCDs shall automatically and compulsorily convert into equity shares on the earlier of the occurrence of following events : a) The investor electing to convert the CCDs by issuing a conversion notice to the Company; b) The date i.e. 18 months from the date of issue of the CCDs (mandatory conversion date). Interest @8.50% p.a.	-	5,525.87
			34,432.08	**23,815.86**
	Less: Current maturities of long term debt		6,151.91	12,281.82
	Total		**28,280.17**	**11,534.04**

17. Other non-current financial liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Interest accrued but not due	56.77	-
Currency swap liability	-	31.93
Total	**56.77**	**31.93**

18. Provisions

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Non-current		
Provision for employee benefits:		
Provision for gratuity (Refer note 34.2)	514.25	333.50
Total	**514.25**	**333.50**
Current		
Provision for employee benefits:		
Provision for gratuity (Refer note 34.2)	127.70	84.52
Provision for compensated absences	436.87	269.12
Provision for Bonus	555.00	465.66
Total	**1,119.57**	**819.30**

19. Current borrowings

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Secured - at amortised cost		
Loans repayable on demand from banks	2,967.81	11,950.50
Other loans from bank	12,061.53	3,538.46
Buyer's credit	70.93	212.59
Unsecured - at amortised cost		
Commercial papers	4,953.95	-
Total	**20,054.22**	**15,701.55**

Details of security and repayment terms for secured current borrowings

Nature of Security	Terms of Interest and repayment
Loans repayable on demand from banks (Cash Credit)	
Loan is secured by a) First pari passu hypothecation charge on all existing and future current assets of the Company b) Second Charge on fixed assets of the Company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	The cash credit is repayable on demand and carries interest at rates varying from 9.25% to 12.00% p.a.
Other Loans from Bank (Bill Discounting) and Buyer's Credit	
Loan is secured by a) First and/or pari passu charge on all existing and future current assets of the Company b) Second charge on fixed assets of the Company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani.	The other loans from Bank is repayable on due date and carries interest at rates varying from 8.40% to 11.50% p.a. Buyer's Credit is repayable on due date and carries interest at rates varying from 2.61% to 3.10%.

Commercial Papers carry average interest rate @ 9.43% per annum for the current year (Previous Year Nil). These are payable within 67 to 134 days from the date of drawdown.

20. Trade payables

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Total outstanding dues of Micro, Small and Medium enterprises (Refer note 41)	427.82	396.62
Total outstanding dues of creditors other than Micro, Small and Medium enterprises (For related party, refer note 37)	19,482.67	12,315.82
Total	**19,910.49**	**12,712.44**

21. Other current financial liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Current maturities of long term debt (Refer Note 16)	6,151.91	12,281.82
Interest accrued but not due on borrowing	550.92	193.01
Security and other deposits	131.49	131.34
Payable on purchase of capital goods	445.06	421.30
Currency swap liability	25.04	-
Total	**7,304.42**	**13,027.47**

22. Other current liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Statutory dues payable (includes TDS, PF, GST etc)	935.18	765.91
Other liabilities	58.50	89.00
Advance received from customers	129.64	85.79
Total	**1,123.32**	**940.70**

23. Revenue from Operations

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Sale of products	242,415.23	163,999.37
Other operating revenue*	514.90	499.18
Total	**242,930.13**	**164,498.55**

*Other operating revenue mainly includes franchise fees of ₹ 202.78 lakhs (PY ₹ 239.59 lakhs), royalty income of ₹ 117.04 lakhs (PY ₹ 149.89 lakhs) and scrap sales of ₹ 30.75 lakhs (PY ₹ 40.05 lakhs)

24. Other Income

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Operating lease rent	302.50	106.58
Interest income on :		
Inter corporate deposits	3,550.05	2,617.12
Others	16.63	433.44
Provision no longer required written back	-	100.00
Net gain on financial assets measured at FVTPL	936.00	118.34
Net gain on financial guarantees liability amortized	30.50	50.85
Miscellaneous income	46.62	19.09
Total	**4,882.30**	**3,445.42**

25. Cost of materials consumed

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Opening stock of raw materials and others	466.11	366.95
Add: Purchases	4,376.25	3,803.13
Closing stock of raw materials and others	(605.13)	(466.11)
Total	**4,237.23**	**3,703.97**

26. Changes in inventories of finished goods and stock in trade

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Opening stock:		
Finished goods	30.28	4.66
Stock in trade	13,655.66	8,702.62
	13,685.94	8,707.28
Closing stock:		
Finished goods	36.62	30.28
Stock in trade	19,210.36	13,655.66
	19,246.98	13,685.94
	(5,561.04)	**(4,978.66)**

27. Employee benefits expense

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Salaries wages & bonus	8,133.31	5,218.27
Contribution to provident and other funds (Refer note 34.1)	411.91	319.37
Expenses on employee stock option (ESOP) scheme (Refer note 36)	476.71	935.70
Staff welfare expenses	235.15	199.01
Total	**9,257.08**	**6,672.35**

28. Finance costs

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest expense on:		
Loans	4,412.01	3,607.51
Others	4.36	4.55
Other borrowing costs	133.66	86.80
Total	**4,550.03**	**3,698.86**

29. Depreciation and Amortisation expense

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Depreciation of property, plant & equipment	1,080.12	639.54
Amortization of intangible assets	1,443.48	1,084.89
Total	**2,523.60**	**1,724.43**

30. Other expenses

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Rent	2,102.58	1,573.33
Warehousing and distribution expenses	7,520.60	5,273.29
Electricity expenses	309.85	181.57
Advertisement, publicity & selling expenses	2,121.36	1,497.43
Repairs & maintenance :		
On plant and machinery	45.24	8.29
On buildings	21.30	14.53
On others	127.88	97.17
Legal and professional charges	648.96	524.42
Provision for doubtful debts	15.26	4.00
Rates and taxes	126.45	169.26
Insurance	68.03	62.89
Auditor's remuneration (Refer note 1 below)	74.74	86.66
Directors sitting fees	19.00	22.00
Loss on sale/retirement of property, plant and equipment	18.37	44.34
Net loss on foreign currency transactions and translation (Refer note 2 below)	24.39	70.85
Brand royalty	190.09	231.40
Loss on disposal of investments - non current	5.60	-
Impairment of investments - non current (Refer note 45 & 46)	880.00	-
Donation	0.93	0.52
Miscellaneous expenses	2,380.85	1,707.84
Total	**16,701.48**	**11,569.79**

Notes :

1. Auditor's remuneration included in "Other Expenses"

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Audit fees	42.00	52.90
Tax audit	6.00	5.75
Other services	25.45	25.71
Out of pocket expenses	1.29	2.30
Total	**74.74**	**86.66**

2. Net loss on foreign currency transactions and translation includes

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Loss /(Profit) on derivative liability measured at FVTPL	(6.89)	22.67

31 Segment Information

The Company is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single reporting segment. Hence there is no separate reportable segment under Indian Accounting Standard on Ind AS 108 'Operating Segment '.

31.1 Geographic Information

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Revenue from operations from customers within India	242,916.35	164,498.55
Revenue from operations from customers outside India	13.78	-
	242,930.13	164,498.55

31.2 Major Customer

Top customer which individually contribute more than 10% of Company's total revenue.

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Future Retail Limited	196,593.09	129,224.68

32 Earnings Per Share (EPS)

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Profit for the year attributable to equity holders of Company (₹ in lakhs)	3,234.68	777.67
Weighted average number of equity shares outstanding for Basic EPS*	1,872,009,544	1,812,657,645
Add : Weighted average number of potential equity shares on account of employee stock options outstanding	14,282,440	7,879,864
Add : Share warrants issued	-	7,369,116
Add: Weighted average number of potential equity shares on account of interest conversion on CCD's	-	12,532,878
Weighted average number of equity shares outstanding for diluted EPS	1,886,291,984	1,840,439,503
Earnings per share (₹)		
Basic	0.17	0.04
Diluted	0.17	0.04

*In previous year this has been calculated considering 190,871,095 number of shares to be issued on conversion of CCD's

33 Leasing Arrangement

The Company has entered into operating lease arrangement for its warehouse and office premises. Lease payments for the year 2017-2018 is ₹ 2,102.58 lakhs (Previous year: ₹1,573.33 lakhs) and lease income for the year 2017-18 is ₹ 302.5 lakhs (Previous year: ₹106.58 lakhs). There are no non-cancellable operating lease.

34 Employee benefit

34.1 Defined Contribution Plans

The Company's contribution to provident fund, employee state insurance are determined under the relevant schemes and / or statutes and charged to the statement of profit or loss.

The Company's contribution to Provident Fund for the year 2017-2018 aggregating to ₹ 347.92 Lakhs (Previous Year: ₹ 273.10 lakhs) and ₹ 60.55 Lakhs (Previous Year: ₹ 39.74 lakhs) for ESIC has been recognised in the Statement of profit or loss under the head employee benefits expense. (Refer Note 27)

34.2 Defined Benefit Plans

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 employees on retirement or on termination of employment. The gratuity benefits 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 is not funded.

The plans typically expose 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.

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 Universal Actuaries and Benefit 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.

Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
1. Discount rate	7.20%	6.80%
2. Salary escalation	8.00%	8.00%
3. Mortality rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
4. Withdrawal rate	20%	20% to 2% Age based
5. Retirement age	58 years	58 years

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan (₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Present value of unfunded defined benefit obligation	641.95	418.02
Fair value of plan assets	-	-
Net liability arising from gratuity	(641.95)	(418.02)

Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in statement of profit or loss, other comprehensive income. **(₹ In Lakhs)**

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
A. Components of expense recognised in the statement of profit or loss (in employee benefit expenses)		
Current service cost	74.92	75.45
Past service cost	69.13	-
Net interest expenses	25.55	22.02
Total	**169.60**	**97.47**
B. Components of defined benefit costs recognised in other comprehensive income		
Remeasurement on the net defined benefit liability:		
Actuarial gains and losses arising from changes in financial assumptions	(10.57)	20.16
Actuarial gains and losses arising from experience adjustments	100.19	36.74
Total	**89.62**	**56.90**

Following is movement in the present value of the defined benefit obligation **(₹ In Lakhs)**

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Opening defined benefit obligation	418.02	289.69
Current service cost	74.92	75.45
Interest cost	25.55	22.02
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(10.57)	20.16
Actuarial gains and losses arising from experience adjustments	100.19	36.74
Past service cost	69.13	-
Benefits paid	(35.29)	(26.04)
Closing defined benefit obligation	**641.95**	**418.02**

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The result of Sensitivity Analysis on Defined Benefit Obligation due to increase or decrease in discount and salary escalation rate:

(₹ In Lakhs)

Assumptions	As at 31st March 2018	As at 31st March 2017
Impact on discount rate for 100 basis points increase in defined benefit obligation of gratuity	(24.96)	(16.94)
Impact on discount rate for 100 basis points decrease in defined benefit obligation of gratuity	27.13	18.48
Impact on salary escalation rate for 100 basis points increase in defined benefit obligation of gratuity	22.93	16.16
Impact on salary escalation rate for 100 basis points decrease in defined benefit obligation of gratuity	(21.55)	(15.30)

The rate of mortality and attrition do not have a signifcant impact on the liability, and hence are not considered for the purpose of sensitivity analysis. 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 assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in methods and assumptions used in preparing the sensitivity analysis from prior years. The weighted average duration of the gratuity plan is 4.9 years (Previous Year: 4.9 years).

Expected Future Cashflows (₹ In Lakhs)

Year	Year ended 31st March 2018	Year ended 31st March 2017
Year 1	127.70	84.52
Year 2	103.26	63.40
Year 3	103.64	56.87
Year 4	88.15	59.90
Year 5	86.01	51.42
Year 6 to 10	241.93	163.76

34.3 The Company has recognised an amount of ₹ 227.26 Lakhs (Previous Year ₹ 155.43 lakhs) for long term compensated absences in the statement of profit and loss account. Actuarial Assumption for long-term compensated absences are :

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Discounted rate	7.20%	6.80%
Salary increase	8.00%	8.00%
Attrition rate	20%	20% to 2% Age Based
Retirement age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2006- 08) Ult	Indian Assured Lives Mortality (2006- 08) Ult

35 Financial Instruments and Risk Review

35.1 Capital Management

The Company being in a working capital intensive industry, its objective is to maintain a strong credit rating, healthy ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capex, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing capex, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

Gearing ratio

The gearing ratio at end of the reporting period was as follows:

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Debt (i)	54,486.30	39,517.41
Less:- Cash and bank balances (iii)	2936.77	2,917.13
Net debt	51,549.53	36,600.28
Equity (ii)	130,236.10	113,667.49
Net debt to equity ratio	0.40	0.32

(i) Debt is defined as long and short-term borrowings and includes current maturities of long term debt.

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

(iii) Includes bank deposits with more than 12 months maturity shown under other financial assets.

35.2 Categories of financial instruments

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Financial assets		
Measured at Amortised Cost		
Cash and bank balances	2,904.35	2,791.88
Trade receivables	43,517.10	27,650.93
Loans	32,948.90	24,142.01
Other financial assets	4,553.31	2,162.86
Measured at fair value through profit and loss (FVTPL)		
Investment in preference shares	1,959.54	1,764.79
Investments in debentures	892.80	151.55
Financial liabilities		
Measured at Amortised Cost		
Borrowing*	54,486.30	39,517.41
Trade payable	19,910.49	12,712.44
Other financial liabilities	1,184.24	745.65
Measured at fair value through profit and loss (FVTPL)		
Currency swap	25.04	31.93

* includes current maturity of long term borrowings

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets measured at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such Financial assets.

35.3 Financial risk management objectives

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

35.4 Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, interest rates and other price risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide principles on foreign exchange risk and interest rate risk. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

35.5 Foreign Currency Risk Management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company has a Forex policy approved by the Board of Director.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The Year end foreign currency exposures are given below :-

(In Lakhs)

		As at 31st March 2018		As at 31st March 2017	
Particulars	**Foreign Currency**	**Amount (Foreign Currency)**	**Amount (Rupees)**	**Amount (Foreign Currency)**	**Amount (Rupees)**
Receivables :					
Trade receivables & loans given (Unhedged)	USD	57.08	3,712.88	32.90	2,132.89
Payables :					
Trade payables	USD	-	-	1.99	129.26
Trade payables	EUR	4.16	330.09	-	-
Trade payables	CHF	3.28	220.50	-	-
Borrowings	USD	5.91	384.36	7.50	486.27
Borrowings	EUR	-	-	0.56	39.86
Total Payables			**934.95**		**655.39**
Of the above payables:					
Hedged by derivative contracts			313.53		312.53
Unhedged payables			621.43		342.86

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. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. 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 Lakhs)

Foreign currency	**As at 31st March 2018**		**As at 31st March 2017**	
	10% strengthen	**10% weakening**	**10% strengthen**	**10% weakening**
USD	(364.21)	364.21	(182.99)	182.99
CHF	22.05	(22.05)	-	-
EURO	33.50	(33.50)	3.99	(3.99)

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.

35.6 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 exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like commercial paper and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk.

The following table provides break-up of Company's fixed and floating rate borrowings: **(₹ In Lakhs)**

Particulars	**As at 31st March 2018**	**As at 31st March 2017**
Variable interest rate borrowings	15,100.26	17,826.29
Fixed interest rate borrowings	39,386.04	21,691.12
Total	**54,486.30**	**39,517.41**
Of the above hedged by currency swaps	313.53	312.53

Interest rate risk sensitivity:

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit. A positive is increase in profit and negative is decrease in profit.

(₹ In Lakhs)

Particulars	**As at 31st March 2018**		**As at 31st March 2017**	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Impact on profit	(75.50)	75.50	(89.13)	89.13

35.7 Other price risks

The Company exposure to other risks arises from investments in preference shares and debentures amounting to ₹ 2,852.34 Lakhs (Previous Year ₹1,916.33 Lakhs). The investments are held for strategic rather than trading purpose.

The sensitivity analysis below have been determined based on the exposure to price risk at the end of the reporting period. If the prices of the above instruments had been 5% higher/lower, profit for the year ended 31st March 2018 would increase/decrease by ₹ 107.91 Lakhs (Previous year by ₹ 95.82 Lakhs)

35.8 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from entering into derivative financial instruments and from deposits with banks and financial institutions, as well as from credit exposures to customers, including outstanding receivables.

The Company has adopted a policy of only dealing with creditworthy counterparties. Detailed KYC documentation is done before the transaction is done with the customers. Also, majority of the Company's sales is to other Future Group Companies, hence the risk of realisation of sales money is minimised. The Company's exposures are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Also periodic reconciliation is being done with the customers. There is no history of bad debts suffered by the Company.

Apart from Future Retail Limited, being 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 80% (Previous Year: 84%) of gross trade receivable as at the end of reportIng period. No other single customer accounted for more than 10% of total trade receivable. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The average credit period on sales of goods is 7 to 90 days. No interest is charged on trade receivables.

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables. It takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the past due receivables. There has been no significant change in the credit quality of receivables past due for more than 180 days.

Age of receivables (₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
less than 60 days	35,851.14	20,918.78
61 to 90 days	5,541.39	4,707.90
91 to 180 days	561.64	1,088.45
more than 180 days	1,562.93	935.80
Total	**43,517.10**	**27,650.93**

Credit risk from balances with banks is managed by Company's treasury in accordance with the Board approved policy.

35.9 Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure for capex. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company’s short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company’s remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ In Lakhs)

Particulars	Weighted average effective interest rate	Less than 1 year	1 to 5 years	5 years and above	Total	Carrying amount
As at 31st March 2018						
Variable interest rate borrowings	9.60%					
Principal		15,100.27	-	-	15,100.27	15,100.27
Interest		1,449.26	-	-	1,449.26	-
Fixed interest rate borrowings	10.98%					
Principal		11,105.87	24,167.52	4,438.51	39,711.90	39,386.04
Interest		3,194.91	9,239.95	1,508.49	13,943.35	-
Currency swap		313.53	-	-	313.53	-
Financial guarantee contracts		4,630.76	7,286.08	-	11,916.84	-
Non interest bearing (Trade payable, deposits etc.)		20,487.04	-	-	20,487.04	-
As at 31st March 2017						
Variable interest rate borrowings	10.33%					
Principal		15,922.49	1,955.48	-	17,877.97	17,826.29
Interest		239.85	496.44	-	736.29	-
Fixed interest rate borrowings	11.61%					
Principal		6,555.56	9,756.98	-	16,312.54	21,691.12
Interest		7,855.62	1,705.45	-	9,561.07	-
Currency swap		-	31.93	-	31.93	31.93
Financial guarantee contracts		3,384.86	9,239.79	-	12,624.65	89.00
Non interest bearing (Trade payable, deposits etc.)		13,265.08	-	-	13,265.08	13,265.08

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Company has ₹ 15,900 Lakhs (Previous Year ₹ 10,298.45 Lakhs) undrawn facilities at its disposal to further reduce liquidity risks.

35.10 Fair Value Measurement and related disclosures

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ In Lakhs)

Financial assets	**Carrying Value / Fair value**		**Fair value hierarchy**
	As at 31st March 2018	**As at 31st March 2017**	
Financial assets at Fair Value Through Profit and Loss (FVTPL)			
0% Optionally convertible debenture of Capital Food Limited (Refer note no.5 & 11)	892.80	151.55	Level 2
1% non cumulative redeemable preference share of The Nilgiris Dairy Farm Limited (Refer note no.5)	1,409.74	1,225.86	Level 2
2% cumulative redeemable preference share of Future Consumer Products Limited (Refer note no.5)	115.50	130.63	Level 2
0% non cumulative redeemable preference share of Aussee Oats Milling (Private) Limited (Refer note no.5)	434.30	408.30	Level 2
Financial liabilities at Fair Value Through Profit and Loss (FVTPL)			
Currency swap (Refer note no.17 & 21)	25.04	31.93	Level 2

Financial assets and financial liabilities that are not measured at fair values (but fair values disclosures are required)

The Company considers that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximates their fair values.

The management assessed that carrying values of financial assets and liabilities other than those disclosed above such as trade receivable, loans, finance lease obligations, cash and cash equivalents, other bank balances and trade payables are reasonable approximations of their fair values.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

36 Share Based Payments

36.1 Details of the employee share based plan of the Company

a) The ESOP scheme titled "FVIL Employees Stock Option Plan 2011" (ESOP 2011) was approved by the shareholders at the Annual General Meeting held on 10th August 2010. 50,000,000 options are covered under the ESOP 2011 for 50,000,000 shares. Post listing of equity shares on the stock exchanges, the Shareholders have ratified the pre-IPO scheme.

   In the previous years, the Nomination and Remuneration / Compensation Committee of the Company has granted 34,535,000 options under ESOP 2011 to certain directors and employees of the Company and some of its Subsidiaries. The options allotted under ESOP 2011 are convertible into equal number of equity shares. The exercise price of each option is ₹ 6/-.

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

b) The ESOP scheme titled “Future Consumer Enterprise Limited - Employee Stock Option Plan 2014” was approved by the Shareholders vide resolution passed at the Extra Ordinary General Meeting held on 12th January, 2015 and through postal ballot on 12th May 2015 in respect of grant of 31,950,000 options under primary route (ESOP 2014-Primary) and 79,800,000 options under secondary market route (ESOP 2014-Secondary). ESOP 2014 has been implemented through a trust route whereby Vistra ITCL India Limited (Formerly IL&FS Trust Company Limited) has been appointed as the Trustee who monitors and administers the operations of the Trust.

In the previous years, the Nomination and Remuneration / Compensation Committee has i) at its meeting held on 15th May 2015, granted 15,950,000 options under the ESOP 2014-Secondary to certain directors / employees of the Company and some of its Subsidiaries under the secondary market route and ii) at its meeting held on 12th August 2016 granted 10,000,000 options under the ESOP 2014 to certain directors / employees of the Company and some of its Subsidiaries under the primary route.

During the current year, the Nomination and Remuneration / Compensation Committee has at its meeting held on 14th August, 2017 and 8th November, 2017 granted 3,500,000 options and 4,900,000 options respectively under the ESOP 2014-Secondary to certain directors / employees of the Company and some of its Subsidiaries under the secondary market route.

The options allotted under ESOP 2014 are convertible into equal number of equity shares. The exercise price per Option for shares granted under the secondary market route shall not exceed market price of the Equity Share of the Company as on date of grant of Option or the cost of acquisition of such equity shares to the Trust applying FIFO basis, whichever is higher. The exercise price per Option for shares granted under the primary route shall not exceed market price of the Equity Share of the Company as on date of grant of Option, which may be decided by the Nomination and Remuneration / Compensation Committee.

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

The following share-based payment arrangements were in existence during the current and prior years:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Share Price at Grant date	Fair value at grant date (₹)
ESOP 2011	15,000,000	26.12.2015	Note-1 below	6.00	26.15	22.49
ESOP 2014-Secondary	15,950,000	15.05.2015		Note-2 below	11.20	7.05
ESOP 2014-Secondary	3,500,000	14.08.2017		Note-2 below	41.25	17.71
ESOP 2014-Secondary	4,900,000	08.11.2017		Note-2 below	60.95	31.03
ESOP 2014-Primary	10,000,000	12.08.2016		21.40	21.50	11.42

Note-1 The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

Note-2 Market price of the Equity Share of the Company as on date of grant of Option or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher.

36.2 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	ESOP 2011	ESOP 2014 Secondary Grant 1	ESOP 2014 Primary	ESOP 2014 Secondary Grant 2	ESOP 2014 Secondary Grant 3
Expected volatility (%)	56.55%	64.18%	48.88%	38.68%	44.85%
Option life (Years)	4-6	4-6	4-6	4-6	4-6
Dividend yield (%)	0%	0%	0%	0%	0%
Risk-free interest rate (Average)	7.82% - 8.09%	7.55% - 7.91%	7.12%-7.25%	6.43% - 6.64%	6.67% - 6.88%

36.3 Movement in share options during the year

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

Particulars	Year ended 31st March 2018		Year ended 31st March 2017	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period				
ESOP 2011	10,650,000	6.00	15,700,000	6.00
ESOP 2014 secondary	12,288,000	Refer Note-2 above	15,950,000	Refer Note-2 above
ESOP 2014 primary	9,500,000	21.40	-	-
Granted during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	8,400,000	Refer Note-2 above	-	-
ESOP 2014 primary	-	-	10,000,000	21.40
Forfeited during the period				
ESOP 2011	2,100,000	6.00	-	-
ESOP 2014 secondary	1,315,000	Refer Note-2 above	1,036,000	Refer Note-2 above
ESOP 2014 primary	800,000	21.40	500,000	21.40
Exercised during the period				
ESOP 2011	3,524,983	6.00	5,050,000	6.00
ESOP 2014 secondary	3,931,500	Refer Note-2 above	2,626,000	13.16
ESOP 2014 primary	1,418,000	21.40	-	-
Expired during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	-	-	-	-
ESOP 2014 primary	-	-	-	-
Balance at end of period				
ESOP 2011	5,025,017	6.00	10,650,000	6.00
ESOP 2014 secondary	15,441,500	Refer Note-2 above	12,288,000	Refer Note-2 above
ESOP 2014 primary	7,282,000	21.40	9,500,000	21.40

36.4 Share options exercised during the year

The following share options were exercised during the year:

Options scheme	Number exercised	Exercise date	Share price at exercise date (₹)
ESOP 2011	3,524,983	Various dates	Wt Avg- 77.29
ESOP 2014 primary	1,418,000	Various dates	Wt Avg - 49.05
ESOP 2014 secondary	3,931,500	Various dates	Wt Avg - 46.48

36.5 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 1331 days (Previous year: 1521 days).

Out of the ESOPs outstanding, the number of options exercisable are as under :-

Particulars	As at 31st March 2018	As at 31st March 2017
ESOP 2011	225,017	150,000
ESOP 2014 secondary	1,014,000	564,000
ESOP 2014 primary	482,000	-

36.6 The expense recognised for employee services received during the year is shown in the following table:

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Expenses arising from equity settled share based payment transactions	476.71	935.70
Total expenses arising from share based transactions	**476.71**	**935.70**

37 Related Party Transaction

37.1 Name of Related Party and Nature of Relationship

a) Subsidiary Companies

Aadhaar Wholesale Trading and Distribution Limited
Future Food and Products Limited
Future Consumer Products Limited
Future Food Processing Private Limited
Star and Sitara Wellness Limited (upto 30th March 2018)
Express Retail Services Private Limited (upto 30th March 2018)
FCEL Overseas FZCO
FCEL Food Processors Limited
The Nilgiri Dairy Farm Private Limited
Appu Nutritions Private Limited
Nilgiri's Mechanised Bakery Private Limited
Nilgiris Franchise Private Limited
Integrated Food Park Private Limited
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)

b) Associate

Sarjena Foods Private Limited

c) Joint Venture

Mibelle Future Consumer Products AG
Amar Chitra Katha Private Limited
ACK Media Direct Limited
IBH Books & Magazines Distributors Limited
Aussee Oats India Private Limited
Ideas Box Entertainment Limited
Aussee Oats Milling (Private) Limited
MNS Foods Private Limited
Genoa Rice Mills Private Limited
Avante Snack Foods Private Limited
Hain Future Natural Products Private Limited (w.e.f. - 20 June 2017)
Affluence Food Processors Private Limited*
Sublime Foods Private Limited

* Share application money paid on 20th March, 2018.

d) Key Management Personnel (KMP) and their relatives

Kishore Biyani
Ashni Biyani
Narendra Baheti (With effect from 30th August 2016)
Rajendra Baheti (With effect from 30th August 2016)
Archana Baheti (With effect from 30th August 2016)
Sunder Devi Baheti (With effect from 30th August 2016)
Amulya Baheti (With effect from 30th August 2016)

e) Entities which have significant influence over the Company

Future Corporate Resources Limited (Upto 30th March 2017)

Weavette Business Ventures Limited (upto 30th March 2017)

Birthright Games & Entertainment Private Limited (upto 30th March 2017)

f) Entities controlled / having significant influence by KMP and their relatives

Premium Harvest Limited

Future Ideas Company Limited

Future Retail Limited

Future Lifestyle Fashion Limited

Future Supply Chain Solutions Limited

37.2 Transactions with Related Party

(₹ In Lakhs)

Nature of transactions	Subsidiary	Associate	Joint Venture	Key Management Personnel (KMP) and their relatives	Entities which have significant influence over the Company	Entities controlled / having significant influence by KMP and their relatives
Purchase of property, plant and equipment	13.67	-	-	-	-	356.96
	(-)	(-)	(-)	(-)	(-)	(16.09)
Sale of property, plant and equipment	316.15	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of investments	2,483.87	-	1,238.37	-	-	-
	(5,844.56)	(-)	(645.37)	(-)	(-)	(-)
Inter corporate deposits given	24,836.18	-	8,011.91	-	-	-
	(24,249.79)	(-)	(6,216.57)	(-)	(269.35)	(-)
Inter corporate deposits received back	19,132.64	-	4,664.23	-	-	-
	(13,546.68)	(-)	(2,509.27)	(-)	(239.53)	(-)
Security deposit given	86.58	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Security deposit received	-	-	-	-	-	-
	(-)	(-)	(125.00)	(-)	(-)	(-)
Advance Given	5.00	-	11.90	-	-	-
	(-)	(-)	(11.00)	(-)	(-)	(-)
Advance received	-	-	-	-	-	-
	(-)	(-)	(33.68)	(-)	(-)	(-)
Corporate guarantees given	2,050.00	-	1,500.88	-	-	-
	(500.00)	(-)	(2,000.00)	(-)	(-)	(-)
Share application	-	-	720.00	-	-	-
	(11.29)	(-)	(136.94)	(-)	(-)	(-)
Sale of products	17,643.74	-	138.79	-	-	197,375.31
	(14,813.62)	(-)	(103.03)	(-)	(-)	(129,567.27)
Royalty income	-	-	-	-	-	117.04
	(-)	(-)	(-)	(-)	(-)	(149.89)
Interest income	2,596.54	-	918.31	-	-	-
	(1,866.33)	(-)	(501.20)	(-)	(31.13)	(-)
Rent income	40.50	-	262.00	-	-	-
	(15.90)	(-)	(103.82)	(-)	(-)	(-)
Franchise fees income	-	-	-	-	-	202.78
	(-)	(-)	(-)	(-)	(-)	(239.59)

(₹ In Lakhs)

Nature of transactions	Subsidiary	Associate	Joint Venture	Key Management Personnel (KMP) and their relatives	Entities which have significant influence over the Company	Entities controlled / having significant influence by KMP and their relatives
Recovery of expenses	51.55	-	331.88	-	-	-
	(460.00)	(-)	(146.91)	(-)	(-)	(118.54)
Purchase of goods	1,156.97	537.59	4,438.39	-	-	8,794.03
	(1,330.11)	(200.97)	(1,438.55)	(-)	(-)	(4,068.93)
Legal and professional fees	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(13.73)
Managerial remuneration*	-	-	-	980.09	-	-
	(-)	(-)	(-)	(324.31)	(-)	(-)
Rent expenses	880.41	-	-	17.62	-	652.68
	(524.85)	(-)	(-)	(11.48)	(-)	(357.23)
Royalty expenses	85.76	-	-	-	-	-
	(111.72)	(-)	(9.00)	(-)	(-)	(-)
Warehousing and distribution charges	-	-	-	-	-	1,664.74
	(-)	(-)	(-)	(-)	(-)	(1,116.31)
Sitting fees	-	-	-	3.00	-	-
	(-)	(-)	(-)	(4.00)	(-)	(-)
Marketing expenses	-	-	-	-	-	296.46
	(-)	(-)	(-)	(-)	(34.50)	(114.37)
Other expenses	144.70	-	-	-	-	90.98
	(135.71)	(-)	(-)	(-)	(1.50)	(104.94)
Balance as at 31st March, 2018						
Trade receivable	5,624.81	131.79	318.12	-	-	34,683.86
	(2,931.20)	(-)	(26.67)	(-)	(-)	(24,164.44)
Interest receivable	1,268.83	-	787.27	-	-	-
	(898.53)	(-)	(366.78)	(-)	(-)	(-)
Prepaid expenses	47.59	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Inter corporate deposits outstanding	23,639.03	-	9,187.79	-	-	-
	(18,056.87)	(-)	(5,815.80)	(-)	(-)	(-)
Security deposit given outstanding	157.32	-	-	-	-	-
	(70.74)	(-)	(-)	(-)	(-)	(-)
Advances given outstanding	-	-	11.90	-	-	-
	(-)	(-)	(11.00)	(-)	(-)	(-)
Security deposit received outstanding	-	-	125.00	-	-	-
	(-)	(-)	(125.00)	(-)	(-)	(-)
Advances received outstanding	-	-	-	-	-	-
	(-)	(-)	(33.68)	(-)	(-)	(-)
Trade payables outstanding	220.41	-	1,090.53	-	-	532.94
	(379.08)	(36.68)	(282.92)	(-)	(-)	(921.46)
Corporate guarantees outstanding	11,273.08	-	10,311.68	-	-	-
	(9,329.05)	(-)	(10,290.58)	(-)	(-)	(-)

Figures in bracket represent previous year's figures.

*includes share based payments to managerial personnel

37.3 Disclosure in respect of Material Transactions with Related Parties

(₹ In Lakhs)

Nature of transactions	2017-18	2016-17
Purchase of property, plant and equipments		
Premium Harvest Limited	350.00	-
Sale of property, plant and equipments		
Aadhaar Wholesale Trading and Distribution Limited	316.15	-
Purchase of investments		
Aadhaar Wholesale Trading and Distribution Limited	31.19	1,539.79
The Nilgiri Dairy Farm Private Limited	98.95	2,499.95
Future Food and Products Limited	470.26	1,546.77
Aussee Oats Milling (Private) Limited	555.66	466.46
Integrated Food Park Private Limited	1,638.61	0.98
Future Food Processing Private Limited (Formerly Future Personal Care and Hygiene Products Private Limited)	470.26	217.83
Mibelle Future Consumer Products AG	480.54	-
Inter corporate deposits given		
Aadhaar Wholesale Trading and Distribution Limited	7,090.00	5,879.14
Amar Chitra Katha Private Limited	4,253.32	3,149.98
Integrated Food Park Private Limited	8,485.77	7,207.26
The Nilgiri Dairy Farm Private Limited	4,229.90	4,835.54
Inter corporate deposits received back		
Aadhaar Wholesale Trading and Distribution Limited	4,638.81	2,938.45
Amar Chitra Katha Pvt Ltd	3,149.98	988.94
Integrated Food Park Private Limited	7,446.12	4,563.47
The Nilgiri Dairy Farm Private Limited	2,536.93	3,751.71
Security deposit given		
Integrated Food Park Private Limited	86.58	-
Security deposit received		
Genoa Rice Mills Private Limited	-	125.00
Advance received		
Genoa Rice Mills Private Limited	-	33.68
Advance Given		
Aussee Oats India Pvt. Ltd .	11.90	-
Star & Sitara Wellness Limited	5.00	-
Corporate guarantees given		
Aussee Oats Milling (Private) Limited	1,300.88	2,000.00
The Nilgiri Dairy Farm Private Limited	1,500.00	-
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	550.00	500.00
Share application		
Hain Future Natural Product Private Limited	645.00	-
Affluence Food Processors Private Limited	75.00	-
Mibelle Future Consumer Products AG	-	136.94
Sale of products		
Future Retail Limited	196,593.09	129,224.68
Aadhaar Wholesale Trading and Distribution Limited	9,859.56	8,369.78
The Nilgiri Dairy Farm Private Limited	7,777.18	6,097.34
Royalty income		
Future Lifestyle Fashions Ltd	17.46	15.21
Future Retail Limited	99.57	134.68

(₹ In Lakhs)

Nature of transactions	2017-18	2016-17
Interest income		
Aadhaar Wholesale Trading and Distribution Limited	690.24	380.77
Amar Chitra Katha Private Limited	462.95	237.97
Integrated Food Park Private Limited	1,027.07	725.56
The Nilgiri Dairy Farm Private Limited	365.32	357.80
Rent income		
Aadhaar Wholesale Trading and Distribution Limited	40.50	15.90
Genoa Rice Mills Private Limited	250.00	103.82
Franchise fees income		
Future Retail Limited	202.78	239.59
Recovery of expenses		
Future Food Processing Private Limited	-	230.00
Future Food and Products Limited	-	230.00
Hain Future Natural Product Private Limited	48.82	-
FCEL Overseas FZCO	42.99	-
Mibelle Future Consumer Products AG	283.06	146.88
Purchase of goods		
Premium Harvest Limited	8,794.03	4,068.20
The Nilgiri Dairy Farm Private Limited	442.90	677.57
Legal & professional fees		
Future Ideas Company Limited	-	13.73
Managerial remuneration		
Mr. Arun Kumar Agarwal *	-	39.83
Ms. Ashni Biyani *	84.89	85.02
Mr. Narendra Baheti *	788.65	144.13
Mr. Rajendra Baheti*	90.83	47.67
Rent expenses		
Future Retail Limited	496.65	300.15
Integrated Food Park Private Limited	830.53	478.20
Royalty expenses		
Future Consumer Products Limited	85.76	111.72
Warehousing and distribution charges		
Future Supply Chain Solutions Limited	1,664.75	1,116.31
Sitting fees		
Kishore Biyani	3.00	4.00
Marketing expenses		
Future Retail Limited	282.06	113.43
Birthright Games & Entertainment Private Limited	-	34.50
Other expenses		
Integrated Food Park Private Limited	144.43	119.19
Premium Harvest Limited	83.56	91.68

Balance as at 31st March 2018		(₹ In Lakhs)
Trade and other receivable		
Aadhaar Wholesale Trading and Distribution Limited	4,393.84	2,049.03
Future Retail Limited	34,423.63	23,941.24
The Nilgiri Dairy Farm Private Limited	1,230.77	495.06
Future Food Processing Private Limited	-	210.00
Future Food and Products Limited	-	174.14

(₹ In Lakhs)

Nature of transactions	2017-18	2016-17
Interest receivable		
Aadhaar Wholesale Trading and Distribution Limited	267.83	130.92
Amar Chitra Katha Private Limited	261.62	182.77
Aussee Oats Milling (Private) Limited	434.36	150.78
Future Food Processing Private Limited	188.64	156.68
Integrated Food Park Private Limited	530.03	394.47
Prepaid expenses		
Integrated Food Park Private Limited	47.59	46.22
ICDs outstanding		
Aadhaar Wholesale Trading and Distribution Limited	6,810.00	4,358.81
Amar Chitra Katha Private Limited	4,253.32	3,149.98
Integrated Food Park Private Limited	8,138.91	7,099.26
The Nilgiri Dairy Farm Private Limited	4,229.90	2,536.93
Security deposit given outstanding		
Integrated Food Park Private Limited	157.32	70.74
Advances given outstanding		
Genoa Rice Mills Private Limited	-	11.00
Aussee Oats India Pvt. Ltd .	11.90	-
Security deposit received outstanding		
Genoa Rice Mills Private Limited	125.00	125.00
Advances received outstanding		
Genoa Rice Mills Private Limited	-	33.68
Trade payables		
Integrated Food Park Private Limited	157.17	160.65
Future Retail Limited	-	660.36
Future Supply Chain Solutions Limited	349.49	94.61
Mibelle Future Consumer Products AG	219.23	135.55
Premium Harvest Limited	167.19	164.79
The Nilgiri Dairy Farm Private Limited	45.91	185.33
MNS Foods Private Limited	263.45	-
Sublime Foods Private Limited	349.44	-
Corporate guarantees outstanding		
Integrated Food Park Private Limited	6,023.08	6,004.05
Aussee Oats Milling (Private) Limited	7,701.22	6,380.12
The Nilgiri Dairy Farm Private Limited	4,200.00	2,700.00
Aussee Oats India Private Limited	500.00	2,000.00
Loans and advances outstanding		
Genoa Rice Mills Private Limited	-	11.00

*includes share based payments to managerial personnel

37.4 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

37.5 Loans & Corporate Guarantees to Related Parties

The Company has given loans and corporate guarantees to subsidiaries and relevant joint ventures in the ordinary course of business to meet the working capital requirements of subsidiaries and joint ventures.

37.6 Compensation of key management personnel

(₹ In Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Short term employee benefits	339.89	203.27
Share-based payment transactions	640.15	81.00
Total compensation paid to key management personnel	980.04	284.27

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

This do not include the provision made for gratuity and expenses for Leave Encashment as they are determined on an acturial basis for the Company as a whole.

Directors interest in ESOP

Grant Date	Expiry Date	Exercise Price (₹)	Nos o/s as on March 18	Nos o/s as on March 17
26.12.2015	26.12.2021	6.00	800,000	1,400,000
12.08.2016	12.08.2022	21.40	4,000,000	5,000,000

38 Contingent liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Claims against the company not acknowledged as debt*	45.76	55.66
Disputed income tax demands	1,910.04	2,017.58
Disputed sales tax and excise matters	789.41	66.74
Corporate guarantees issued to banks and financial institutions are against credit facilities issued to third parties (Loans outstanding as at 31st March 2018 ₹ 11,916.84 lakhs; Previous Year ₹ 12,625.59 lakhs)	21,584.76	19,619.63
	24,329.97	**21,759.61**

* Does not include cases where liability is not ascertainable.

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

39 Capital Commitment

The estimated amount of contracts remaining to be executed on capital account as at 31st March 2018 is ₹ 321.30 Lakhs (Previous Year ₹1,031.40 Lakhs)

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

(₹ In Lakhs)

Name of the Company	Outstanding Loan Amount		Maximum Loan Amount Outstanding	
	As at 31st March 2018	As at 31st March 2017	During the year ended 31st March 2018	During the year ended 31st March 2017
Subsidiaries:				
Aadhaar Wholesale Trading and Distribution Limited	6,810.00	4,358.81	7,640.00	5,729.14
The Nilgiri Dairy Farm Private Limited	4,229.90	2,536.93	4,964.58	4,835.54
Integrated Food Park Private Limited	8,138.91	7,099.26	9,437.42	7,099.26
Nilgiris Franchisee Private Limited	35.00	30.33	65.33	30.33
Star and Sitara Wellness Limited	-	72.08	72.08	72.08
Bloom Foods and Beverages Private Limited	606.00	419.00	920.00	1,705.00
Express Retail Private Limited	-	41.92	86.92	41.92
FCEL Food Processors Limited	5.00	5.00	10.00	5.00
Future Food Processing Private Limited	2,640.50	2,022.13	3,819.60	2,205.12
Future Food and Products Limited	848.50	1,471.41	961.38	1,749.68
FCEL Overseas FZCO	325.22	-	325.22	-
Joint ventures:*				
Amar Chitra Katha Private Limited	4,253.32	3,149.98	4,666.11	3,149.98
Aussee Oats Milling (Private) Limited	2,916.00	1,792.47	3,452.51	2,321.22
Aussee Oats India Private Limited	165.00	-	165.00	25.00
Sublime Food Private Limited	699.80	332.96	699.80	332.96
MNS Food Private Limited	590.03	415.38	683.41	415.38
Geona Rice Mill Pvt Ltd	563.74	-	563.74	-
IBH Books & Magazines Distributors Limited	-	-	-	907.86
	32,826.91	**23,747.67**		

* These Companies are treated as subsidiaries as per the provision of Section 2(87) of the Companies Act, 2013.

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

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	427.82	396.62
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	4.02	5.90
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED act, beyond the appointed day during the period	-	-
Interest paid under section 16 of MSMED Act to suppliers registered under the MSMED act, beyond the appointed day during the period	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	11.74	7.72
Further interest remaining due and payable for earlier periods	7.72	1.82

The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprise as on the basis of information available with the Company

42 The amount of borrowing costs capitalised on Rice and Combi Mills during the year ended 31 March 2018 was ₹ 528.72 lakhs (31 March 2017: ₹ 270.98 lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation was 11.5%, which is the effective interest rate of the specific borrowing.

Capital Work in Progress includes Combi Mill at Tumkur of ₹ 4,431.88 lakhs, a Polyhouse at Tumkur of ₹ 138.98 lakhs and Distribution Centres under development. Total amount of CWIP is ₹ 4,798.86 lakhs. (31 March 2017: ₹ 5,702.47 lakhs)

43.1 The carrying amount of Goodwill is as follows :

(₹ In Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
a) KBFP	614.50	614.50
b) COP	2,951.82	2,951.82
Total	**3,566.32**	**3,566.32**

KBFP represents convenience store chain KB's Fair price and Big Apple. These stores were mainly operated in Delhi, Mumbai and Bangalore. These store formats are typically located in close proximity of customers in easy accessible locations. These stores are designed as low frills stores, the business model hinges on low operating as well as low capex costs and high turns for the goods sold within the stores.

Center of Plate (COP) is into the business of procuring, processing and supplying agricultural commodities in loose and packed form under various brands.

Goodwill

The recoverable amount of Goodwill is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five year and seven year period, and a discount rate of 12.41% and 10.85% per annum of COP and KBFP respectively. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate (for all CGU and Subsidiaries) which is the projected long-term average growth rate for the industry. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

43.2 Brand Kara is considered to have indefinite useful life based on the management assessment that the same will continue to generate future cash flows for the Company indefinitely. The recoverable amount is ₹1,209 lakhs (Previous Year : ₹ 1,209 Lakhs). The recoverable amount of brand "Kara" is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 13.61% per annum respectively. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate which is the projected long-term average growth rate for the industry. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the brand.

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

(₹ In Lakhs)

Nature	Amount	Period	Interest Rate	Purpose
Inter corporate deposits	32,923.09 (32,917.33)	60 - 1095 days	12% to 12.5%	General corporate purpose
Investment made	2,821.99 (128.50)	Not applicable	Not applicable	Not applicable
Guarantees given	3550.88 (2,500.00)	Not applicable	Not applicable	Availment of term loan / working capital

Figures in brackets relate to previous year

45 The accumulated loss of Future Consumer Products Limited ('FCPL'), a subsidiary company, has eroded its net worth which stands at ₹ (31.74) lakhs at 31 March 2018 (2017: ₹ (47.52) lakhs). FCPL owns the brand called 'Sach' based on cricketer Sachin Ramesh Tendulkar's image and popularity for a range of FCMG and apparel products centred around him. FCPL earns its royalty income through Sach brand. FCPL believes that its revenue will increase due to increase in sale of its products under Sach brand through new stores, new product mix and brand positioning. Based on a business valuation, after considering the aforesaid, the Company has recognised an impairment loss of ₹ 380 lakhs. Based on its future business plans and strategic growth projections, the Company has determined that no further impairment is required at this stage.

46 The accumulated loss of Sarjena Foods Private Limited ('SFPL'), an associate company, as substantially eroded its net worth which stands at ₹ (707.23) lakhs at 31st March 2018 (2017: ₹ (334.50) lakhs). The Company continues to take steps to revamp its business operations. However, in the near term, the Company does not foresee positive cash flows. Based on a business valuation the Company has fully impaired its investment of ₹ 500 lakhs.

47 Indian Accounting Standard ("Ind AS") issued but not effective

On 28th March 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations. The Company principally satisfies its performance obligation at a point in time and the amounts of revenue recognized relating to performance obligation satisfied over time are not significant. The accounting for revenue under Ind AS 115 does not, therefore, represent a substantive change from the Company's current practice of recognising revenue from sale to customers.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
ii. Ind AS 40 - Investment Property
iii. Ind AS 12 - Income Taxes
iv. Ind AS 28 - Investments in Associates and Joint Ventures and
v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements

48 Previous Year Note

The comparative financial information of the Company for the year ended 31 March, 2017 prepared in accordance with Ind AS included in this Financial Statements is based on Financial Statements audited by predecessor auditor M/s. Deloitte Haskins & Sells, Chartered Accountants vide their report dated 26 May, 2017.

Previous year figures have been regrouped and re-classified where necessary to make them comparable.

The accompanying notes are an integral part of the financial statements 1-48

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No : 105497

Place : Mumbai
Date : 22 May 2018

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

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

Ravin Mody
Chief Financial Officer

Place : Mumbai
Date : 22 May 2018

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Future Consumer Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Future Consumer Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint ventures, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associate and Joint Ventures in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint ventures 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 Ind AS 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 Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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, issued by the Institute of Chartered Accountants of India, as 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate and joint ventures as at March 31, 2018, their consolidated loss including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of 8 subsidiaries, whose financial statements include total assets of ₹ 46,253.28 Lacs and net assets of ₹ 5,191.36 Lacs as at March 31, 2018, and total revenues of ₹ 54,523.03 Lacs and net cash outflows of ₹ 349.91 Lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 2,161.80 Lacs for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of 1 associate and 11 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associate, is based solely on the reports of such other auditors.

(b) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 26, 2017.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and joint ventures, as noted in the 'Other Matters' we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(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 who are appointed under Section 139 of the Act, of its subsidiary companies, associate company and joint ventures incorporated in India, none of the directors of the Group's companies, its associate and joint ventures 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 and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate company and joint ventures incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associate and joint ventures, as noted in the 'Other Matter' paragraph:

    i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint ventures – Refer Note 39 to the consolidated Ind AS financial statements;

    ii. The Group, its associate and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associate and joint ventures incorporated in India during the year ended March 31, 2018.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership Number: 105497

Place of Signature: Mumbai
Date: May 22, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FUTURE CONSUMER LIMTED

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

In conjunction with our audit of the consolidated Ind AS financial statements of Future Consumer Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Future Consumer Limited (hereinafter referred to as the "Holding Company"), its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company and joint ventures, 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 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 Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, have, maintained 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 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 Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these 11 subsidiary companies, 1 associate company and 9 joint ventures companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associate and joint ventures incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership Number: 105497

Place of Signature: Mumbai
Date: May 22, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

(₹ In Lakhs)

Particulars	Note	As at 31st March 2018	As at 31st March 2017
Assets			
1 **Non current assets**			
(a) Property, plant and equipment	4	50,469.32	44,936.97
(b) Capital work-in-progress		6,948.57	6,071.90
(c) Investment property	4	710.08	718.35
(d) Goodwill	4	16,389.35	16,769.35
(e) Other intangible assets	4	23,386.40	21,986.44
(f) Intangible assets under development		-	2,873.37
(g) Financial assets			
(i) Investments	5	3,405.11	4,033.09
(ii) Loans	6	2,915.90	1,704.04
(iii) Other financial assets	7	742.63	1,026.97
(h) Deferred tax assets (net)	8	29.10	10.75
(i) Other non-current assets	9	2,922.56	2,576.78
Total non-current assets		**107,919.02**	**102,708.01**
2 **Current assets**			
(a) Inventories	10	22,424.31	17,573.37
(b) Financial assets			
(i) Investments	11	895.69	3.47
(ii) Trade receivables	12	49,294.97	32,415.02
(iii) Cash and cash equivalents	13	4,306.69	4,680.88
(iv) Bank balances other than (iii) above	13	168.52	73.27
(v) Loans	6	8,821.43	6,381.10
(vi) Other financial assets	7	5,343.25	2,142.88
(c) Other current assets	9	3,071.43	3,200.98
Total current assets		**94,326.29**	**66,470.97**
Total assets		**202,245.31**	**169,178.98**
Equity and liability			
1 **Equity**			
(a) Equity share capital	14	114,128.91	98,836.24
(b) Other equity	15	(14,603.76)	(9,986.15)
Equity attributable to owners of the Group		**99,525.15**	**88,850.09**
(c) Non-controlling interests	16	423.24	779.65
Total equity		**99,948.39**	**89,629.74**
Liability			
2 **Non-current liabilities**			
(a) Financial liabilities			
(i) Borrowings	17	31,014.16	15,419.23
(ii) Other financial liabilities	18	77.57	813.89
(b) Provisions	19	627.52	406.00
(c) Deferred tax liabilities (net)	8	4,133.47	4,409.10
(d) Other non-current liabilities	20	4,075.33	4,381.77
Total non-current liabilities		**39,928.05**	**25,429.99**
3 **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	21	23,035.48	18,420.79
(ii) Trade payables	22	23,909.21	16,793.11
(iii) Other financial liabilities	18	12,283.16	16,231.44
(b) Provisions	19	1,356.74	1,120.17
(c) Other current liabilities	20	1,784.28	1,553.74
Total current liabilities		**62,368.87**	**54,119.25**
Total equity and liability		**202,245.31**	**169,178.98**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements	1-48		

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No: 105497

Place: Mumbai
Date: 22 May 2018

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

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

Ravin Mody
Chief Financial Officer

Place: Mumbai
Date: 22 May 2018

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ In Lakhs)

Particulars	Note	Year ended 31st March 2018	Year ended 31st March 2017
1. Revenue			
(a) Revenue from operations	23	300,500.99	211,584.07
(b) Other income	24	3,253.51	2,504.10
Total income		**303,754.50**	**214,088.17**
2. Expenses			
(a) Cost of materials consumed	25	14,056.45	13,282.00
(b) Purchase of stock-in-trade (traded goods)		250,484.88	176,057.71
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(4,797.57)	(6,619.58)
(d) Employee benefits expenses	27	12,581.18	9,779.58
(e) Finance costs	28	5,268.20	4,485.92
(f) Depreciation and Amortisation expenses	29	4,547.84	3,260.60
(g) Other expenses	30	22,765.29	18,116.32
Total expense		**304,906.27**	**218,362.55**
3. Loss before tax and share of loss in an Associate / Joint Ventures (1-2)		**(1,151.77)**	**(4,274.38)**
Share of loss in Associate Company and Joint Ventures		(2,162.30)	(2,180.21)
4. Loss before tax		**(3,314.07)**	**(6,454.59)**
5. Tax expense			
(a) Current tax	8	17.99	-
(b) Deferred tax (credit) / expense	8	(267.71)	88.94
Net tax expense		**(249.72)**	**88.94**
6. Loss for the period (4-5)		**(3,064.35)**	**(6,543.53)**
7. Other comprehensive income			
(a) Items that will not be reclassified to statement of profit and loss			
Remeasurement of the defined benefit plans		(134.30)	(39.25)
Share of other comprehensive income in Associate Company and Joint Ventures		8.43	(214.55)
(b) Income tax relating to items that will not be reclassified to statement of profit and loss		27.69	17.58
Total other comprehensive income		**(98.18)**	**(236.22)**
8. Total comprehensive income (6+7)		**(3,162.53)**	**(6,779.75)**
9. Loss for the year attributable to:			
- Owners of the Company		(2,598.42)	(6,100.55)
- Non-controlling interests		(465.93)	(442.98)
		(3,064.35)	**(6,543.53)**
Other comprehensive income for the year attributable to:			
- Owners of the Company		(98.18)	(236.22)
- Non-controlling interests		-	-
		(98.18)	**(236.22)**
Total comprehensive income for the year attributable to:			
- Owners of the Company		(2,696.60)	(6,336.77)
- Non-controlling interests		(465.93)	(442.98)
		(3,162.53)	**(6,779.75)**
Earnings per share (Face Value ₹ 6 each)	32		
Basic (₹)		**(0.14)**	**(0.34)**
Diluted (₹)		**(0.14)**	**(0.34)**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements	1-48		

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No: 105497

Place: Mumbai
Date: 22 May 2018

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

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

Ravin Mody
Chief Financial Officer

Place: Mumbai
Date: 22 May 2018

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

(a) Equity Share Capital (Refer note 14)

(₹ in Lakhs)

Particulars	Amount
Balance as at 31st March 2016	**98,754.54**
Changes in equity share capital during the year	
Equity shares issued and allotted during the year	0.01
Issue of equity shares under employee share option plan (ESOP) (Refer note 37)	303.00
Shares purchased (net) by ESOP trust treated as treasury Shares	(221.31)
Balance as at 31st March 2017	**98,836.24**
Changes in equity share capital during the year	
Equity shares issued and allotted during the year	14,759.91
Issue of equity shares under employee share option plan (ESOP) (Refer note 37)	296.58
Shares purchased (net) by ESOP trust treated as treasury Shares	236.18
Balance as at 31st March 2018	**114,128.91**

(b) Other Equity (Refer note 15 & 16)

(₹ in Lakhs)

Particulars	Equity component of compound financial instruments	Reserves & Surplus						Money received against share warrants	Other comprehensive income	Attributable to owners of the Group	Non controlling interests ("NCI")	Total other equity
		Capital reserve for bargain purchase business combinations	Securities premium account	General reserve	Share options outstanding account	Capital redemption reserve	Retained earnings					
Balance at 1st April 2016	**-**	**314.94**	**3,100.88**	**0.59**	**1,016.83**	**5.20**	**(49,525.29)**	**1,675.00**	**104.13**	**(43,307.72)**	**1,220.06**	**(42,087.66)**
Loss for the year	-	-	-	-	-	-	(6,100.55)	-	-	(6,100.55)	(442.98)	**(6,543.53)**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(236.22)	(236.22)	-	**(236.22)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(6,100.55)**	**-**	**(236.22)**	**(6,336.77)**	**(442.98)**	**(6,779.75)**
Additional NCI on New subsidiary	-	-	-	-	-	-	-	-	-	-	2.57	**2.57**
Recognition of share-based payments	-	-	-	-	2,367.45	-	-	-	-	2,367.45	-	**2,367.45**
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(729.98)	-	-	(729.98)	-	**(729.98)**
Transfer to securities premium on exercise of ESOP	-	-	966.38	-	(966.38)	-	-	-	-	-	-	**-**
Transfer to retained earning on exercise of ESOP	-	-	-	-	(163.77)	-	163.77	-	-	-	-	**-**
Issue of Compulsory convertible debentures	38,021.02	-	-	-	-	-	-	-	-	38,021.02	-	**38,021.02**
Others	-	-	-	-	-	-	(0.18)	-	-	(0.18)	-	**(0.18)**
Issue of Shares	-	-	0.03	-	-	-	-	-	-	0.03	-	**0.03**
Balance at 31st March 2017	**38,021.02**	**314.94**	**4,067.29**	**0.59**	**2,254.13**	**5.20**	**(56,192.23)**	**1,675.00**	**(132.09)**	**(9,986.15)**	**779.65**	**(9,206.50)**

(₹ in Lakhs)

Particulars	Equity component of compound financial instruments	Reserves & Surplus						Money received against share warrants	Other comprehensive income	Attributable to owners of the Group	Non controlling interests ("NCI")	Total other equity
		Capital reserve for bargain purchase business combinations	Securities premium account	General reserve	Share options outstanding account	Capital redemption reserve	Retained earnings					
Loss for the year	-	-	-	-	-	-	(2,598.42)	-	-	(2,598.42)	(465.93)	**(3,064.35)**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(98.18)	(98.18)	-	**(98.18)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(2,598.42)**	**-**	**(98.18)**	**(2,696.60)**	**(465.93)**	**(3,162.53)**
Additional NCI on subsidiary	-	-	-	-	-	-	-	-	-	-	(2.99)	**(2.99)**
Recognition of share-based payments	-	-	-	-	1,376.95	-	-	-	-	1,376.95	-	**1,376.95**
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	453.83	-	-	453.83	-	**453.83**
Transfer to securities premium on exercise of ESOP	-	-	932.74	-	(932.74)	-	-	-	-	-	-	**-**
Transfer to retained earning on exercise of ESOP	-	-	-	-	(268.05)	-	268.05	-	-	-	-	**-**
Adjustments for Amortisation of Lease Deposits (net)	-	-	-	-	-	-	88.25	-	-	88.25	-	**88.25**
Issue of Share Warrants	-	-	-	-	-	-	-	5,025.00	-	5,025.00	-	**5,025.00**
Issue of Shares	(38,021.02)	-	35,968.43	-	-	-	-	(6,700.00)	-	(8,752.59)	-	**(8,752.59)**
On account of acquisition additional stake in subsidiary	-	-	-	-	-	-	(112.51)	-	-	(112.51)	112.51	**-**
Others	-	-	-	-	-	-	0.06	-	-	0.06	-	**0.06**
Balance at 31st March 2018	**-**	**314.94**	**40,968.46**	**0.59**	**2,430.29**	**5.20**	**(58,092.97)**	**-**	**(230.27)**	**(14,603.76)**	**423.24**	**(14,180.52)**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements 1-48

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No: 105497

Place: Mumbai
Date: 22 May 2018

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

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Ravin Mody
Chief Financial Officer

Place: Mumbai
Date: 22 May 2018

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

Particulars	Year ended 31st March 2018		Year ended 31st March 2017	
Cash flows from operating activities				
Net loss before tax as per the Statement of Profit and Loss		(3,314.07)		(6,454.59)
Adjustments to reconcile profit before tax to net cash flows:				
Finance costs (including fair value change in financial instruments)	5,268.20		4,482.77	
Finance income (including fair value change in financial instruments)	(1,279.01)		(1,085.88)	
Interest on income tax refund	(0.90)		(313.93)	
Share of loss of associate and joint ventures	2,162.30		2,180.21	
Provision no longer required written back	-		(114.18)	
Net Gain on disposal of property, plant and equipment	(33.81)		(89.46)	
Net loss / (gain) on financial assets measured at fair value through profit or loss	(768.04)		60.64	
Net gain on disposal of investments in subsidiaries	(22.76)		-	
Unrealized gains on change in exchange rate	(2.94)		-	
Bad debts and advances written off	188.03		51.85	
Depreciation and amortization expenses	4,547.84		3,260.60	
Share-based payment expenses	647.57	10,706.48	1,020.67	9,453.29
		7,392.41		**2,998.70**
Working capital adjustments:				
Increase in trade and other receivables	(16,787.17)		(14,586.88)	
Increase in inventories	(4,850.95)		(6,566.98)	
Increase in other assets	(3,132.26)		(982.27)	
Increase in trade payables	7,116.10		6,777.19	
Increase in provisions	458.08		582.53	
Increase in other liabilities	1,194.44	(16,001.76)	2,422.56	(12,353.85)
Cash flow used in operations		**(8,609.35)**		**(9,355.15)**
Income taxes (paid) / refund		(769.23)		1,239.09
Net cash flow used in operating activities		**(9,378.58)**		**(8,116.06)**
Cash flows from investing activities				
Purchase of investments in financial assets		(1,146.73)		(311.01)
Purchase of investment property		-		(330.23)
Disposal of investments in financial assets		21.19		2,000.00
Disposal of investment property		-		652.64
Loans (given) / refunded (Net)		(3,918.89)		(5,048.67)
Interest received		828.43		658.14
Purchase of property, plant and equipment		(8,881.53)		(9,151.38)
Proceeds from sale of property, plant and equipment		496.69		133.90
Purchase of intangible assets		(70.53)		(3,342.33)
Net cash flow used in investing activities		**(12,671.37)**		**(14,738.94)**
Cash flows from financing activities				
Proceeds from issue of equity instruments		458.53		303.05
Proceeds from issue of share warrants		5,025.00		-
Purchase of treasury shares		-		(1,296.22)
Proceeds on exercise of ESOP out of treasury shares		690.00		344.92
Proceeds from issue of convertible debentures (Net of expenses)		-		43,154.47
Proceeds from long term borrowings (Net of expenses)		25,125.77		11,417.69
Repayment of long term borrowings		(9,769.48)		(22,162.36)
Proceeds from short term borrowings (net)		4,614.69		(1,987.13)
Interest paid		(4,468.75)		(3,938.98)
Net cash flow from financing activities		**21,675.76**		**25,835.44**
Net increase / (decrease) in cash and cash equivalents		**(374.19)**		**2,980.44**
Cash and cash equivalents at the beginning of the year		4,680.88		1,700.44
Cash and cash equivalents at the end of the year (Refer Note 13)		**4,306.69**		**4,680.88**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2018

Changes in liability due to financial activities

(₹ in Lakhs)

Particulars	As at 1 April 2017	Cash flows	Changes in fair value of financial instruments	Converted to Equity	As at 31 March 2018
Current Borrowings (Refer Note 21)	18,420.79	4,614.69	-	-	23,035.48
Non- current borrowings, including current maturiites (Refer Note 17)	28,722.49	15,356.29	496.51	(5,845.00)	38,730.29
Total	**47,143.28**	**19,970.98**	**496.51**	**(5,845.00)**	**61,765.77**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements 1-48

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No: 105497

Place: Mumbai
Date: 22 May 2018

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

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

Ravin Mody
Chief Financial Officer

Place: Mumbai
Date: 22 May 2018

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

1. General Information about the Company

The consolidated financial statements comprise financial statements of the parent Future Consumer Limited ("the Company") and its subsidiaries (collectively, the Group) for the year ended March 31, 2018. The Company was incorporated in India on 10th July 1996, under the name "Subhikshith Finance and Investments Limited". The name of the Company was changed to "Future Ventures India Private Limited" with effect from 9th August 2007 and it became a Public Limited Company with effect from 7th September 2007 as "Future Ventures India Limited". The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited since 10th May 2011. The name of the Company was changed to "Future Consumer Enterprise Limited" w.e.f. 30th September 2013 and then to "Future Consumer Limited" effective from 13th October 2016.

The registered office of the Company is located at Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060 and the corporate office is located at 247 Park, Tower 'C', LBS Marg, Vikhroli (West), Mumbai 400 083.

The Group is engaged in the business of sourcing, manufacturing, branding, marketing and distribution of fast moving consumer goods ("FMCG"), Food and Processed Food Products in Urban and Rural India. Earlier, the Company was regulated by the Reserve Bank of India (the "RBI") as a non-deposit taking Non-Banking Financial Company ("NBFC"). The RBI in terms of application made by the Company has vide its order passed on 21st July 2015 cancelled the Certificate of Registration granted to the Company. Consequently, the Company ceased to be an NBFC.

The financial statements were authorised for issue in accordance with a resolution of the Board of directors on 22 May 2018.

2. Significant Accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit planned – plan assets measured at fair value.

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 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' ("Ind AS 17"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' ("Ind AS 2") or value in use in Ind AS 36 'Impairment of Assets' ("Ind AS 36").

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

The principal accounting policies are set out below.

The financial statements are presented in INR, which is the functional currency of the Company and all values are rounded up to two decimal points to the nearest lakh (₹ 00,000), except when otherwise indicated.

2.2 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is 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

The Group classifies all other liabilities as non-current.

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

Based on the nature of services and the normal time between the acquisition of assets and their realisation into cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. 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 Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off 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 intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

<u>Changes in the Group's ownership interests in existing subsidiaries</u>

Changes in the Group's ownership interests in subsidiaries 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 Company.

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.

<u>Investments in associates and joint ventures</u>

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and 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 any is 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 statement of the Group comprises financial statement of Future Consumer Limited and the following companies:

Name of the Company	**Relationship**	**Proportion of ownership interest and voting power held by the Group**	
		As at 31st March 2018	**As at 31st March 2017**
Aadhaar Wholesale Trading and Distribution Limited	Subsidiary	100.00%	100.00%
Future Food and Products Limited	Subsidiary	100.00%	100.00%
Future Consumer Products Limited	Subsidiary	90.00%	90.00%
Future Food Processing Private Limited (formerly known as Future Personal Care and Hygiene Products Private Limited)	Subsidiary	100.00%	100.00%
Star and Sitara Wellness Limited*	Subsidiary	-	100.00%
Express Retail Services Private Limited*	Subsidiary	-	100.00%
FCEL Overseas FZCO	Subsidiary	60.00%	60.00%
FCEL Food Processors Limited (formerly known as ACK Edutainment Limited)	Subsidiary	100.00%	100.00%
The Nilgiri Dairy Farm Private Limited ("NDF")	Subsidiary	100.00%	100.00%
Appu Nutritions Private Limited	NDF Subsidiary	100.00%	100.00%
Nilgiri's Mechanised Bakery Private Limited	NDF Subsidiary	100.00%	100.00%
Nilgiris Franchise Private Limited	NDF Subsidiary	100.00%	100.00%
Integrated Food Park Private Limited	Subsidiary	83.17%	73.89%
Bloom Fruit and Vegetables Private Limited	Subsidiary	100.00%	100.00%
Mibelle Future Consumer Products AG	Joint Venture	50%	50%
Amar Chitra Katha Private Limited ("ACK")	Joint Venture	73.99%	73.99%
ACK Media Direct Limited	ACK Subsidiary	100%	100%

Name of the Company	Relationship	Proportion of ownership interest and voting power held by the Group	
		As at 31st March 2018	As at 31st March 2017
IBH Books & Magazines Distributors Limited	ACK Subsidiary	100%	100%
Ideas Box Entertainment Limited	ACK Subsidiary	100%	100%
Aussee Oats India Private Limited	Joint Venture	50% + 1 Share	50% + 1 Share
Aussee Oats Milling (Private) Limited	Joint Venture	50% + 1 Share	50% + 1 Share
MNS Foods Private Limited	Joint Venture	50.01%	50.01%
Genoa Rice Mills Private Limited	Joint Venture	50%	50%
Sublime Foods Private Limited ("SFPL")	Joint Venture	51%	51%
Hain Future Natural Products Private Limited	Joint Venture	50%	-
Avante Snack Foods Private Limited	SFPL Subsidiary	67.03%	67.03%
Sarjena Foods Private Limited	Associate	19.59%	19.59%

*Subsidiary upto 30th March, 2018

2.4 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’ (“Ind AS 12”) and Ind AS 19 ‘Employee Benefits’ (“Ind AS 19”) 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 recognizing 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 recognizes 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 recognizes 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’ (“Ind AS 37”) and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 ‘Revenue’ (“Ind AS 18”).

2.5 Goodwill and impairment of goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash generating units (or groups of cash-generating units, “CGU”) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.6 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 'Property, Plant and Equipment' ("Ind AS 16") requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit and loss in the period in which the property is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying values of its investment properties measured as per the previous GAAP and use that carrying value as their deemed cost at transition date.

2.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as the proportion of the total time expected to complete the service that has elapsed at the end of reporting period.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Dividend and Interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the shareholder and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.8 Government grants

Government Grants are recognised where there is reasonable assurance that the grants will be received and all attached conditions will be complied with. When the grants relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants related to assets are accounted in the consolidated balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in the consolidated statement of profit and loss on a systematic basis over the average useful life of the asset.

2.9 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.

2.10 Foreign currency transactions and translation

The management of the Group has determined Indian rupee ("INR") as the functional currency of the Group. In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in consolidated statement of profit and loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- Exchange differences for long term foreign currency monetary items existing as on previous year, the exchange difference arising on settlement / restatement of long term foreign currency monetary items are capitalised as part of depreciable property plant and equipment to which the monetary items relates and depreciated over the remaining useful life of such assets.

2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in consolidated statement of profit and loss in the period in which they are incurred.

The Group may incur borrowing costs during an extended period in which it suspends the activities necessary to prepare an asset for its intended use or sale. Such costs are costs of holding partially completed assets and do not qualify for capitalisation. However, an entity does not normally suspend capitalising borrowing costs during a period when it carries out substantial technical and administrative work. The Group also does not suspend capitalising borrowing costs when a temporary delay is a necessary part of the process of getting an asset ready for its intended use or sale.

The Group shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.12 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 consolidated 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.

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 consolidated 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.

2.13 Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of the Group by the weighted average number of equity shares outstanding during the financial year (net of treasury shares).

Diluted earnings per share adjusts the figure used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.14 Share-based payment arrangements

Share-based payment transactions of the Group

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.

2.15 Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. While preparing consolidated financial statements, temporary differences are calculated using the carrying amount as per consolidated financial statements and tax bases as determined by reference to the method of tax computation (i.e. taken from individual entities in the group).

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.16 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, for rental to others or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that incremental future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to consolidated statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit and loss.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation on property, plant and equipment has been provided on straight line method using the rates arrived at based on the useful lives estimated by the management, which are equal to or lower than lives as prescribed under Schedule II of the Companies Act, 2013. The Group's has used the following useful life to provide depreciation on its Property, Plant & Equipment:

Asset	Useful Life	Asset	Useful Life
Buildings	30 to 60 years	Vehicles	8 to 10 years
Plant and equipment	1 to 15 years	Signages	3 years
Leasehold improvements	lease term	Road	3 to 10 years
Moulds	2 years	Electrical installations	10 years
Computers	1 to 5 years	Hydraulic Works and pipelines	15 years
Furniture and fixture	1 to 10 years	General Lab Equipment	10 years
Office equipment	1 to 5 years		

Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Group has elected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

2.17 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in consolidated statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset	Useful Life	Asset	Useful Life
Trademark	5 Years	Brand*	10 Years
Software	3 – 6 Years	Brand Usage Rights	25 Years

* Kara Brand has an indefinite useful life.

Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Group has selected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

2.18 Impairment of non - financial assets assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in consolidated statement of profit and loss.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.21 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Group 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 consolidated statement of profit and loss.

2.22 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in consolidated statement of profit and loss for fair value through other comprehensive income ("FVTOCI") debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to consolidated statement of profit and loss.

All other financial assets are subsequently measured at fair value.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in consolidated statement of profit and loss and is included in the "Other Income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income for investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to consolidated statement of profit and loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in consolidated statement of profit and loss. The net gain or loss recognised in consolidated statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in consolidated statement of profit and loss.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

2.23 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Compound instruments

The component parts of compound instruments (convertible debentures) 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.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

However, financial guarantee contracts issued by the Group are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense are included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'/ 'Other expenses'.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

2.24 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit and loss immediately. Group does not designate the derivative instrument as a hedging instrument.

2.25 Treasury Shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The Group treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

2.26 Contingent liabilities

A contingent liability is:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) a present obligation that arises from past events but is not recognised because:-

i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.27 Operating segment

The management views the Group's operation as a single segment engaged in business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

3. 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 recognized 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) Impairment of investments in joint ventures and associate and impairment of goodwill

Determining whether the goodwill or investments in joint ventures and associate are impaired requires an estimate in the value in use. In considering the value in use, the Management have anticipated the future cash flows, discount rates and other factors of the underlying businesses/companies. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. In certain cases, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Any subsequent changes to the cash flows could impact the carrying value of investments/goodwill.

d) Provisions, liabilities and contingencies

Provisions and liabilities are recognized 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 judgement 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 recognized.

e) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

f) Share based payments

The Group initially measures the cost of equity-settled transactions with employees using an appropriate valuation model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note no 37.

g) Employee benefit plans

The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Critical accounting judgements

Refer note 33 for the judgement exercised by the Group in establishing control over Integrated Food Park Private Limited and significant influence over Sarjena Foods Private Limited.

The group own and operates an integrated food park. Group earns rental income by way of leasing the underlying land at food-park to various food processors. Business model of the food park is to develop and maintain the infrastructure and common facilities related to food processing at a single place and provide it to food processor along with space in the food park. Considering the business model of the food park, it is not classified as an investment property.

4. Property, plant and equipment, goodwill, other intangible assets and investment property

(₹ In Lakhs)

Description of Assets	Gross Block (At cost / deemed cost)					Depreciation / Amortisation					Net Block
	As at 1st April 2017	Additions	Deletions	Effect of foreign currency exchange differences	As at 31st March 2018	As at 1st April 2017	For the Period	Deletions	Impairment	As at 31st March 2018	As at 31st March 2018
A. Property, plant and equipment											
Freehold land	14,883.20	19.30	115.06	-	14,787.44	-	-	-	-	-	**14,787.44**
Leasehold land	6,461.22	-	-	-	6,461.22	-	-	-	-	-	**6,461.22**
Building	11,867.86	2,067.79	-	(7.00)	13,942.65	677.69	313.58	-	-	991.27	**12,951.38**
Office equipments	859.26	394.69	69.94	-	1,184.01	478.91	136.19	48.67	-	566.43	**617.58**
Computers	1,359.00	239.87	78.82	-	1,520.05	1,029.60	176.59	74.41	-	1,131.78	**388.27**
Furniture & fixtures	2,829.55	655.07	295.36	(0.03)	3,189.29	1,223.81	293.13	94.03	-	1,422.91	**1,766.38**
Vehicles	164.66	1.72	15.31	-	151.07	103.36	9.57	8.05	-	104.88	**46.19**
Plant & machinery	10,986.75	4,704.88	319.57	(5.47)	15,377.53	3,314.11	1,328.34	211.96	-	4,430.49	**10,947.04**
Leasehold improvements	1,713.94	428.74	5.49	-	2,137.19	335.72	107.47	2.37	-	440.82	**1,696.37**
Signage	209.67	21.69	-	-	231.36	198.30	7.02	-	-	205.32	**26.04**
Hydraulic works and pipelines	612.58	0.79	-	(0.77)	614.14	79.32	40.73	-	-	120.05	**494.09**
Roads	713.40	-	-	(0.61)	714.01	283.30	143.39	-	-	426.69	**287.32**
Total	**52,661.09**	**8,534.54**	**899.55**	**(13.88)**	**60,309.96**	**7,724.12**	**2,556.01**	**439.49**	**-**	**9,840.64**	**50,469.32**
B. Other intangible assets											
Brands, brand usage rights and trademarks (Refer note no. ii)	23,652.49	-	-	-	23,652.49	2,169.09	1,093.07	-	-	3,262.16	**20,390.33**
Software	651.31	3,003.52	-	-	3,654.83	148.27	510.49	-	-	658.76	**2,996.07**
Total	**24,303.80**	**3,003.52**	**-**	**-**	**27,307.32**	**2,317.36**	**1,603.56**	**-**	**-**	**3,920.92**	**23,386.40**
C. Goodwill (Refer Notes 41 & 45)	16,769.35	-	-	-	16,769.35	-	-	-	380.00	380.00	**16,389.35**
Total	**16,769.35**	**-**	**-**	**-**	**16,769.35**	**-**	**-**	**-**	**380.00**	**380.00**	**16,389.35**
D. Investment property											
Freehold land	236.36	-	-	-	236.36	-	-	-	-	-	**236.36**
Building	490.16	-	-	-	490.16	8.17	8.27	-	-	16.44	**473.72**
Total	**726.52**	**-**	**-**	**-**	**726.52**	**8.17**	**8.27**	**-**	**-**	**16.44**	**710.08**

Notes:

(i) For property, plant and equipment pledged as security (Refer note 17)

(ii) Includes Kara brand of ₹ 1,209 lakhs (Previous Year: ₹ 1,209 lakhs) with indefinite useful life (Refer note 43)

4. Property, plant and equipment, goodwill, other intangible assets and investment property (Previous year)

(₹ In Lakhs)

Description of Assets	Gross Block (At cost / deemed cost)					Depreciation / Amortisation					Net Block
	As at 1st April 2016	Additions	Deletions	Effect of foreign currency exchange differences	As at 31st March 2017	As at 1st April 2016	For the Period	Deletions	Impairment	As at 31st March 2017	As at 31st March 2017
A. Property, plant and equipment											
Freehold land	12,647.34	2,235.86	-	-	14,883.20	-	-	-	-	-	**14,883.20**
Leasehold land	4,667.41	1,793.81	-	-	6,461.22	-	-	-	-	-	**6,461.22**
Building	11,085.70	835.77	-	53.61	11,867.86	363.87	313.82	-	-	677.69	**11,190.17**
Office equipments	649.04	215.04	4.82	-	859.26	394.80	87.26	3.15	-	478.91	**380.35**
Computers	1,207.62	183.89	32.51	-	1,359.00	930.47	125.42	26.29	-	1,029.60	**329.40**
Furniture & fixtures	2,513.84	328.48	12.54	0.23	2,829.55	912.67	313.62	2.48	-	1,223.81	**1,605.74**
Vehicles	163.93	20.91	20.18	-	164.66	103.14	14.46	14.24	-	103.36	**61.30**
Plant & machinery	9,208.69	2,010.02	190.23	41.73	10,986.75	2,406.92	946.87	39.68	-	3,314.11	**7,672.64**
Leasehold improvements	1,362.13	362.30	10.49	-	1,713.94	265.78	71.70	1.76	-	335.72	**1,378.22**
Signage	197.02	12.65	-	-	209.67	196.43	1.87	-	-	198.30	**11.37**
Hydraulic works and pipelines	589.91	28.58	-	5.91	612.58	39.18	40.14	-	-	79.32	**533.26**
Roads	714.56	3.52	-	4.68	713.40	137.80	145.50	-	-	283.30	**430.10**
Total	**45,007.19**	**8,030.83**	**270.77**	**106.16**	**52,661.09**	**5,751.06**	**2,060.66**	**87.60**	**-**	**7,724.12**	**44,936.97**
B. Other intangible assets											
Brands, brand usage rights and trademarks (Refer note no. ii)	23,652.49	-	-	-	23,652.49	1,084.95	1,084.14	-	-	2,169.09	**21,483.40**
Software	184.00	468.96	1.65	-	651.31	41.65	107.47	0.85	-	148.27	**503.04**
Total	**23,836.49**	**468.96**	**1.65**	**-**	**24,303.80**	**1,126.60**	**1,191.61**	**0.85**	**-**	**2,317.36**	**21,986.44**
C. Goodwill (Refer Note 41)	16,769.35	-	-	-	16,769.35	-	-	-	-	-	**16,769.35**
Total	**16,769.35**	**-**	**-**	**-**	**16,769.35**	**-**	**-**	**-**	**-**	**-**	**16,769.35**
D. Investment property											
Freehold land	554.36	-	318.00	-	236.36	-	-	-	-	-	**236.36**
Building	364.18	330.23	204.25	-	490.16	8.17	8.33	8.33	-	8.17	**481.99**
Total	**918.54**	**330.23**	**522.25**	**-**	**726.52**	**8.17**	**8.33**	**8.33**	**-**	**8.17**	**718.35**

Notes:

(i) For property, plant and equipment pledged as security (Refer note 17)

(ii) Includes Kara brand of ₹ 1,209 lakhs (Previous Year: ₹ 1,209 lakhs) with indefinite useful life (Refer note 43)

5. Non current investments

(₹ in Lakhs)

Particulars		As at 31st March 2018	As at 31st March 2017
(a)	**Investment in Associate**		
	Investment in equity shares - (unquoted, fully paid up, accounted for using the equity method)		
	Sarjena Foods Private Limited (Refer Note 46)	-	243.02
(b)	**Investment in Joint Ventures**		
	Investment in equity shares - (unquoted, fully paid up, accounted for using the equity method)		
	Amar Chitra Katha Private Limited	2,114.74	3,026.83
	Aussee Oats India Private Limited	2.46	9.60
	MNS Foods Private Limited	-	12.94
	Mibelle Future Consumer Products AG (a company incorporated in Switzerland, face value CHF 1000 each)	133.61	-
	Genoa Rice Mills Private Limited	-	43.91
	Investment in preference shares - (unquoted, fully paid up, at FVTPL)		
	Aussee Oats Milling (Private) Limited (a company incorporated in Sri Lanka, face value LKR 10 each)	434.29	408.30
(c)	**Other investments**		
	Investment in equity shares - (unquoted, fully paid up, at cost)		
	Saraswat Co-Operative Bank Limited	0.01	-
	Investment in debentures (unquoted, fully paid up, at FVTPL)		
	0% Optionally convertible debentures of Capital Foods Private Limited (Refer note 11)	-	151.55
		2,685.11	**3,896.15**
	Share application money	720.00	136.94
	Total	**3,405.11**	**4,033.09**

6. Loans (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Non-current		
Loans to related parties (Refer Note 38)	2,915.90	1,704.04
Total	**2,915.90**	**1,704.04**
Current		
Loans to related parties (Refer Note 38)	6,274.35	4,111.76
Inter-corporate deposits	2,547.08	2,269.34
Total	**8,821.43**	**6,381.10**

7. Other financial assets (Unsecured)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Non-current		
Considered good:		
Security deposits	335.67	650.89
Other deposits	61.84	56.40
Interest accrued on deposits	292.39	165.28
Bank deposits with more than 12 months maturity	52.73	154.40
Considered doubtful:		
Security and other deposits	-	23.46
Less: Provision for doubtful deposits	-	(23.46)
Total	**742.63**	**1,026.97**
Current		
Considered good:		
Security deposits	1,200.73	106.14
Other deposits	-	0.25
Other receivables from related parties	1.38	12.71
Interest accrued on deposits and others	937.37	522.57
Others receivables	3,203.77	1,501.21
Considered doubtful:		
Other receivables	52.32	-
Security and other deposits	23.46	-
Less: Provision for doubtful deposits / debts	(75.78)	-
Total	**5,343.25**	**2,142.88**

8. Deferred Tax Balances

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet:

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Deferred tax assets	29.10	10.75
Deferred tax liabilities	(4,133.47)	(4,409.10)
Total	**(4,104.37)**	**(4,398.35)**

8.1 Movement of Deferred Tax

Deferred tax assets/(liabilities) in relation to the year ended 31st March 2018 **(₹ in Lakhs)**

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Others	Closing balance
Minimum alternate tax	9.79	17.88	-	(1.42)	26.25
Property, plant, equipment and intangible assets	(6,105.87)	(598.18)	-	-	(6,704.05)
Government grant	(1,016.49)	161.19	-	-	(855.30)
Provision for doubtful debts	1.24	3.48	-	-	4.72
Provision for employee benefits	223.02	257.06	27.69	-	507.77
Convertible instruments	808.01	(808.01)	-	-	-
Taxable temporary differences on financial liability measured at Amortised Cost	(61.48)	(27.35)	-	-	(88.83)
	(6,141.78)	(993.93)	27.69	(1.42)	(7,109.44)
Tax losses	1,743.43	1,261.64	-		3,005.07
Total	**(4,398.35)**	**267.71**	**27.69**	**(1.42)**	**(4,104.37)**

8.2 Deferred tax assets/(liabilities) in relation to the year ended 31st March 2017 **(₹ in Lakhs)**

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Others	Closing balance
Minimum alternate tax	6.76	-	-	3.03	9.79
Property, plant, equipment and intangible assets	(5,593.13)	(512.74)	-	-	(6,105.87)
Government grant	(944.17)	(72.32)	-	-	(1,016.49)
Provisions for doubtful debts	-	1.24	-	-	1.24
Provisions for employee benefits	29.60	175.84	17.58	-	223.02
Convertible instruments	-	808.01	-	-	808.01
Taxable temporary differences on financial liability measured at Amortised Cost	(116.66)	55.18	-	-	(61.48)
	(6,617.60)	**455.21**	**17.58**	**3.03**	**(6,141.78)**
Tax losses	2,287.58	(544.15)	-	-	1,743.43
Total	**(4,330.02)**	**(88.94)**	**17.58**	**3.03**	**(4,398.35)**

8.3 Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Tax losses (revenue in nature)	69,566.13	57,311.15
Tax losses (capital in nature)	1,599.79	2,881.80
Total	**71,165.92**	**60,192.95**

9. Other assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Non-current		
Capital advances	260.01	309.99
Less: provision for doubtful advance	(6.34)	(4.60)
	253.67	305.39
Deferred lease asset	29.58	544.74
Balances with government authorities	0.67	1.98
Expenditure for purchase of non current investment	-	12.96
Advance taxes (net)	2,629.87	1,701.77
Other advances	8.77	9.94
Total	**2,922.56**	**2,576.78**
Current		
Advances to employees	123.21	63.20
Advances given to suppliers	913.34	1,651.80
Balances with government authorities	1,838.30	1,238.06
Deferred lease asset	1.93	54.23
Capital advances	-	0.69
Other advances	194.65	193.00
Total	**3,071.43**	**3,200.98**

10. Inventories

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Raw materials (at cost)	696.59	771.23
Finished goods (at lower of cost and net realisable value)	185.41	428.26
Stock - in - trade (at lower of cost and net realisable value)	21,291.96	16,251.54
Packing material (at cost)	250.35	122.34
Total	**22,424.31**	**17,573.37**

Notes:

i) For Inventory hypothecated as security, refer note 17

ii) The amount of write down of inventories recognised as an expense during the year is ₹ 178.97 lakhs (Previous year: ₹ 125.02 lakhs)

11. Current Investments

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Investment in debentures (unquoted, fully paid up, at FVTPL)		
0% Optionally convertible debentures of Capital Foods Private Limited	892.80	-
Investment in Government Security		
National savings certificate (lodged with Sales Tax Authorities)	0.30	0.30
Investments in equity shares (quoted, fully paid up, At FVTPL)		
Karnataka Bank Limited	2.59	3.17
Total	**895.69**	**3.47**

The Company subscribed to 744,000 optionally convertible debentures ("OCD") issued and allotted by Capital Foods Private Limited ("Capital Foods") at a face value of ₹ 100 each for a total consideration of ₹ 744 lakhs. Total tenure of the OCD was 20 years from the date of issue, expiring on 30th September, 2031. Capital Foods proposed to redeem the debentures in FY 2018-19, which the Company has accepted, accordingly classified as current investments.

12. Trade Receivables (Unsecured)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Considered good (For related party, refer note 38)	49,294.97	32,415.02
Considered doubtful	321.34	227.05
	49,616.31	**32,642.07**
Less: Expected credit loss allowance (for doubtful debts)	321.34	227.05
Total	**49,294.97**	**32,415.02**

Note: For trade receivables hypothecated as security (Refer note 17)

13. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Cash and cash equivalents		
On current accounts	3,298.93	4,578.31
In fixed deposit accounts	467.86	19.77
Cash and cheques on hand	539.90	82.80
Total	**4,306.69**	**4,680.88**
Other bank balances		
As margin money	168.52	73.27
Total	**168.52**	**73.27**

14. Equity Share Capital

a)

Particulars	As at 31st March 2018		As at 31st March 2017	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
Authorised				
Equity shares of ₹ 6 each	5,650,000,000	339,000.00	5,650,000,000	339,000.00
Unclassified shares of ₹ 10 each	1,670,000,000	167,000.00	1,670,000,000	167,000.00
Total		**506,000.00**		**506,000.00**
Issued, subscribed and fully paid-up capital				
Equity shares of ₹ 6 each	1,913,433,663	114,806.02	1,662,492,238	99,749.54
Less: Shares held by ESOP trust treated as treasury shares	(11,285,134)	(677.11)	(15,221,634)	(913.30)
Total	**1,902,148,529**	**114,128.91**	**1,647,270,604**	**98,836.24**

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

Particulars	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity shares at the beginning of the year	1,647,270,604	98,836.24	1,645,909,050	98,754.54
Add: Equity shares issued and allotted during the year	245,998,442	14,759.91	200	0.01
Add: Allotment pursuant to exercise of stock options granted under FVIL Employees Stock Option Plan - 2011	3,524,983	211.50	5,050,000	303.00
Add: Allotment pursuant to exercise of stock options granted under Future Consumer Enterprise Limited - Employees Stock Option Plan - 2014	1,418,000	85.08	-	-

Particulars	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Add/Less: Shares transferred to employees during the year (Previous year: Shares purchased (net) by ESOP trust treated as treasury shares)	3,936,500	236.18	(3,688,646)	(221.31)
Equity shares at the end of the year	**1,902,148,529**	**114,128.91**	**1,647,270,604**	**98,836.24**

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

Particulars	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Future Capital Investment Private Limited	791,302,624	41.36	631,342,055	37.98
Arisaig India Fund Limited	143,040,880	7.48	152,043,000	9.15
Future Enterprises Limited (formerly known as Future Retail Limited)	100	-	150,000,000	9.02
Verlinvest SA	140,513,969	7.34	140,513,969	8.45
Black River Food 2 Pte. Ltd	149,511,403	7.81	100	-
Bennett, Coleman and Company Limited	91,580,293	4.79	100,376,591	6.04

d) 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 dividends and no voting rights. Further details of the employee share option plan are provided in note no. 37

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

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

ii) Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.

iii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

iv) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to vote in proportion to his share of the paid-up capital of the Company.

f) During the financial year 2017-18,

i) The Company has allotted 29,476,462 equity shares to Srishti Mall Management Company Private Limited consequent to conversion of Warrants, at a conversion price of ₹ 22.73 per share.

ii) The Company has allotted 149,656,999 equity shares to Black River Food 2 Pte. Ltd. consequent to conversion of Compulsorily Convertible Debentures and coupons thereon, at a conversion price of ₹ 22.73 per share.

iii) The Company has allotted 66,864,981 equity shares to International Finance Corporation consequent to conversion of Compulsorily Convertible Debentures and coupons thereon, at a conversion price of ₹ 22.73 per share.

g) As at 31st March, 2018, 12,307,017 equity shares (FY 2017: 20,150,000 equity shares and FY 2016 - 15,700,000 equity shares) were reserved for issuance towards outstanding employee stock options granted (Refer note no. 37).

h) Aggregate number of equity shares allotted as fully paid up without payment being received in cash for the period of 5 years immediately preceding the balance sheet date is 45,918,367 equity shares issued in 2014-15.

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

15. Other Equity (excluding Non-controlling interests)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Capital redemption reserve	5.20	5.20
Securities premium account	40,968.46	4,067.29
General reserve	0.59	0.59
Share options outstanding account	2,430.29	2,254.13
Equity component of compound financial instruments	-	38,021.02
Money received against share warrants	-	1,675.00
Capital reserve for bargain purchase business combinations	314.94	314.94
Retained earnings	(58,092.97)	(56,192.23)
Other comprehensive income	(230.27)	(132.09)
Total	**(14,603.76)**	**(9,986.15)**

Description of reserves

Capital redemption reserve

As per the provisions of the Companies Act, 2013, Capital redemption reserve is created out of the general reserve for the amount of share capital reduction in earlier years.

Securities premium account

Where the Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares was transferred to a “securities premium account” as per the provisions of The Companies Act, 2013.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Items included in the general reserve will not be reclassified subsequently to profit or loss.

Share options outstanding account

This reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 37.

Equity component of compound financial instruments

The Company had issued Compulsory Convertible Debentures (“CCD”) with each CCD being compulsorily convertible into equity shares of the Company at a fixed conversion price appropriately adjusted for corporate events.

The instrument is a compound instrument and therefore total proceeds is divided into ‘equity’ and ‘liability’. The equity portion is recorded under this reserve.

Capital reserve for bargain purchase business combinations

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years.

Retained earnings

This represents the surplus/ (deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

16. Non-controlling interests (“NCI”)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balance at the end of the year	423.24	779.65
Total	**423.24**	**779.65**

17. Non Current borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Non-Current	Current	Non-Current	Current
Secured - at amortised cost				
Term loans from banks	7,471.03	1,791.49	5,788.99	1,242.38
Term loans from financial institution	3,333.33	1,111.11	4,444.45	555.55
Buyer's Credit	-	313.53	312.53	-
Debentures:				
10.55% redeemable non convertible debentures of ₹ 1 lakh each	963.62	1,500.00	2,436.63	-
11.00% redeemable non convertible debentures of ₹ 1 lakh each	963.55	1,500.00	2,436.63	-
9.95% redeemable non convertible debentures of ₹ 1 lakh each	3,447.22	1,500.00	-	-
11.07% redeemable non convertible debentures of ₹ 1 lakh each	14,835.41	-	-	-
11.95% Redeemable non convertible debentures of ₹ 10 lakh each	-	-	-	5,979.46
Compulsory Convertible Debenture				
Black River Food 2 Pte. Ltd.	-	-	-	3,868.54
International Finance Corporation	-	-	-	1,657.33
Total	**31,014.16**	**7,716.13**	**15,419.23**	**13,303.26**

Details of security and repayment terms for secured Non Current borrowings

(₹ in Lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2018	As at 31st March 2017
1	**Term loan from banks:**			
(i)	a) First pari passu charge on Movable and Immovable fixed assets of the Rice Unit and proposed Flour/Spice processing units at Tumkur, Bangalore b) Second charge on current assets of the proposed Rice unit and Flour/Spice processing units at Tumkur c) Personal Guarantee of Mr. Kishore Biyani d) Debt Service Reserve Account (DSRA) FD for 3 months interest payment.	The Loan was repaid on November 07 2017. Rate of Interest on this loan was 11.50% per annum.	-	2,124.74
(ii)	a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing. b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering facility amount. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Company.	The first repayment instalment due on February 2019. Thereafter the loan is repayable in 21 equal quarterly instalments starting from February 2020. Interest of 10.50% p.a.	4,964.31	-

(₹ in Lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2018	As at 31st March 2017
(iii)	a) Secured by first executive charge on all the movable and immovable assets of the food park, existing as well as future. b) Exclusive first mortgage charge as also lease hold rights on all land and building to be acquired or to be acquired for the project including already acquired land on lease from Karnataka Industrial Development Board. c) Corporate Guarantee of Future Consumer Limited	The loan is repayable in 20 quarterly instalments (next instalment due in June 2018). Interest: 3 M LIBOR + 5.00%	3,898.21	4,906.63
(iv)	a) Secured by first exclusive Charge on the current assets of and all the movable assets of the Nilgiris Dairy Farm Pvt Ltd (including capex for cookie project & other capex), existing as well as future. b) Unconditional and irrevocable Personal Guarantee of Mr Kishore Biyani c) Unconditional and irrevocable Corporate Guarantee of Future Consumer Limited d) Subordination of preference share capital and undertaking from Future Consumer Limited that unsecured loan of ₹ 4264.90 lakhs as on 31st March 2018 would be retained in the Company's business till the facilities are availed from the bank	The Loan is repayable in 13 quarterly instalment after 9 months moratorium. First instalment due on September 2018. Interest: 1 year MCLR + 2.05% i.e. presently 11.80% p.a.	400.00	-
2	**Term Loan from financial institution:** a) First ranking pari passu charge over (i) Land and Building owned by subsidiary The Nilgiri Dairy Farm Private Limited (NDF) located at Bangalore and (ii) Land and building owned by subsidiary of NDF, Appu Nutritions Private Limited (Appu) located at Bangalore. b) Irrevocable and unconditional guarantee of Mr Kishore Biyani.	The Loan is repayable in 18 equal quarterly instalments (next instalment due in June 2018) Interest of 10.90% p.a.	4,444.44	5,000.00
3	**Buyer's Credit from a bank is secured by:** a) First charge on Movable and Immovable property plant and equipment of the proposed Rice Unit and Flour/Spice processing units at Tumkur Bangalore b) Second charge on current assets of the proposed Rice unit and Flour/Spice processing units at Tumkur c) Personal Guarantee of Mr. Kishore Biyani d) DSRA FD for 3 months interest payment	The loan is repayable in June 2018. Interest @ 8.95% - 9.15% p.a. payable annually.	313.53	312.53
4	**11.95% NCD:** Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing and unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon.	Series B of ₹ 6,000 lakhs repaid in March 2018. Interest of 11.95% p.a. is payable quarterly from date of allotment. These debentures were privately placed with mutual funds and were listed in Wholesale Debt Segment of BSE Limited.	-	5,979.46

(₹ in Lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2018	As at 31st March 2017
5	**10.55% NCD:** a) Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee.	Series A of ₹ 750 Lakhs repayable in September 2018, Series B of ₹ 750 Lakhs repayable in March 2019 & Series C of ₹ 1,000 Lakhs repayable in March 2020. Interest of 10.55% p.a. payable quarterly from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	2,463.62	2,436.63
6	**11% NCD:** a) Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee	Series A of ₹ 750 Lakhs repayable in September 2018, Series B of ₹ 750 Lakhs repayable in March 2019 & Series C of ₹ 1,000 Lakhs repayable in March 2020. Interest of 11.00% p.a. payable annually from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	2,463.55	2,436.63
7	**9.95% NCD:** a) Secured by first pari passu charge on Rice / Combi mills assets of the Company to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee	Series A of ₹ 1,500 Lakhs repayable in March 2019, Series B of ₹1,500 Lakhs repayable in September 2019 & Series C of ₹ 2,000 Lakhs repayable in September 2020. Interest of 9.95% p.a. payable annually from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	4,947.22	-
8	**11.07 % NCD:** a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing. b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the company	The NCDs is redeemable in 17 equal quarterly instalments starting from February 2021. Interest on the facility will be charged @ 11.07% p.a. Interest will be paid in cash in arrear and on a quarterly basis, inclusive of a cash coupon as follows: year 1 @ 8.00% p.a., year 2 @10.00% p.a. & year 3 @ 11.07% p a. All accrued and unpaid Interest, on the facility will be capitalised quarterly and paid on the final maturity date, or the date on which the facility has been repaid in full.	14,835.41	-
9	**8.50% Compulsory Convertible Debentures of ₹ 1 lakh each**	The CCDs shall automatically and compulsorily convert into equity shares on the earlier of the occurrence of following events : a) The investor electing to convert the CCDs by issuing a conversion notice to the Company; b) The date i.e. 18 months from the date of issue of the CCDs (mandatory conversion date). Interest @8.50% p.a.	-	5,525.87
			38,730.29	**28,722.49**
	Less: Current maturities of long term debt		7,716.13	13,303.26
Total			**31,014.16**	**15,419.23**

18. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Non-current		
Interest accrued but not due	56.77	-
Deposits received from customers	18.39	759.29
Security deposits received	2.41	22.67
Currency swap liability	-	31.93
Total	**77.57**	**813.89**
Current		
Current maturities of long term debt (refer note 17)	7,716.13	13,303.26
Interest accrued but not due & due	550.92	198.04
Retention money payable	-	95.72
Book overdraft	18.33	106.51
Security and other deposits received	1,162.72	203.19
Payable on purchase of capital goods	2,810.02	2,324.72
Currency swap liability	25.04	-
Total	**12,283.16**	**16,231.44**

19. Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Non-current		
Provision for employee benefits:		
Provision for gratuity (Refer note 35)	627.52	406.00
Total	**627.52**	**406.00**
Current		
Provision for employee benefits:		
Provision for gratuity (Refer note 35)	128.32	143.33
Provision for compensated absences	533.32	367.00
Provision for bonus, incentives and others	612.83	527.57
Provision for claims and contingencies	82.27	82.27
Total	**1,356.74**	**1,120.17**

Movement in Provision for claims and contingencies

(₹ in Lakhs)

Particulars	Amount
Balance as at 31st March 2016	**78.27**
Provisions utilized / written back during the year	4.00
Balance as at 31st March 2017	**82.27**
Provisions made during the year	-
Provisions utilized during the year	-
Balance as at 31st March 2018	**82.27**

The provision for claims and contingencies relates to the estimated amount to be paid for claims raised on the Group by various tax authorities under indirect tax laws. These amounts have not been discounted for the purposes of measuring the provision because the effect is not material.

20. Other Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Other non-current liabilities		
Advances from employees	0.19	0.25
Advance received from customers	340.78	260.88
Deferred lease payables	22.51	127.30
Deferred revenue arising from government grant	3,711.85	3,993.34
Total	**4,075.33**	**4,381.77**
Other current liabilities		
Advances from employees	-	0.90
Advance from related party	-	0.91
Statutory dues payable	1,163.97	995.96
Deferred lease payables	2.90	46.81
Deferred revenue arising from government grant	281.49	281.49
Advance received from customers	227.45	227.67
Other liabilities	108.47	-
Total	**1,784.28**	**1,553.74**

21. Current Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Secured - at amortised cost		
Loans repayable on demand from banks	5,949.07	14,332.23
Other loans from bank	12,061.53	3,875.97
Buyer's credit	70.93	212.59
Unsecured - at amortised cost		
Commercial papers	4,953.95	-
Total	**23,035.48**	**18,420.79**

Details of security and repayment terms for secured current borrowings

Nature of Security	Terms of Interest and repayment
Loans repayable on demand from banks (Cash Credit)	
Loan is secured by a) First pari passu hypothecation charge on all existing and future current assets of the company b) Second Charge on fixed assets of the Company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	The cash credit is repayable on demand and carries interest at rates varying from 9.25% to 12.00% p.a.
Other Loans from Bank (Bill Discounting and Buyer's Credit)	
Loan is secured by a) First and/or pari passu charge on all existing and future current assets of the Company b) Second charge on fixed assets of the Company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani.	The other loans from Bank is repayable on due date and carries interest at rates varying from 8.40% to 11.50% p.a. Buyer's Credit is repayable on due date and carries interest at rates varying from 2.61% to 3.10%.

Commercial Papers carry average interest rate @ 9.43% per annum for the current year (Previous Year Nil). These are payable within 67 to 134 days from the date of drawdown.

22. Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Trade payables (Refer note 38)	23,909.21	16,793.11
Total	**23,909.21**	**16,793.11**

23. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Sales of products	297,503.82	209,492.15
Sales of services	1,227.26	454.18
Other operating revenue*	1,769.91	1,637.74
Total	**300,500.99**	**211,584.07**

*Other operating revenue mainly includes franchise fees, royalty income, scrap sales,etc.

24. Other income

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Amortisation of government grant	281.49	279.28
Royalties	60.00	-
Operating lease rent income	308.61	380.13
Gain on sale of investment - non current	192.77	-
Interest income on:		
Inter corporate deposits	1,250.07	933.67
Others	29.84	506.47
Gain on disposal of property, plant and equipment	50.51	140.06
Provision no longer required written back (net)	-	114.18
Net gain on financial assets measured at FVTPL	768.04	-
Miscellaneous income	312.18	150.31
Total	**3,253.51**	**2,504.10**

25. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Opening stock of raw materials and others	893.57	946.16
Add: Purchases	14,109.82	13,229.41
Less: Closing stock of raw materials and others	(946.94)	(893.57)
Total	**14,056.45**	**13,282.00**

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Opening stock of finished goods	428.26	276.19
Less: Closing stock of finished goods	(185.41)	(428.26)
	242.85	**(152.07)**
Opening stock of traded goods	16,251.54	9,784.03
Less: Closing stock of traded goods	(21,291.96)	(16,251.54)
	(5,040.42)	**(6,467.51)**
Total	**(4,797.57)**	**(6,619.58)**

27. Employee benefits expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Salaries wages & bonus	10,950.59	7,939.71
Contribution to provident and other funds	639.21	508.73
Expenses on Employee Stock Option (ESOP) scheme (Refer note no. 37)	647.57	1,020.67
Staff welfare expenses	343.81	310.47
Total	**12,581.18**	**9,779.58**

28. Finance Costs

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest Expenses on:		
Loans	5,106.63	4,383.37
Others	4.36	4.55
Other borrowing costs	157.21	98.00
Total	**5,268.20**	**4,485.92**

29 Depreciation and Amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Depreciation of property, plant and equipment	2,556.01	2,060.66
Depreciation of investment property	8.27	8.33
Amortization and Impairment of intangible assets	1,983.56	1,191.61
Total	**4,547.84**	**3,260.60**

30. Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Rent	1,789.97	1,659.40
Consumables and packing material	147.11	127.14
Warehousing and distribution expenses	8,998.06	6,792.10
Electricity expenses	1,028.48	692.77
Advertisement, publicity and selling expenses	2,157.17	2,126.59
Commission and brokerage	528.35	401.83
Labour contract charges	1,384.37	1,219.06
Repairs and maintenance		
Plant and Machinery	299.55	198.42
Buildings	31.26	62.38
Others	361.67	310.91
Legal and professional charges	1,672.60	818.77
Rates & taxes	244.75	451.65
Insurance	112.41	99.65
Auditor's remuneration	123.51	136.87
Directors sitting fees	33.67	35.21
Loss on sale/retirement of property plant and equipment	16.70	50.60
Loss on sale/write off of investment	170.01	-
Deferred lease expenses	1.12	-
Net loss on foreign currency transactions and translation (Refer note 1 below)	17.26	67.55
Donation	0.93	0.52
Brand royalty	189.12	229.00
Bad debts and advances written off	188.03	51.85
Net loss on financial assets measured at FVTPL	-	60.64
Miscellaneous expenses	3,269.19	2,523.41
Total	**22,765.29**	**18,116.32**

Note :

1. Net loss on foreign currency transactions and translation includes:

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Profit / (Loss) on derivative liability measured at FVTPL	(6.89)	22.67

31 Segment Information

The Group is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of “Consumer Products” which constitutes a single reporting segment. Hence there is no separate reportable segment under Indian Accounting Standard on Ind AS 108 ‘Operating Segment ‘.

31.1 Geographic Information

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Revenue from operations from customers within India	300,487.21	211,584.07
Revenue from operations from customers outside India	13.78	-
	300,500.99	**211,584.07**

31.2 Major Customer

Top customer which individually contribute more than 10% of Group's total revenue.

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Future Retail Limited	212,574.37	138,078.82

32 Earning Per Share

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Profit/(Loss) for the year after adjusting non-controlling interest (₹ in lakhs)	(2,598.42)	(6,100.55)
Weighted average number of equity shares outstanding for basic EPS*	1,872,009,544	1,812,657,645
Add : Weighted average number of potential equity shares on account of Employee Stock Options Outstanding	13,684,740	3,845,929
Add: Share warrants issued	-	7,369,116
Weighted average number of equity shares outstanding for diluted EPS	1,885,694,284	1,823,872,690
Earnings per share (₹)		
Basic	(0.14)	(0.34)
Diluted	(0.14)	(0.34)

*In previous year this has been calculated considering 190,871,095 number of shares to be issued on conversion of CCD's

33.1 Details of the Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of the subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31st March 2018	As at 31st March 2017
Aadhaar Wholesale Trading and Distribution Limited	Rural retailing	India	100.00%	100.00%
Future Food and Products Limited	Food processing	India	100.00%	100.00%
Future Consumer Products Limited	Branding	India	90.00%	90.00%
Future Food Processing Private Limited	Food processing	India	100.00%	100.00%
Star and Sitara Wellness Limited *	-	India	-	100.00%
Express Retail Services Private Limited *	-	India	-	100.00%
FCEL Overseas FZCO	Distribution	UAE	60.00%	60.00%
FCEL Food Processors Limited (formerly known as ACK Edutainment Limited)	Food processing	India	100.00%	100.00%
The Nilgiri Dairy Farm Private Limited	Manufacturing and distribution	India	100.00%	100.00%
Appu Nutritions Private Limited	Manufacturing and distribution	India	100.00%	100.00%
Nilgiri's Mechanised Bakery Private Limited	Distribution	India	100.00%	100.00%
Nilgiris Franchise Private Limited	Back end Support	India	100.00%	100.00%
Integrated Food Park Private Limited **	Operation and maintenance of food park	India	83.17%	73.89%
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	Distribution	India	100.00%	100.00%

Note :

* Star and Sitara Wellness Limited & Express Retail Services Private Limited ceased to be a subsidiary from 31st March 2018

** Additional stake of 9.28% was acquired on 30th March 2018 in Integrated Food Park Private Limited

33.2 Investments in associate

Aggregate information of associate that is not individually material

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
The Group's share of loss from continuing operations	(73.02)	(71.01)
The Group's share of other comprehensive income	-	-
The Group's share of total comprehensive income	(73.02)	(71.01)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Aggregate carrying amount of the Group's interests in the associate	170.01	243.03
Less: Impairment of investment	170.01	-
Aggregate carrying amount of the Group's interests in the associate	-	243.03

Sarjena Foods Private Limited ("SFPL") is an associate of the Group although the Group owns a 19.59% ownership interest. The Group has significant influence over SFPL by virtue of its contractual right to appoint one out of three directors to the board of directors of that company.

33.3 Investments in Joint Ventures

Aggregate information of Joint Ventures that are not individually material

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
The Group's share of loss from continuing operations	(2,301.05)	(2,109.20)
The Group's share of other comprehensive income	8.43	(214.55)
The Group's share of total comprehensive income	(2,292.62)	(2,323.75)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Aggregate carrying amount of the Group's interests in these Joint Ventures (excluding preference shares held)	2,250.81	3,093.29

The unrecognised share of loss of Joint Ventures for the year ended 31st March 2018 is ₹ 211.77 lakhs (previous year ₹ 629.19 lakhs) and cumulative share of losses is ₹ 848.05 lakhs (previous year ₹ 636.28 lakhs).

There was no change in the group's ownership interest in Joint Ventures during the year. There are no significant restrictions on the ability of Joint Ventures to transfer funds to the Group in the form of cash, dividends, or to repay loans or advances made by the Group.

34 Leasing Arrangements

Operating Lease

The Group has entered into operating lease arrangements for its warehouses, office premises etc. These leasing arrangements are cancellable except during the lock in period, and are renewable on a periodic basis by mutual consent on mutually acceptable terms. Lease payments recognised in the statement of Profit and Loss for the year 2017-2018 is ₹ 1,789.97 lakhs (Previous Year: ₹ 1,659.40 lakhs).

The total of future minimum lease payments during lock in period of operating leases for each of the following periods:

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Not later than one year	165.77	179.99
Later than one year and not later than five years	397.11	544.39
Later than five years	17.87	69.92

Finance Lease

One of the subsidiaries of the Group has acquired land alloted by Government of Karnataka on lease Cum sale basis for construction of Mega Food Park wherein the land would be transferred to the subsidiary during the period of the agreement or on completion of the conditions mentioned in the agreement or at the end of 10 years or extended period. The said land has been disclosed in note 4 - Property, plant and equipment as lease hold land, the amount of lease cost incurred during the year is ₹ 3.39 lakhs (Previous Year: ₹ 3.39 lakhs).

The disclosure for minimum lease payment are given below :-

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Not later than one year	3.39	3.39
Later than one year and not later than five years	13.56	13.56
Later than five years	1.13	1.13

Operating Lease - As Lessor

One of the subsidiaries of the Group has entered into agreements with customers in respect of lease of infrastructure wherein the leases are non-cancellable as per the terms mentioned in the agreement during the lockin period. The future minimum lease payments receivable under non-cancellable period of operating leases in the aggregate and for each of the following periods.

Future minimum rentals receivable under non-cancellable ooperating leases are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Not later than one year	174.89	128.06
Later than one year and not later than five years	481.44	382.98
Later than five years	815.37	-

Lease income for the year 2017-18 is ₹ 308.61 lakhs (Previous Year: ₹ 380.13 lakhs)

35 Employee benefit plans

Defined Contribution Plan

The Group's contribution to provident fund, employee state insurance are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss.

Defined Benefit Plans

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 employees on retirement or on termination of employment. The gratuity benefits 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 which is not funded except for few subsidiaries where it is funded.

The plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liabilty; however this will be partially offset by an increase in the return on the plan's debt investments.

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.

Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at 31st March 2018	As at 31st March 2017
1. Discount rate	7.20% - 7.70%	6.80% - 8%
2. Salary escalation	5% - 10%	5% - 10%
3. Mortality rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
4. Withdrawal rate	20% to 1% Age based	20% to 1% Age based
5. Retirement age	58 years	58 years

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Present value of defined benefit obligation	924.33	636.95
Fair value of plan assets	94.36	87.62
Net liability arising from gratuity	**829.97**	**549.33**

Effective 1st January, 2018, Nilgiri Dairy Farms Private Limited ('NDFPL') has transferred the operations to a third party. Pursuant to this arrangement, employees of NDFPL as on the date of transfer and the related liabilities post transfer has also been tansferred to the third party, amounting to ₹ 74.13 lakhs. Hence, the Group has performed the valuation of liability as on 31st December, 2017 which is shown under Other financial liabilities as "Other payables".

Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

(₹ in Lakhs)

	Particulars	As at 31st March 2018	As at 31st March 2017
A.	**Components of expense recognised in the Statement of Profit and Loss(in employee benefit expenses)**		
	Current service cost	123.20	115.31
	Past service cost and (gain)/loss from settlements	68.61	-
	Net interest expenses	38.52	30.86
	Total (A)	**230.33**	**146.17**
B.	**Components of defined benefit costs recognised in other comprehensive income**		
	Remeasurement on the net defined benefit liability:		
	Return on plan assets (excluding amounts included in net interest expense)	(0.51)	-
	Actuarial gains and losses arising from changes in demographic assumptions	-	(0.25)
	Actuarial gains and losses arising from changes in financial assumptions	(17.17)	31.99
	Actuarial gains and losses arising from experience adjustments	152.31	7.21
	Adjustments for restrictions on the defined benefit asset	-	-
	Total (B)	**134.63**	**38.95**
C.	**Movements in the present value of the defined benefit obligation**		
	Opening defined benefit obligation	636.96	499.32
	Current service cost	123.20	115.31
	Interest cost	38.52	37.35
	Remeasurement (gains)/losses:		
	Actuarial gains and losses arising from changes in demographic assumptions	-	(0.25)
	Actuarial gains and losses arising from changes in financial assumptions	(17.28)	31.99
	Actuarial gains and losses arising from experience adjustments	150.67	7.21
	Past service cost	70.10	-
	Benefits paid	(77.84)	(53.98)
	Closing defined benefit obligation (C)	**924.33**	**636.96**
D.	**Movements in the fair value of the plan assets**		
	Opening fair value of plan assets	87.62	80.82
	Interest income	5.64	6.49
	Remeasurement gain (loss):		
	Return on plan assets (excluding amounts included in net interest expense)	1.10	0.32
	Contributions from Group	-	27.75
	Contributions from plan participants	32.81	-
	Acturial gain/ (loss) on plan asset	-	-
	Assets acquired/ (settled) in a business combination	-	(25.00)
	Benefits paid	(32.81)	(2.76)
	Closing fair value of plan assets (D)	**94.36**	**87.62**

Category wise plan assets

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

(₹ in Lakhs)

Particular	As at 31st March 2018	As at 31st March 2017
Central government securities	70.84	66.00
Insurer managed funds	23.52	21.62
	94.36	**87.62**

36 Financial Instruments and Risk Review

36.1 Capital Management

The Group being in a working capital intensive industry, its objective is to maintain a strong credit rating healthy ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group's capital requirement is mainly to fund its capex, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Group is not subject to any externally imposed capital requirements except financial covenant agreed with lenders.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing capex, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

Gearing ratio

The gearing ratio at end of the reporting period was as follows. (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Debt (i)	61,765.77	47,143.28
Cash and bank balances (iii)	4,527.94	4,908.55
Net debt	57,237.83	42,234.73
Equity (ii)	99,525.15	88,850.09
Net debt to equity ratio	0.58	0.48

(i) Debt is defined as long and short-term borrowings and includes current maturities of long term debt.

(ii) Equity includes all capital and reserves of the Group that are managed as capital.

(iii) Includes bank deposits with more than 12 months maturity shown under other financial assets.

36.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Financial assets		
Measured at amortised cost		
Cash and bank balances	4,475.21	4,754.15
Investments in certificate of deposits and others	0.30	0.30
Trade receivables	49,294.97	32,415.02
Loans	11,737.33	8,085.14
Other financial assets	6,085.88	3,169.85
Measured at fair value through profit and loss (FVTPL)		
Investment in preference shares	434.29	408.30
Investments in debentures	892.80	151.55
Investments in equity shares	2.59	3.17

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Financial liabilities		
Measured at amortised cost		
Borrowing*	61,765.77	47,143.28
Trade payable	23,909.21	16,793.11
Other financial liabilities	4,619.56	3,710.14
Measured at fair value through profit and loss (FVTPL)		
Currency swap liability	25.04	31.93

*includes current maturity of long term borrowings

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets measured at FVTPL. The carrying amount reflected above represents the Group's maximum exposure to credit risk for such Financial assets.

36.3 Financial risk management objectives

The Group has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

36.4 Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, interest rates and other price risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide principles on foreign exchange risk and interest rate risk. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

36.5 Foreign Currency Risk Management

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a Forex policy approved by the Board of Directors.

All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates.

The Year end foreign currency exposures are given below :-

(in Lakhs)

Particulars	Foreign Currency	As at 31st March 2018		As at 31st March 2017	
		Amount in Foreign Currency	Amount Rupees	Amount in Foreign Currency	Amount Rupees
Receivables :					
Trade receivables & loans given (unhedged)	USD	57.08	3,712.88	32.90	2,132.89
Payables :					
Trade payables	USD	61.59	4,005.88	1.99	129.26
	CHF	3.28	223.91	-	-
	EUR	4.16	330.09	-	-
Borrowings	USD	5.91	384.36	83.50	5,414.20
	EUR	-	-	0.56	39.86
Of the above payables:					
Hedged by derivative contracts			313.53		312.53
Unhedged payables			4,630.71		5,270.79

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. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

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 loss where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

(₹ in Lakhs)

Foreign currency	As at 31st March 2018		As at 31st March 2017	
	10% strengthen	10% weakening	10% strengthen	10% weakening
USD	(36.38)	36.38	(309.80)	309.80
CHF	(22.39)	22.39	-	-
EURO	(33.01)	33.01	(3.99)	3.99

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.

36.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like commercial paper and short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Group hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk.

The following table provides break-up of Group's fixed and floating rate borrowings: (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Variable interest rate borrowings	22,379.73	25,452.16
Fixed interest rate borrowings	39,386.04	21,691.12
Total	**61,765.77**	**47,143.28**
Of the above hedged by currency swaps	313.53	312.53

Interest rate risk sensitivity:

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit. A positive is increase in profit and negative is decrease in profit.

(₹ in Lakhs)

Particular	**As at 31st March 2018**		**As at 31st March 2017**	
	50 basis points increase	**50 basis points decrease**	**50 basis points increase**	**50 basis points decrease**
Impact on profit	(111.90)	111.90	(127.26)	127.26

36.7 Other price risks

The Group's exposure to other risks arises from investments in preference shares and debentures amounting to ₹1,327.09 lakhs (Previous Year: ₹559.85 lakhs). The investments are held for strategic rather than trading purpose.

The sensitivity analysis below have been determined based on the exposure to price risk at the end of the reporting period. If the price had been 5% higher / lower, profit for the year ended 31st March 2018 would increase/decrease by ₹ 66.35 lakhs (Previous year by ₹ 27.99 lakhs)

36.8 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from entering into derivative financial instruments and from deposits with banks and financial institutions, as well as from credit exposures to customers, including outstanding receivables.

The Group has adopted a policy of only dealing with creditworthy counterparties. Detailed KYC documentation is done before the transaction is done with the customers. Also, majority of Group's sales is to other Future Group Companies, hence the risk of realisation of sales money is minimised. The Group's exposures are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. Ongoing credit evaluation is performed on the financial condition of accounts receivables. Also periodic reconcilaition is being done with the customers. There is no history of Bad Debts in the Group.

Apart from Future Retail Limited, being the largest customer of the Group, the Group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to Future Retail Limited as at 31st March 2018 is 82% (As at 31st March 2017: 80%) of gross trade receivable as at the end of reporting period. No other single customer accounted for more than 10% of total trade receivable.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The average credit period on sales of goods is 7 to 90 days. No interest is charged on trade receivables.

In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables. It takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the past due receivables. There has been no significant change in the credit quality of receivables past due for more than 180 days.

Age of receivables

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
0-60 days	42,739.91	27,648.73
61 to 90 days	8,894.72	5,377.69
91 to 180 days	1,412.47	1,463.21
more than 180 days	1,960.22	977.00
Less :- Inter company elimination	(5,712.35)	(3,051.61)
Total	**49,294.97**	**32,415.02**

36.9 Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for long term capital expenditure. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in Lakhs)

Particulars	Weighted average effective interest rate	Less than 1 year	1 to 5 years	5 years and above	Total	Carrying amount
As at 31st March 2018						
Variable interest rate borrowings	9.54%					
Principal		19,581.45	2,809.23	-	22,390.68	22,379.73
Interest		2,010.90	146.79	-	2,157.69	-
Fixed interest rate borrowings	10.98%					
Principal		11,105.87	24,167.52	4,438.51	39,711.90	39,386.04
Interest		3,194.91	9,239.95	1,508.49	13,943.35	-
Currency swap		313.53	-	-	313.53	-
Financial guarantee contracts		1,649.49	2,987.88	-	4,637.37	4,637.37
Non interest bearing (Trade payable, deposits etc.)		29,505.33	-	-	29,505.33	29,505.33
As at 31st March 2017						
Variable interest rate instruments	9.79%					
Principal		16,943.93	5,840.67	-	22,784.60	25,452.16
Interest *		3,363.37	802.07	-	4,165.44	-
Fixed interest rate instruments	11.61%			-		
Principal		6,555.56	9,756.98	-	16,312.53	21,691.12
Interest		7,855.62	1,705.45	-	9,561.07	-
Currency swap		-	31.93	-	31.93	31.93
Financial guarantee contracts		1,003.14	4,312.06	-	5,315.20	-
Non interest bearing (Trade payable, deposits etc.)		20,223.92	-	-	20,223.92	20,223.92

* This (less than 1 year) includes interest payable on compulsory convertible debentures of ₹ 5,849.92 lakhs where the investor have the option to elect that such interest to be paid in cash.

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Group has ₹ 18,118.47 lakhs (Previous Year ₹ 11,154.21 lakhs) undrawn facilities at its disposal to further reduce liquidity risks.

36.10 Fair Value Measurement and related disclosures

Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

(₹ in Lakhs)

Financial assets	Carrying / Fair value as at		Fair value hierarchy
	31st March 2018	31st March 2017	
Financial assets at Fair Value Through Profit and Loss (FVTPL)			
0% Optionally convertible debenture of Capital Food Limited (Refer notes 5 & 11)	892.80	151.55	Level 2
0% Non cumulative redeemable preference share of Aussee Oats Milling (Private) Limited (Refer note 5)	434.29	408.30	Level 2
Equity investment in Karnataka Bank Limited (Refer note 11)	2.59	3.17	Level 1
Financial liabilities at Fair Value Through Profit and Loss (FVTPL)			
Currency swap (Refer note 18)	25.04	31.93	Level 2

Financial assets and financial liabilities that are not measured at fair values (but fair values disclosures are required)

The Group considers that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

37 Share Based Payments

37.1 Details of the employee share based plan of the Group

a) The ESOP scheme titled "FVIL Employees Stock Option Plan 2011" (ESOP 2011) was approved by the shareholders at the Annual General Meeting held on 10th August 2010. 50,000,000 options are covered under the ESOP 2011 for 50,000,000 shares. Post listing of equity shares on the stock exchanges, the Shareholders have ratified the pre-IPO scheme.

   In the previous years, the Nomination and Remuneration / Compensation Committee of the holding Company has granted 34,535,000 options under ESOP 2011 to certain directors and employees of the Company and some of its Subsidiaries. The options allotted under ESOP 2011 are convertible into equal number of equity shares. The exercise price of each option is ₹ 6/-.

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

b) The ESOP scheme titled "Future Consumer Enterprise Limited - Employee Stock Option Plan 2014" was approved by the Shareholders vide resolution passed at the Extra Ordinary General Meeting held on 12th January, 2015 and through postal ballot on 12th May 2015 in respect of grant of 31,950,000 options under primary route (ESOP 2014-Primary) and 79,800,000 options under secondary market route (ESOP 2014-Secondary). ESOP 2014 has been implemented through a trust route whereby Vistra ITCL India Limited (Formerly IL&FS Trust Company Limited) has been appointed as the Trustee who monitors and administers the operations of the Trust.

   In the previous years, the Nomination and Remuneration / Compensation Committee has i) at its meeting held on 15th May 2015, granted 15,950,000 options under the ESOP 2014-Secondary to certain directors / employees of the Holding Company and some of its Subsidiaries under the secondary market route and ii) at its meeting held on 12th August 2016 granted 10,000,000 options under the ESOP 2014 to certain directors / employees of the Holding Company and some of its Subsidiaries under the primary route.

During the current year, the Nomination and Remuneration / Compensation Committee has at its meeting held on 14th August, 2017 and 8th November, 2017 granted 3,500,000 options and 4,900,000 options respectively under the ESOP 2014-Secondary to certain directors / employees of the Holding Company and some of its Subsidiaries under the secondary market route.

The options allotted under ESOP 2014 are convertible into equal number of equity shares. The exercise price per Option for shares granted under the secondary market route shall not exceed market price of the Equity Share of the Holding Company as on date of grant of Option or the cost of acquisition of such equity shares to the Trust applying FIFO basis, whichever is higher. The exercise price per Option for shares granted under the primary route shall not exceed market price of the Equity Share of the Holding Company as on date of grant of Option, which may be decided by the Nomination and Remuneration / Compensation Committee.

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

The following share-based payment arrangements were in existence during the current and prior years:

Option scheme	No. of Options Granted	Grant date	Expiry date	Exercise price (₹)	Share Price at Grant date	Fair value at grant date (₹)
ESOP 2011	15,000,000	26.12.2015		6.00	26.15	22.49
ESOP 2014-Secondary	15,950,000	15.05.2015		Note-2 below	11.20	7.05
ESOP 2014-Secondary	3,500,000	14.08.2017	Note-1 below	Note-2 below	41.25	17.71
ESOP 2014-Secondary	4,900,000	08.11.2017		Note-2 below	60.95	31.03
ESOP 2014-Primary	10,000,000	12.08.2016		21.40	21.50	11.42

Note-1 The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

Note-2 Market price of the Equity Share of the Group as on date of grant of Option or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher.

37.2 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	ESOP 2011	ESOP 2014 Secondary Grant 1	ESOP 2014 Primary	ESOP 2014 Secondary Grant 2	ESOP 2014 Secondary Grant 3
Expected volatility (%)	56.55%	64.18%	48.88%	38.68%	44.85%
Option life (Years)	4-6	4-6	4-6	4-6	4-6
Dividend yield (%)	0%	0%	0%	0%	0%
Risk-free interest rate (Average)	7.82% - 8.09%	7.55% - 7.91%	7.12%-7.25%	6.43% to 6.64%	6.67% to 6.88%

37.3 <u>Movement in share options during the year</u>

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

Particulars	Year ended 31st March 2018		Year ended 31st March 2017	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period				
ESOP 2011	10,650,000	6.00	15,700,000	6.00
ESOP 2014 secondary	12,288,000	Refer Note-2 above	15,950,000	Refer Note-2 above
ESOP 2014 primary	9,500,000	21.40	-	-
Granted during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	8,400,000	Refer Note-2 above	-	-
ESOP 2014 primary	-	-	10,000,000	21.40

Particulars	Year ended 31st March 2018		Year ended 31st March 2017	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Forfeited during the period				
ESOP 2011	2,100,000	6.00	-	-
ESOP 2014 secondary	1,315,000	Refer Note-2 above	1,036,000	Refer Note-2 above
ESOP 2014 primary	800,000	21.40	500,000	21.40
Exercised during the period				
ESOP 2011	3,524,983	6.00	5,050,000	6.00
ESOP 2014 secondary	3,931,500	Refer Note-2 above	2,626,000	13.16
ESOP 2014 primary	1,418,000	21.40	-	-
Expired during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	-	-	-	-
ESOP 2014 primary	-	-	-	-
Balance at end of period				
ESOP 2011	5,025,017	6.00	10,650,000	6.00
ESOP 2014 secondary	15,441,500	Refer Note-2 above	12,288,000	Refer Note-2 above
ESOP 2014 primary	7,282,000	-	9,500,000	21.40

37.4 Share options exercised during the year

The following share options were exercised during the year:

Options scheme	Number exercised	Exercise date	Share price at exercise date (₹)
ESOP 2011	3,524,983	Various dates	Wt Avg- 77.29
ESOP 2014 primary	1,418,000	Various dates	Wt Avg - 49.05
ESOP 2014 secondary	3,931,500	Various dates	Wt Avg - 46.48

37.5 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 1331 days (Previous year: 1521 days).

Out of the ESOPs outstanding, the number of options exerciseable are as under :-

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
ESOP 2011	225,017	150,000
ESOP 2014 secondary	1,014,000	564,000
ESOP 2014 primary	482,000	-

37.6 The expense recognised for employee services received during the year is shown in the following table:

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Expenses arising from equity settled share based payment transactions	647.57	1,020.67
Total expenses arising from share based transactions	**647.57**	**1,020.67**

38 Related Party Disclosures

38.1 Name of Related Party and Nature of Relationship

a) Associates

Sarjena Foods Private Limited

b) Joint Venture

Mibelle Future Consumer Products AG
Amar Chitra Katha Private Limited (ACK)
ACK Media Direct Limited
IBH Books & Magazines Distributors Limited
Aussee Oats India Private Limited
Ideas Box Entertainment Limited
Aussee Oats Milling (Private) Limited
MNS Foods Private Limited
Genoa Rice Mills Private Limited
Avante Snack Foods Private Limited
Hain Future Natural Products Private Limited (w.e.f. - 20th June 2017)
Affluence Food Processors Private Limited*
Sublime Foods Private Limited

* Share application money paid on 20th March, 2018.

c) Key Management Personnel (KMP) and their relatives

Kishore Biyani
Ashni Biyani
Narendra Baheti (With effect from 30th August 2016)
Rajendra Baheti (With effect from 30th August 2016)
Archana Baheti (With effect from 30th August 2016)
Sunder Devi Baheti (With effect from 30th August 2016)
Amulya Baheti (With effect from 30th August 2016)

d) Entities controlled / having significant influence by KMP and their relatives

Future Retail Limited
Premium Harvest Limited
Future Ideas Company Limited
Future Lifestyle Fashion Limited
Future Supply Chain Solutions Limited

e) Entities which have significant influence over the Company

Future Corporate Resources Limited (Upto 30th March 2017)
Weavette Business Ventures Limited (upto 30th March 2017)
Birthright Games & Entertainment Private Limited (upto 30th March 2017)

38.2 Transactions with Related Party

(₹ in Lakhs)

Nature of transactions	Associates	Joint Venture	Key Management Personnel (KMP) and Close members of KMP	Entities which have significant influence over the Company	Entities controlled / having significant influence by KMP and their relatives
Purchase of property, plant and equipment	-	-	-	-	361.14
	(-)	(-)	(-)	(-)	(18.55)
Sale of property, plant and equipment	-	6.78	-	-	-
	(-)	(-)	(-)	(-)	(-)
Purchase of investments	-	1,238.37	-	-	-
	(-)	(645.37)	(-)	(-)	(-)
Inter corporate deposits given	-	8,261.91	-	-	-
	(-)	(6,216.57)	(-)	(269.35)	(3,500.00)
Inter corporate deposits received back	-	4,914.23	-	-	-
	(-)	(2,509.27)	(-)	(239.53)	(1,500.00)
Security deposit received	-	30.32	-	-	-
	(-)	(147.67)	(-)	(-)	(-)
Advance received	-	52.04	-	-	-
	(-)	(69.63)	(-)	(-)	(-)
Advances given	-	11.90	-	-	-
	(-)	(11.00)	(-)	(12.95)	(-)
Corporate guarantees given	-	1,500.88	-	-	-
	(-)	(2,000.00)	(-)	(-)	(-)
Share application	-	720.00	-	-	-
	(-)	(136.94)	(-)	(-)	(-)
Sale of products	-	1,606.63	-	-	213,356.60
	(-)	(113.03)	(-)	(-)	(138,416.71)
Royalty income	-	-	-	-	235.21
	(-)	(-)	(-)	(-)	(149.89)
Interest income	-	923.60	-	-	250.00
	(-)	(501.20)	(-)	(31.13)	(182.88)
Rent income	-	501.59	-	-	246.30
	(-)	(188.14)	(-)	(-)	(119.13)
Franchise fees income	-	-	-	-	202.78
	(-)	(-)	(-)	(-)	(239.59)
Recovery of expenses	-	522.96	-	-	169.78
	(-)	(188.56)	(-)	(-)	(118.97)
Purchase of goods	537.59	5,904.25	-	-	9,850.89
	(200.97)	(1,439.75)	(-)	(20.26)	(4,068.93)
Legal and professional fees	-	-	-	-	-
	(-)	(-)	(-)	(-)	(13.73)
Managerial remuneration*	-	-	980.09	-	-
	(-)	(-)	(324.31)	(-)	(-)
Rent expenses	-	-	17.62	-	676.69
	(-)	(-)	(11.48)	(-)	(369.04)

(₹ in Lakhs)

Nature of transactions	Associates	Joint Venture	Key Management Personnel (KMP) and Close members of KMP	Entities which have significant influence over the Company	Entities controlled / having significant influence by KMP and their relatives
Finance cost	-	2.89	-	-	-
	(-)	(1.70)	(-)	(-)	(-)
Royalty expenses	-	-	-	-	-
	(-)	(9.00)	(-)	(-)	(-)
Warehousing and distribution charges	-	-	-	-	1,729.84
	(-)	(-)	(-)	(-)	(1,117.93)
Sitting fees	-	-	3.00	-	-
	(-)	(-)	(4.00)	(-)	(-)
Marketing expenses	-	-	-	-	296.46
	(-)	(-)	(-)	(34.50)	(114.46)
Other expenses	-	-	-	-	90.98
	(-)	(-)	(-)	(63.18)	(104.94)

Balance as at 31st March, 2018 (₹ in Lakhs)

Trade and other receivable	131.79	666.29	-	-	40,818.24
	(-)	(57.89)	(-)	(-)	(26,534.35)
Interest receivable	-	787.27	-	-	377.57
	(-)	(366.78)	(-)	(-)	(165.92)
Inter corporate deposits outstanding	-	9,187.79	-	-	2,000.00
	(-)	(5,815.80)	(-)	(-)	(2,000.00)
Security deposit receivable	-	-	-	-	-
	(-)	(47.12)	(-)	(-)	(-)
Advances given outstanding	-	11.90	-	-	-
	(-)	(11.00)	(-)	(-)	(-)
Security deposit received outstanding	-	155.32	-	-	-
	(-)	(125.00)	(-)	(-)	(-)
Advances received outstanding	-	-	-	-	-
	(-)	(33.68)	(-)	(-)	(-)
Trade and other payables	-	1,351.75	-	-	1,489.90
	(36.68)	(282.92)	(-)	(-)	(944.71)
Corporate guarantees outstanding	-	10,311.68	-	-	-
	(-)	(10,290.58)	(-)	(-)	(-)

Figures in bracket represent previous year's figures.

*includes share based payments to managerial personnel

38.3 Disclosure in respect of Material Transactions with Related Parties

(₹ in Lakhs)

Nature of Transactions	2017-18	2016-17
Purchase of property, plant and equipments		
Premium Harvest Limited	350.00	-
Sale of property, plant and equipments		
MNS Foods Private Limited	6.04	-
Sublime Food Private Limited	0.74	-
Purchase of investments		
Mibelle Future Consumer Products AG	480.54	-
Sublime Food Private Limited	108.10	-
Aussee Oats Milling (Private) Limited	555.66	466.46
Aussee Oats India Private Limited	-	50.41
Genoa Rice Miils Private Limited	-	125.00
Inter corporate deposits given		
Amar Chitra Katha Private Limited	4,253.32	3,149.98
Aussee Oats Milling (Private) Limited	1,740.01	1,265.38
IBH Books & Magazines Distributors Limited	-	907.86
Inter corporate deposits received back		
Amar Chitra Katha Private Limited	3,149.98	988.94
Aussee Oats Milling (Private) Limited	640.90	466.46
IBH Books & Magazines Distributors Limited	-	907.86
Security deposit received		
Avante Snack Foods Private Limited	8.07	7.17
Hain Future Natural Products Private Limited	4.11	-
MNS Foods Private Limited	7.62	6.77
Genoa Rice Miils Private Limited	-	125.00
Sublime Food Private Limited	10.53	8.73
Advance received		
Hain Future Natural Products Private Limited	17.48	-
MNS Foods Private Limited	27.92	29.98
Sublime Food Private Limited	5.11	-
Genoa Rice Mills Private Limited	-	33.68
Corporate guarantees given		
Aussee Oats Milling (Private) Limited	1,300.88	2,000.00
MNS Foods Private Limited	200.00	-
Share application		
Hain Future Natural Products Private Limited	645.00	-
Affluence Food Processors Private Limited	75.00	-
Mibelle Future Consumer Products AG	-	136.94
Sale of products		
Future Retail Limited	212,574.37	138,078.82
Premium Harvest Limited	651.79	337.89
Sublime Food Private Limited	125.47	90.81
Royalty income		
Future Retail Limited	217.75	134.68
Royalty Expenses		
Amar Chitra Katha Private Limited	-	9.00

(₹ in Lakhs)

Nature of Transactions	2017-18	2016-17
Interest income		
Amar Chitra Katha Private Limited	462.95	237.97
Aussee Oats Milling (Private) Limited	288.72	201.75
Future Retail Limited	250.00	182.88
Rent income		
Future Supply Chain Solutions Limited	246.30	119.13
Genoa Rice Miils Private Limited	250.00	104.47
Hain Future Natural Products Private Limited	73.69	-
Sublime Food Private Limited	47.00	30.62
MNS Foods Private Limited	93.94	43.22
Franchise fees income		
Future Retail Limited	202.78	239.59
Recovery of expenses		
Future Retail Limited	169.57	118.54
Genoa Rice Miils Private Limited	78.23	-
Hain Future Natural Products Private Limited	70.85	-
Mibelle Future Consumer Products AG	283.06	146.88
Sublime Food Private Limited	56.12	29.56
Purchase of goods		
Premium Harvest Limited	8,794.03	4,068.20
Finance Cost		
Avante Snack Foods Private Limited	0.90	0.34
MNS Foods Private Limited	0.85	0.39
Sublime Food Private Limited	1.15	0.97
Legal & professional fees		
Future Ideas Company Limited	-	13.73
Managerial remuneration		
Mr. Arun Kumar Agarwal *	-	39.83
Ms. Ashni Biyani *	84.89	85.02
Mr. Narendra Baheti *	788.65	144.13
Mr. Rajendra Baheti*	90.83	47.67
Rent expenses		
Future Retail Limited	520.65	311.96
Future Supply Chain Solutions Limited	105.32	10.40
Premium Harvest Limited	50.71	43.12
Archana Baheti	8.09	6.19
Warehousing and distribution charges		
Future Supply Chain Solutions Limited	1,729.84	1,116.31
Sitting fees		
Kishore Biyani	3.00	4.00
Marketing expenses		
Future Retail Limited	282.06	113.52
Birthright Games & Entertainment Private Limited	-	34.50
Other expenses		
Future Corporate Resources Limited	-	63.18
Premium Harvest Limited	83.57	91.68

(₹ in Lakhs)

Nature of Transactions	2017-18	2016-17
Balance as at 31st March 2018		
Trade & Other Receivables		
Future Retail Limited	40,545.62	26,271.69
Premium Harvest Limited	1.46	87.57
Sublime Food Private Limited	65.73	18.96
Interest receivable		
Amar Chitra Katha Private Limited	261.62	182.77
Future Retail Limited	377.57	165.92
Aussee Oats Milling (Private) Limited	434.36	150.78
ICDs outstanding		
Future Retail Limited	2,000.00	2,000.00
Amar Chitra Katha Private Limited	4,253.32	3,149.98
Aussee Oats Milling (Private) Limited	2,915.90	1,792.47
Advances given		
Genoa Rice Mills Private Limited	-	11.00
Future Corporate Resources Limited	-	12.95
Aussee Oats India Private Limited	11.90	-
Security deposit received outstanding		
Genoa Rice Mills Private Limited	125.00	125.00
Advances received outstanding		
Genoa Rice Mills Private Limited	-	33.68
Trade and Other payables		
Future Retail Limited	956.12	683.60
Future Supply Chain Solutions Limited	350.34	94.61
Sublime Food Private Limited	349.44	53.97
Mibelle Future Consumer Products AG	219.23	135.55
MNS Foods Private Limited	265.09	81.20
Premium Harvest Limited	167.19	164.79
Corporate guarantees outstanding		
Amar Chitra Katha Private Limited	1,300.00	1,300.00
Aussee Oats Milling (Private) Limited	7,701.22	6,380.12
Aussee Oats India Private Limited	500.00	2,000.00
Security Deposits Receivable		
Avante Snack Foods Private Limited	-	9.72
MNS Foods Private Limited	-	37.4

*includes share based payments to managerial personnel

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2017: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Loans & Corporate Guarantees to Related Parties

The Group has given loans and corporate guarantees to subsidiaries and relevant joint ventures in the ordinary course of business to meet the working capital requirements of subsidiaries and joint ventures.

Compensation of key management personnel (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Short Term Employee Benefits	339.89	203.27
Share-based payment transactions	640.15	81.00
Total compensation paid to key management personnel	**980.04**	**284.27**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

This do not include the provision made for gratuity and expenses for Leave Encashment as they are determined on an acturial basis for the Group as a whole.

Directors interest in ESOP

Grant Date	Expiry Date	Exercise Price	Nos o/s as on 31st March 2018	Nos o/s as on 31st March 2017
26.12.2015	26.12.2021	6.00	800,000	1,400,000
12.08.2016	12.08.2022	21.40	4,000,000	5,000,000

39 Contingent liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Claims against the Group not acknowledged as debt*	49.13	60.82
Disputed Income Tax Demands	6,996.93	6,832.64
Disputed Sales Tax and Excise Matters	819.02	93.79
Corporate guarantees issued to banks and financial institutions against credit facilities issued to third parties (Loans outstanding as at 31st March 2018 ₹ 5,234.07 lakhs; Previous Year ₹ 6,058.69 lakhs)	11,811.68	11,790.58
	19,676.76	**18,777.83**

* Does not include cases where liability is not ascertainable

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Group's pending litigations comprise of claims against the Group primarily by the customers and proceedings pending with tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements.The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements

40 Capital Commitment

The estimated amount of contracts remaining to be executed on capital account as at 31st March 2018 is ₹ 1,214.98 lakhs (Previous Year ₹ 2,013.21 lakhs)

41 The carrying amount of Goodwill is as follows :-

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
a) KBFP	614.50	614.50
b) COP	2,951.82	2,951.82
c) The Nilgiris Dairy Farm Limited	10,871.96	10,871.96
d) Future Consumer Products Limited (Refer note no. 45)	1,675.97	2,055.97
e) Others	275.10	275.10
	16,389.35	**16,769.35**

KBFP represents convenience store chain KB's Fairprice and Big Apple. These stores were mainly operated in Delhi, Mumbai and Banglore. These store formats are typically located in closed proximity of customers in easy accessible locations . These stores are designed as low frills stores, the business model hinges on low operating as well as low capex costs and high turns for the goods sold within the stores.

Center of Plate (COP) is into the business of procurring, processing and supplying agricultural commodities in loose and packed form under various brands.

Goodwill

The recoverable amount of Goodwill of KBFP, COP, The Nilgiris Dairy Farm Private Limited (Nilgiri) and Future Consumer Products Limited (FCPL) is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a period, and a discount rate as mentioned below. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows projections and growth rate as mentioned below is the projected long-term average growth rate for the industry. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Particulars	KBFP	COP	Nilgiri	FCPL
Discount rate	10.85%	12.41%	13.58%	10.14%
Terminal value growth rate	5.00%	5.00%	5.00%	5.00%
Period of cash flow projections	7	5	5	7

42 Investment Property

The fair value of the Group's investment properties as at 31st March, 2018 has been arrived at on the basis of a valuation carried out on the respective dates by independent valuers not related to the Group. M/s Kanti Karamsey & Co. are registered with the authority which governs the valuers in India, and they have appropriate qualifications. The fair value of land was determined based on the market approach and fair value of building was determined on cost based approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The Group has not carried out fair valuation of the property as at 31st March, 2018.

Details with regards to fair value is given as under :-

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Rent Income	27.31	44.25
Expenses incurred for maintenance of investment property	1.85	-
Fair value of Investment Property - Land and Building	1,513.17	1,170.91

43 Brand Kara and Nilgiris is considered to have indefinite useful life based on the management assessment that the same will continue to generate future cash flows for the Group indefinitely. The carrying amount for Brand Kara is ₹ 1,209 lakhs (Previous Year ₹ 1,209 lakhs) and for Brand Nilgiris ₹ 7,038 lakhs (Previous Year ₹ 7,038 lakhs). The recoverable amount of brands "Kara" and" Nilgiris" are determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 13.61% and 13.58% per annum respectively. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been

extrapolated using a steady 5% per annum growth rate which is the projected long-term average growth rate for the industry. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the brand.

44 Additional information as required by Paragraph 2 of general instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(₹ in Lakhs)

Name of the entities	Net assets, i.e. total assets minus total liabilities As at 31st March 2018		Share in profit or (loss) For the year ended 31st March 2018		Net assets, i.e. total assets minus total liabilities As at 31st March 2017		Share in profit or (loss) For the year ended 31st March 2017	
	As % of consoli-dated net assets	Amount	As % of consoli-dated profit/ (loss)	Amount	As % of consoli-dated net assets	Amount	As % of consoli-dated profit/ (loss)	Amount
Future Consumer Limited (formerly known as Future Consumer Enterprise Limited)	66.96%	66,644.00	132.21%	3,435.18	60.99%	54,185.29	11.91%	726.82
Subsidiaries								
Indian								
Aadhaar Wholesale Trading and Distribution Limited	(0.21%)	(205.08)	(55.80%)	(1,449.80)	1.31%	1,163.93	(14.75%)	(899.79)
Future Food and Products Limited	2.42%	2,405.90	0.98%	25.35	2.15%	1,910.30	(1.55%)	(94.26)
Future Consumer Products Limited	1.77%	1,759.73	(0.62%)	(16.08)	2.41%	2,140.68	(0.18%)	(10.78)
FCEL Food Processors Limited	-	(0.97)	(0.09%)	(2.42)	-	1.36	(0.03%)	(2.08)
Future Food Processing Private Limited	0.03%	28.75	(4.98%)	(129.28)	0.15%	136.09	(1.34%)	(82.02)
Star and Sitara Wellness Limited	-	-	5.85%	151.94	(0.34%)	(298.80)	(0.14%)	(8.72)
Express Retail Services Private Limited	-	-	(1.07%)	(28.00)	(0.02%)	(17.82)	(0.09%)	(5.46)
The Nilgiri Dairy Farm Private Limited and subsidiaries	26.23%	26,105.88	(46.57%)	(1,210.09)	30.80%	27,369.64	(37.45%)	(2,284.51)
Integrated Food Park Private Limited	3.46%	3,439.64	(47.69%)	(1,239.01)	3.42%	3,037.32	(27.53%)	(1,679.49)
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	0.13%	127.94	(3.36%)	(87.23)	-	3.62	(0.23%)	(14.24)
Foreign								
FCEL Overseas FZCO	(0.36%)	(357.40)	(13.57%)	(352.61)	-	(1.86)	(0.14%)	(8.79)
Minority Interest in all subsidiaries								
Indian								
Integrated Food Park Private Limited	(0.58%)	(576.20)	12.45%	323.50	(0.89%)	(786.84)	7.19%	438.51
Future Consumer Products Limited	-	3.17	0.05%	1.38	-	1.79	0.02%	0.95
Foreign								
FCEL Overseas FZCO	0.15%	149.79	5.43%	141.04	0.01%	5.40	0.06%	3.52

(₹ in Lakhs)

Name of the entities	Net assets, i.e. total assets minus total liabilities As at 31st March 2018		Share in profit or (loss) For the year ended 31st March 2018		Net assets, i.e. total assets minus total liabilities As at 31st March 2017		Share in profit or (loss) For the year ended 31st March 2017	
	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount
Joint Ventures								
Indian								
Amar Chitra Katha Private Limited and subsidiaries	-	-	(37.69%)	(979.37)	-	-	(23.60%)	(1,439.80)
MNS food Private Limited	-		(1.78%)	(46.17)	-		(0.47%)	(28.67)
Sublime Foods Private Limited	-	-	(4.15%)	(107.95)	-	-	(0.73%)	(44.25)
Genoa Rice Mills Private Limited	-	-	(1.69%)	(43.79)	-	-	(1.33%)	(81.09)
Hain Future Natural Products Private Limited	-	-	(0.02%)	(0.50)	-	-	-	-
Aussee Oats India Private limited	-	-	(0.28%)	(7.15)	-	-	(0.65%)	(39.89)
Foreign								
Aussee Oats Milling (Private) Limited	-	-	(21.45%)	(557.41)	-	-	(4.01%)	(244.42)
Mibelle Future Consumer Products AG	-	-	(13.35%)	(346.93)	-	-	(3.79%)	(231.09)
Associate								
Indian								
Sarjena Foods Private limited	-	-	(2.81%)	(73.02)	-	-	(1.16%)	(71.01)
	100.00%	**99,525.15**	**100.00%**	**(2,598.42)**	**100.00%**	**88,850.09**	**100.00%**	**(6,100.55)**

45 The accumulated loss of Future Consumer Products Limited ('FCPL'), a subsidiary company, has eroded its net worth which stands at ₹ (31.74) lakhs at 31st March 2018 (2017: ₹ (47.52) lakhs). FCPL owns the brand called 'Sach' based on cricketer Sachin Ramesh Tendulkar's image and popularity for a range of FCMG and apparel products centred around him. FCPL earns its royalty income through Sach brand. FCPL believes that its revenue will increase due to increase in sale of its products under Sach brand through new stores, new product mix and brand positioning. Based on a business valuation, after considering the aforesaid, the Group has recognised an impairment loss of ₹ 380 lakhs. Based on its future business plans and strategic growth projections, the Group has determined that no further impairment is required at this stage.

46 The accumulated loss of Sarjena Foods Private Limited ('SFPL'), an associate company, has substantially eroded its net worth which stands at ₹ (707.23) lakhs at 31st March 2018 (2017: ₹ (334.50) lakhs). The Group continues to take steps to revamp its business operations. However, in the near term, the Group does not foresee positive cash flows. Based on a business valuation the Group has fully impaired its investment of ₹ 500 lakhs.

47 Indian Accounting Standard ("Ind AS") issued but not effective

On 28th March 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendements shall be applicable to the Group from 1st April 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers:

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations. The Group principally satisfies its performance obligation at a point in time and the amounts of revenue recognized relating to performance obligation satisfied over time are not significant. The accounting for revenue under Ind AS 115 does not, therefore, represent a substantive change from the Group's current practice of reorganising revenue from sale to customers.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

ii. Ind AS 40 - Investment Property

iii. Ind AS 12 - Income Taxes

iv. Ind AS 28 - Investments in Associates and Joint Ventures and

v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Group's Consolidated Financial Statements.

48 Previous Year Note

The comparative consolidated financial information of the Group for the year ended 31st March, 2017 prepared in accordance with Ind AS included in this Financial Statement is based on Consolidated Financial Statements audited by predecessor auditor Deloitte Haskins & Sells vide their report dated 26 May, 2017.

Previous year figures have been regrouped/ re-classified wherever necessary to make them comparable.

Summary of significant accounting policies	2
See accompanying Notes to the consolidated financial statements	1-48

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E/E300003

per Pramod Kumar Bapna
Partner
Membership No: 105497

Place: Mumbai
Date: 22 May 2018

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

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

Ravin Mody
Chief Financial Officer

Place: Mumbai
Date: 22 May 2018

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Form AOC - 1

(Pursuant to first proviso to sub-sec on (3) of Sec on 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

Financial information with respect of Subsidiary Companies for the Year Ended 31st March'2018

(₹ In lakhs except % of share holding)

Sr. No	Name of the Company	Date since when subsidairy was acquired	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invetments (Except Investment in Subsidiaries)	Turnover	Profit/ (loss) Before taxation	Provision for Taxation/ Deferred Tax	Profit/ (loss) After Taxation	Proposed Dividend	% of Share Holding
1	Aadhaar Wholesale Trading and Distribution Limited	27.03.2008	4,340.00	(4,747.67)	13,730.28	13,730.28	-	30,615.64	(1,428.02)	-	(1,428.02)	-	**100%**
2	Future Food and Products Limited	02.08.2010	313.00	2,092.90	3,391.87	3,391.87	-	-	25.35	-	25.35	-	**100%**
3	Future Consumer Products Limited	29.06.2010	100.00	(131.74)	94.57	94.57	0.10	85.76	(13.83)	-	(13.83)	-	**90%**
4	Amar Chitra Katha Private Limited (Further Referred as ACK)	30.06.2011	5.00	(126.82)	5,537.71	5,537.71	275.20	2,849.13	(2375.55)	-	(2375.55)	-	**73.99%**
5	FCEL Food Processors Limited (formerly known as ACK Edutainment Limited)	27.04.2016	14.00	(14.97)	5.12	5.12	-	-	(2.32)	-	(2.32)	-	**100%**
6	Future Food Processing Private Limited (Formerly Future Personal Care and Hygiene Products Private Limited)	21.10.2014	201.00	(174.17)	2,865.83	2,865.83	-	-	(129.28)	-	(129.28)	-	**100%**
7	ACK Media Direct Limited (Subsidiary of ACK)	30.06.2011	6.00	(643.66)	270.49	270.49	-	595.80	43.09	-	43.09	-	**100%**
8	IBH Books & Magazines Distributors Limited (Subsidiary of ACK)	30.06.2011	50.00	(1,875.38)	285.97	285.97	-	33.39	(183.72)	-	(183.72)	-	**100%**
9	Ideas Box Entertainment Limited (Subsidiary of ACK)	30.06.2011	90.00	(608.22)	4.25	4.25	-	-	(0.74)	-	(0.74)	-	**100%**
10	Star and Sitara Wellness Limited#	12.09.2012	180.90	(327.76)	7.16	7.16	-	-	151.94	-	151.94	-	100%
11	Express Retail Services Private Limited#	15.09.2012	5.00	(50.73)	8.55	8.55	-	-	(27.81)	(0.10)	(27.91)	-	100%
12	Ausee Oats Milling (Private) Limited (in USD)*	16.09.2014	3,205.05	(3,201.07)	8,065.02	8,065.02	-	2,664.75	(1,056.18)	(13.83)	(1,070.01)	-	**50% + 1 Share**
13	The Nilgiri Dairy Farm Private Limited (Further referred as NDF)	20.11.2014	241.00	9,644.00	22,635.00	22,635.00	-	21,800.00	(1,522.00)	-	(1,522.00)	-	**100%**
14	Appu Nutritions Private Limited (Subsidiary of NDF)	20.11.2014	10.00	1,557.00	1,807.00	1,807.00	-	1,216.00	89.00	-	89.00	-	**100%**
15	Nilgiris Mechanised Bakery Private Limited (Subsidiary of NDF)	20.11.2014	14.00	(198.00)	210.00	210.00	3.00	1,433.00	(128.00)	-	(128.00)	-	**100%**
16	Nilgiris Franchise Private Limited (Subsidiary of NDF)	20.11.2014	425.00	(475.00)	197.00	197.00	-	67.00	(54.00)	-	(54.00)	-	100%
17	Sublime Foods Private Limited (Further referred as SFPL)	18.02.2015	291.83	(408.39)	1,325.55	1,325.55	-	1,104.12	(140.83)	(5.17)	(146.00)	-	**51%**
18	Integrated Food Park Private Limited	05.02.2015	4,481.30	(1,052.69)	24,516.79	24,516.79	-	1,954.01	(1,495.93)	275.62	(1,220.31)	-	**83.17%**
19	MNS Foods Private Limited	04.08.2015	90.00	(203.92)	1,520.73	1,520.73	-	1,377.56	(173.16)	-	(173.16)	-	**50.01%**
20	Bloom Fruit and Vegetables Private Limited	15.01.2016	100.00	27.94	1,628.14	1,628.14	-	21,166.99	(89.12)	(1.89)	(87.23)	-	**100%**
21	Ausee Oats India Private Limited	19.02.2016	100.00	(95.47)	678.83	678.83	-	1,714.13	(0.25)	(0.14)	(0.11)	-	**50% + 1 Share**
22	FCEL Overseas FZCO (in AED) **	30.07.2014	17.67	(375.08)	19.95	19.95	-	-	(352.61)	-	(352.61)	-	**60%**
23	Avante Snacks Foods Private Limited (Subsidiary of SFPL)	01.09.2016	89.60	(36.51)	377.48	377.48		332.20	(34.03)	-	(34.03)	-	**67.03%**

* Converted into Indian Rupees at the exchange rate USD 1 = ₹ 65.0441

** Converted into Indian Rupees at the exchange rate AED 1 = ₹ 17.6736

Subsidiary upto 30th March 2018

Note : The reporting period for all the subsidiaries is 31st March, 2018

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

Name of Associate/Joint Venture	Sarjena Foods Private Limited	Mibelle Future Consumer Products AG	Genoa Rice Mills Private Limited	Hain Future Natural Products Private Limited
1. Latest audited Balance Sheet Date	31st March'2018	31st March'2018	31st March'2018	31st March'2018
2. Date on which the Associate or Joint Venture was associated or acquired	05.07.2014	09.10.2015	25.01.2017	20.06.2017
3. Shares of Associate/Joint Ventures held by the Company on the Year end				
Numbers	324,675	300	1,250,000	5,000
Amount of Investment in Associates or Joint Venture	Nil**	₹ 717.57 Lakhs	₹125 Lakhs	₹ 0.50 Lakhs
Extent of Holding %	19.59%	50%	50%	50%
4. Description of how there is significant influence	Shareholders Agreement	Shareholders Agreement	Shareholders Agreement	Shareholders Agreement
5. Reason why the associate/joint venture is not Consolidated	NA	NA	NA	NA
6. Networth attributable to Shareholding as per latest audited Balance Sheet	₹ (138.55) Lakhs	₹ 93.42 Lakhs*	₹ (163.85) Lakhs	₹ 591.61 Lakhs
7. Profit / Loss for the year				
i. Considered in Consolidation	₹ (73.02) Lakhs	₹ (346.93)Lakhs	₹ (43.91) Lakhs	₹ (0.50) Lakhs
ii. Not Considered in Consolidation	-	-	₹ (179.97) Lakhs	₹ (53.39) Lakhs

* Converted into Indian Rupees at the exchange Rate CHF 1 = ₹ 68.03
** Impairment of investment of ₹ 500 Lakhs

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

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary
& Head - Legal

Ravin Mody
Chief Financial Officer

Place: Mumbai
Date: 22 May 2018

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Information in terms of Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March,2018

Sr. No, Name, Designation, Age, Qualification, Experience (in Years), Date of Commencement of employment , Remuneration (in ₹) Last Employment

1. Amit Kumar Agarwal, Chief - Finance and Commercial (Private Labels), 45, B.Com,C.A, 20,26-Aug-09, 1,00,54,672*, Reliance Retail Limited 2. Devendra Chawla^, Chief Executive Officer, 46, MBA Marketing, 15, 1-Feb-17, 1,94,68,286*, Future Corporate Resources Limited 3. Gopal Bihani, Chief Finance and Operations Officer, 44, B.Com C.A, 20, 12-Nov-14, 1,23,18,630*, Pantaloon Retail India Limited 4. Maneesh Sharma, Head - Packaging Development, 49, B.Sc. PG Diploma in Packaging, 25, 7-Nov-16, 93,55,892, Marico Industries Ltd 5. Manoj Gagvani, Company Secretary & Head- Legal, 51, C.S, LLB, 32, 23-Jun-08, 3,33,85,496*, Pidilite Industries Limited 6. Manoj Saraf^$, Chief Financial Officer, 46, C.A, 21, 2-Jan-15, 56,20,634*, Parag Milk Foods Private Limited 7. Narendra Baheti, Executive Director, 50, B.Com 28, 13-Apr-05, 7,88,65,417* , Self-Employed 8. Rahul Kansal, Head, Strategy & Marketing, 59, PGDM,33, 1-Apr-16, 2,07,71,149, Bennett and Coleman, 9. Rajendra Baheti, Head Operations – Agri Division, 51, B.Com, C.A. Intermediate, 31, 13-Apr-05, 90,82,500, Self Employed 10. Ravin Mody#^, Chief Financial Officer,38, B.Com, M.Com,C.A, 11, 27-May-17, 1,02,17,684, Marico Industries Limited 11. Samir Kedia^, Chief- Corporate Accounts & Taxation, 39, B. Com, C.A, 17, 15-May-05, 89,91,323*, H & R Johnson 12. Saurabh Bhushan Chadha^, CEO - Wholesale Business, 51, MBA, 28, 21-Sep-17, 57,57,288, Omnipresent Retail India Private Limited 13. Saurabhkumar Lal, CEO Manufacturing and Supply Chain, 44, B.E – Mechanical, 23, 27-Jan-16, 2,94,16,085*, Avery Dennison India Private Limited 14. Subham Ray, Chief - Private Labels,47, M.Sc - Food Technology,20, 10-Aug-06, 91,06,580*, R K Foodland

Above list is in alphabetical order of names mentioned

$ ceased to be Chief Financial Officer with effect from 26th May, 2017

#appointed as Chief Financial Officer with effect from 27th May, 2017

^ employed for part of the year

* remuneration includes perquisite value on stock options exercised during the financial year 2017-18 by employees as under:

Amit Kumar Agarwal : ₹ 60,56,200; Devendra Chawla : ₹ 77,59,500; Gopal Bihani: ₹59,87,400; Manoj Gagvani : ₹ 2,47,08,275; Manoj Saraf : ₹ 23,09,175; Narendra Baheti : ₹ 6,40,15,000; Samir Kedia : ₹ 43,23,150; Saurabhkumar Lal : ₹ 93,28,875; Subham Ray: ₹ 40,97,821.

Notes:

1. All appointments are contractual and can be terminated by notice on either side
2. None of the employees mentioned above are related to any Director of the Company.

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