

ANNUAL REPORT 2014 - 15



# MADE IN INDIA







## MADE IN INDIA

Food in India is a combination of nutrition and tradition, of colour and simplicity, of need and aspirations, of fasting and feasting, of purity and pollution, of celebration and expression and of giving and sharing. It is rooted in the culture, community and context each of us belong to.

At Future Consumer Enterprise Limited, we are building a fast moving consumer products company that is built around modern retailing and distribution networks, evolving food habits and brands that a new India aspires for, state-of-the-art technology that drives processing and manufacturing and an extensive sourcing network that spans across the Country's farmlands.

Our products are not just manufactured in India but also inspired from India and brands that are not just distributed in India but conceived in India, thereby creating a food and FMCG company that is built for the India of tomorrow.



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### CHAIRMAN

G.N. Bajpai

#### VICE CHAIRMAN

Kishore Biyani

#### WHOLE TIME DIRECTOR

Ashni Biyani

#### DIRECTORS

Frederic de Mevius

Jagdish Shenoy

Krishan Kant Rath

Vibha Rishi

#### CHIEF FINANCIAL OFFICER

Manoj Saraf

#### COMPANY SECRETARY & HEAD-LEGAL

Manoj Gagvani

#### STATUTORY AUDITORS

M/s Deloitte Haskins & Sells

#### BANKERS

Allahabad Bank

Corporation Bank

IDBI Bank Limited

Kotak Mahindra Bank Limited

Yes Bank Limited

### REGISTERED OFFICE

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Fax No.: +91 22 6644 2201

### CORPORATE OFFICE

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Fax No.: +91 22 6199 5391

Email ID : investor.care@futureconsumer.in

### REGISTRAR & SHARE TRANSFER AGENTS

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

Tel No.: +91 22 2594 6970

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### WEBSITE

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

### CORPORATE IDENTIFICATION NUMBER

L52602MH1996PLC192090

### FORWARD LOOKING STATEMENT

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



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## LETTER FROM THE VICE-CHAIRMAN



Dear Shareholders

“Tell me what you eat, and I’ll tell you who you are.” Those words are attributed to the French politician, Jean Anthelme Brillat-Savarin, but holds true just for any Indian.

Food is not just distinct in India, but also so diverse that it is today a complex cultural product shaped by climate, geography, the pursuit of pleasure and increasingly - the desire for health. It represents the largest share of expenditure for almost all Indian families and acts as a marker of identity and culture as much as aspiration, change and lifestyle. Demand for value-added, branded food products have grown tremendously in the past two decades. Yet, the overall market has remained largely unbranded and fragmented. Beyond a few categories like beverages, biscuits, chocolates and dairy, seldom does one find food brands in India doing more than a thousand crores of business.

Having been in the business of retailing for almost two decades, we in Future Group believe this a reflection more on how food is branded and sold, rather than lack of consumer demand. The arrival of the first crates of Sunlight soap bars in the summer of 1888 in the markets around the Kolkata harbour possibly marked the advent of fast moving consumer goods (FMCG) in India. It took

more than sixty years, before Hindustan Lever under its first Indian chairman, Prakash Tandon, strengthened the multi-layered intermediary based distribution network to reach products of daily convenience deep inside rural and urban households in India. Since then, there have been multiple innovations to increase the reach of this network - today Hindustan Uniliver, like many of its peers reach over 9 million retail outlets. But broadly, this distributor-led network has remained the same. It is also the reason why food brands has had a stunted growth in India and in fact surpassed by growth of brands in home and personal care.

The network though robust, suffers from multiple disadvantages. It has between two to five layers - distributors, stockists, carrying and forwarding agents, wholesalers - making it expensive and very time consuming for a new brand to ride on it. More importantly, its consumer touch point is the neighbourhood kirana store that can barely stock 300 to 500 SKUs, lacks the ability to showcase range or facilities like refrigeration or storage. In order to cater to diverse Indian tastes and preferences, food brands need to showcase range and depth. Food retailing and distribution also requires maintaining multiple temperatures for different categories - dairy, frozen food, ice creams or fresh



produce. It often doesn't live up to high standards of quality checks, health and hygiene that are required for food retailing.

Modern retail has brought in the third wave of change in the distribution of FMCG brands in India. Today, despite the share of modern retail being almost one-tenth of general trade, the fastest growing categories in India have a much higher share of sale-through in modern trade. From pasta to packaged rice, cheese slices to canned beverages and fruit drinks, assorted Indian snacks to banana chips, modern retail captures the demand of India's middle class like no other. The share of the modern trade in these categories range from a quarter of the market to more than three-fourths of total trade. In fact, modern retail is often constrained by the lack of variety and brands in the food segment that reflect a deep understanding of the diversity and tastes of India's communities.

Big Bazaar provided the initial platform for the nurturance and growth of your Company's brands. Most of sales were from basic food items or staples. The future however is going to be far more evolved. By combining a far wider portfolio of brands and products - both in basic and processed food - with a fast growing modern

convenience network, your Company is set to usher in a new era for growth of food brands in India. The Company has laid the foundation for this transformation and is now entering a phase of rapid evolution, growth and profitability.

The acquisition of Nilgiris brings with it a large convenience store network in Southern India and expertise in managing and expanding this network through the less capital intensive franchisee route. The Company is now using this expertise to also grow its existing convenience store network in Delhi and Mumbai through the franchisee route. There lies a vast potential to grow this convenience store network from its current size of 324 stores and upgrade neighbourhood stores in urban centres.

The Company intends to use this convenience store network as a key distribution platform for its growing portfolio of brands and products. We are ready with a number of new brands and products and these include, Veg Affaire and Tasty Treat for frozen food and frozen fruits and vegetables, Sangi's Kitchen for dips and sauces, Karmiq for premium edible oils, dry fruits and energy bars, Desi Atta Company for a scores of varieties of flour and Soo Fresh and Go Bananas for

fresh produce. Nilgiris has also brought with it a 104 year old FMCG brand and manufacturing facilities for dairy, bakery and confectionery products. These brands join our existing portfolio of brands such as Golden Harvest, Premium Harvest, Fresh & Pure and Ektaa in basic foods, Tasty Treat in processed food, Sunkist in beverages and jams and CleanMate and CareMate in home care and hygiene products.

We believe that with the portfolio of brands that we have created, it is possible to reach a stage wherein more than 70% of sales from our convenience store network can come through our own brands. It is a symbiotic relationship wherein the convenience store benefits from a wider portfolio of products and the brands grow from the ready access to consumers that the convenience stores provide and together this could be a game changer in the FMCG landscape in India.

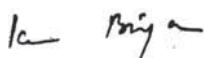
Oats is a very filling food that also has large health benefits. We have invested in setting up an oats factory in Sri Lanka that can enable us to launch a range of food products that will have the goodness of oats in them.

The commissioning of the India Food Park is enabling the manufacturing of many products. We have envisioned it as a rasoï or kitchen for our stores and the Company is realizing its dream of having a facility wherein it can manufacture almost anything the consumer wants at the stores. The merger of the Company's sourcing arm, Future Agroviet Limited, during the year, has further enabled a full integration of the agri-commodity sourcing business that the Company has already built.

We understand that what will remain crucial is our ability to execute this plan. The foundation has been created and we are using our learnings, insights and knowledge gained from decades of observing consumers within and outside our stores, serving them to choose and buy products and building partnerships with key stakeholders in the Indian food and FMCG industry as sellers and buyers of their products to execute this.

Sharing lies at the heart of food in India , we are thankful to everyone who has joined us in this journey and helped us reach where we are. We hope to share the joy of food with many more of you in the years to come.

Rewrite Rules, Retain Values



Kishore Biyani



## KEY MILESTONES: FY 2014-15

Prime Minister **Narendra Modi** inaugurated the **India Food Park** facility in Tumkur and since then a number of manufacturing and processing facilities have gone live.

Acquisition of 21.26% stake in **Sarjena Foods Private Limited**.

Acquisition of **Nilgiris** in November 2014 extended the Company's **retail footprint in Southern markets** and brought in manufacturing facilities for bakery, dairy and confectionery products of one of the most respected brands in Southern India.

The Company's sourcing subsidiary, **Future Agrovat Limited** has been merged with the parent entity with effect from March 2015.

Acquisition of additional **30% equity in Aadhaar Wholesale Trading & Distribution Limited** through stock swap.

The Company started the setting up of a **state of the art "oats-based" food manufacturing facility** in **Sri Lanka** through a Joint Venture initiative with SVA India Limited.

The Company **acquired 51% stake in Sublime Foods Private Limited** to develop and produce convenience food products like chutneys, dressings, sauces, spreads and dips to be sold under the brand Sangi's Kitchen.

An **upmarket convenience store model**, KB's Conveniently Yours was introduced in Mumbai and the process of upgrading all existing stores to this model has begun.

A number of new brands including **Desi Atta Company, Veg Affaire, Karmiq, Soo Fresh, Go Bananas** were conceptualized and developed for foray into flours, frozen foods, premium edible oil and branded fresh produce.

The **Sunkist** brand completed a **full year of operations** and after the successful launch of fruits and nectars, the brand introduced a range of jams.

**Revenues** of the consolidated entity **increased by 60%** from ₹ 822 crore in FY 2013-14 to ₹ 1,312 crore in FY 2014-15.

**EBITDA loss** of the consolidated entity has reduced from ₹ 49 crore in FY 2013-14 to a loss of around ₹ 9 crore in FY 2014-15.



## SOURCING



**1,62,100 MT**

Rice, wheat, spices, pulses and dry fruits are sourced

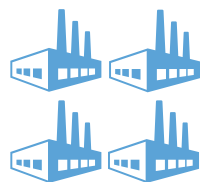


**51 HUBS**

Sourcing hubs across the Country

APMC licenses in 26 states

## PROCESSING



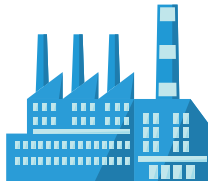
**11 CENTERS**

Mechanised Processing centres & other contract manufacture locations



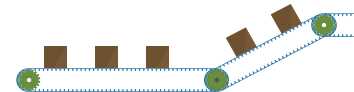
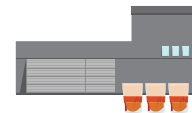
Grading, sorting, quality control and packaging

## MANUFACTURING



**INDIA FOOD PARK**

Tumkur: A 110 acre integrated food park with the state-of-the-art technology to drive a revolution in India's food sector



Integrated Cold Chain Infrastructure Multi Produce Pulp Line Facilities for Atta and flour milling, Rice milling, chocolate processing and

pasta Dry fruit roasting, branded spice pulverizing and packaging unit, savouries unit and edible oil bottling plant

## BRANDING & DISTRIBUTION



**48**

Distribution centres across the Country



**118 CITIES**

Delivered to retail stores in almost 100 cities

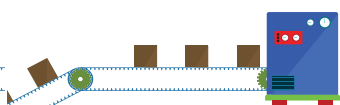
## RETAILING



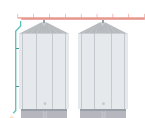


## FROM FARM TO PLATE

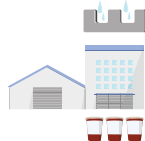
Being present from the farm of the farmers to the plates of consumers, we ensure higher quality, consistency and goodness of food is intact while improving efficiency, decreasing wastage and substantial value creation for every stakeholder associated with our organization.



Spiral Freezer and RTE  
Conveying System for frozen  
food lines IQF Line for frozen  
fruits & vegetables



Ripening Chambers  
Grain Silos



Rainwater  
Harvesting



80

Products categories covered by the  
Company's brands



324

Convenience Stores in Mumbai,  
Delhi, Punjab, Gujarat and  
Southern India through KBCY,  
Aadhaar and Nilgiris brand.

## OUR BRANDS



TASTYTREAT



FRESH PURE



GOLDEN HARVEST



EKTA



SUNKIST

SANGHI'S KITCHEN

KARMIQ

The Company's food and FMCG brands are present across multiple categories and respond to the diversity in culture, tastes and preferences of various Indian communities. Each of the brands have been developed through expensive consumer and product research. Here's some of the categories covered by the brands.





## BASIC FOODS

Basic food items such as rice, wheat, spices, pulses, sugar, cereals, nuts and dry fruits are by the largest consumption categories within food. Almost the entire market for these products is unbranded and sold as commodities. The journey of turning these categories into a branded play begins with ensuring the best sourcing network that delivers on efficiency and consistency of quality, best in class knowledge of the products, agricultural patterns and market movements.

Over the course of the last few years, the Company has focused on converting the commodities into a large branded play with an integrated sourcing, grading, processing, packaging and distribution network that provides consistently high quality, availability through the year and presence in niche products that respond to diverse local tastes and preferences.

The Company has developed three key brands in basic food items. Premium Harvest offers best in class

quality, while Golden Harvest provides a larger range of products at competitive prices. Ektaa responds to local tastes and preferences in rice, pulses and ethnic food items.

We know that our customers want to make the best rotis, dal and sheera and to help them do that we make sure we give them the very best ingredients.

In order to do that efficiently, our sourcing team led by 25 buyers and 200 professionals goes to the heart of India- Madhya Pradesh to source the best wheat for your rotis. We source the spiciest chillies from Guntur to add that special zing to your tadka and our teams buy top quality almonds from California to garish your sheera.

The Company's sourcing team annually buys over 12,000 tonnes of wheat from over 36 locations in the Country, over 60,000 tonnes of rice from Haryana, Punjab, UP, MP, Karnataka and Chattisgarh, over



#### STAPLES

3,600 tonnes of spices like chillies, turmeric, dhaniya and jeera from Karnataka, Tamil Nadu, Gujarat and Rajasthan and almost 1,500 tonnes of dry fruits with almonds sourced from California, walnuts sourced from Jammu, cashews from Kerala and Karnataka, raisins from Maharashtra and groundnuts from Rajasthan and Karnataka.

After buying these products we make sure we clean, grade and process them at our state-of-art processing centres across the Country that adhere to the highest standards of safety and quality. But you don't have to take our word for it! Our processing centres are audited by third parties, are certified by AGmark and adhere to FSSAI norms.

Thanks to 20 million kilograms of grain storage silos, a 420 million kilogram flour mill, 1,00,000 sq ft of warehousing facilities and speciality processing centres, the Company now has the capability to offer atleast 100 varieties of flours. From rice flour,

#### FLOURS

gram flour, nachni to newer variants in multigrain and blended flours, the Company is about to start with offering 26 variants of flour through the brand, Desi Atta Company. Flour is the centre of the plate in every Indian meal and provides a ₹15,000 crore market opportunity and Desi Atta Company is geared to tap this segment.

Currently, the edible oil space has a number of brands in a few categories like sunflower oil, ground nut oil and mustard oil and the Company's existing brand Fresh & Pure serves the market through price leadership. New opportunities are coming up in newer categories like canola, olive and rice bran oil. The Company has launched a new brand, Karmiq at the premium end to cater to these segments. Karmiq is also being extended into a couple of other niche, premium categories like dry fruits, cereals and energy bars.



## PROCESSED FOOD

The year saw a significant augmentation of the Company's presence in the processed food space. The Nilgiris acquisition brought with it a wide array of manufacturing capabilities and a strong brand in the dairy, bakery and confectionery space. The India Food Park on the other hand is providing strong base for the Company's expansion into tomorrow's categories like frozen foods, breakfast products, dips and sauces.

Nilgiris is a 104 year old brand built around the dairy, bakery and confectionery products. The Company has dedicated manufacturing, sourcing and distribution facilities in Bangalore and the rest of Southern India. Nilgiris procure about 52,000 litres of milk everyday through its existing network spanning over 5,000 farmers and 200 milk-traders in Tamil Nadu and Karnataka with 18 well-defined routes that supply milk either directly to Bangalore dairy facility or to

chilling centres located at Muthur and Krishnagiri in Tamil Nadu. The dairy facility in Bangalore in turn produces a wide range of products like different variants of cheese, curd, lassi and a few beverages. In addition, the bakery facility churns our cakes, cookies, confectionery items, including its famous chocolate cookies.

During the year, many of these dairy and bakery products were introduced across various Future Group outlets. The Company is set to launch dairy products in the Northern market through the Nilgiris brand and is exploring tie-ups with large dairies for a foray into Eastern and Western markets.

The India Food Park's state-of-the-art facilities for ready to eat snacks freezing line for 10 million kilograms, multi produce pulping line for 22 million kilograms



DAIRY AND BAKERY



Sangi's Kitchen

DIPS AND SAUCES



FROZEN FOODS, SNACKS &  
SMALL MEALS

and the allied infrastructure for manufacturing and packaging, along with the Company's investments in food technology and product development is leading the foray into a number of frozen food categories. The Tasty Treat brand is about to launch more than a dozen ready to eat products like french fries, punjabi samosas, vegetable spring rolls, vegetable cocktail samosas and malabar parathas during the year.

This is in addition to Tasty Treat's existing product portfolio in the sipping and munching categories that enjoy a strong brand recall and dominance within Future Group formats. These include a range of products from breakfast cereals to vermicelli, ketchups to namkees and jams to wafer rolls where each product category is built on the back of in-depth customer study.

The Company also has a licensing tie-up with Disney and has a number of kids focused products in the Tasty Treat brand portfolio, that are co-branded with Disney characters.

In addition, the Company is also ready to launch a range of products in the dips and sauces category, through the brand, Sangi's Kitchen. With the advent of international cuisine in the Indian kitchen, dips and sauces for Indian and international cuisines is proving to be a very fast growing category. The entire range is being manufactured at the India Food Park and introduced in a phased manner across the entire network of convenience stores and hypermarkets that the Company caters to.



## AND MORE

During 2013, the Company had acquired an exclusive license for the Sunkist brand. The Company had launched orange, mango, guava and mixed fruit juices in tetra packs and bottles during the last financial year.

Within a span of fifteen months, the brand has garnered 22% share in the juices category within Big Bazaar stores. This gave the Company the confidence to extend the brand into jams and has since then launched six SKUs in mixed fruit jam, apple jam and strawberry jam.

Sunkist is a leading food and beverage licensor, with over 700 Sunkist branded products around the world that generate retail sales in excess of US \$1.2 billion.

It was founded in 1873 as the first brand built out of a pure product from mother Earth. Since then, globally large number of brands have been created around fresh produce. Some of the most famous include Chiquitas and Fyffes in bananas.

For the Indian market, the Company during the year introduced India's first fresh produce brand, Go Bananas. Sourced from the farmers, in and around Tumkur, these bananas pass through the fruit speciality ripening chambers at the food park that do not use any chemicals.

The brand has currently been introduced in Bangalore and will slowly be extended across national markets.



Sunkist



SOO FRESH

veg  
affaire

Clean  
Mate

Care  
mate

Sach  
BY SACHIN TENDULKAR

think  
skin

#### BEVERAGES

#### FRUITS AND VEGETABLES

#### PERSONAL CARE

Similarly, the Company has introduced a brand, Soo Fresh for cut vegetables that are again cut and packaged in highly hygienic conditions at the India Food Park.

Utilizing the frozen food infrastructure and Individually Quick Frozen (IQF) lines at the India Food Park the Company has also introduced a frozen fruits and vegetables brand, Veg Affaire that increases the shelf life of the product while retaining the taste and nutritional qualities of the fresh produce.

Frozen peas, sweet corns and carrots are being introduced in the stores and many more products are about to follow.

The Company already has a steady portfolio of products in home care. The brand CleanMate takes from the Indian concept of Shuddhikaran and has products like floor, toilet, glass cleaners, utensil cleaning bars and liquids, room and toilet fresheners that compete on an equal footing with national brands. CareMate on the other hand offers aluminium foils, toilet rolls and hand wash. The brand Think Skin is about to introduce a range of body washes that will be priced similarly to soaps.

The Company is actively looking at expanding its presence in the personal care space and exploring various options that will help it offer products in the personal care, beauty and infant care segments.

### **The Company's three modern retail networks acts as robust distribution platforms for the growth and sustenance of its brands.**

Convenience store networks have showed tremendous growth in scale as well in their ability to drive the growth of new brands and consumer habits in South East Asia and other emerging markets. Being closer to consumer homes, convenience stores capture the spends on food and grocery like no other, have significantly higher per square feet productivity and inventory turns than hypermarkets and fit in well in capturing demand in fast growing, crowded urban markets.

The Company has an existing network of company owned-company operated convenience stores in Mumbai and Delhi. This has been built over the past couple of years. The acquisition of the Nilgiris network by the Company has significantly augmented the Company's strengths in this segment.

Nilgiris a 104 year old brand, opened the Country's first modern retail outlets in the 1970s and has since then grown to be one of the most trusted and loved retail brands in the Southern India. It has grown through a franchisee-led model and brings with it an expertise in running such a network. The Company is now using this knowledge and understanding of a franchisee-led network to exponentially grow its convenience store business.

The entire convenience store network team has been well integrated and is geared to drive expansion and growth of the network as well as leverage the platform to grow the Company's FMCG brands.

During the year, the Company also started upgrading the KB's network. The new KB's Conveniently Yours stores, as the name suggests, is designed as a full price, go-to store for the food and grocery needs of the urban consumer. The store is well-stocked with products that cater to the needs of the catchment and offers a mix of 'Good-Better-Best' range of brands across product categories. Given the busy lifestyle of customers in these cities the stores are open from 7 am in the morning to 11 pm at night.

Currently there are 118 stores under the KB's brand in NCR and Mumbai. On the other hand, Nilgiris operate 149 franchise stores and 2 own stores, spread over 2,90,000 square feet in 20 cities in Southern India which is backed by a very experienced management team.

Nilgiris brand has a strong association for freshness and quality and is built on a premium positioning that differentiates it from other retailers. Nilgiris product brands that cover over 900 SKUs and offers the widest range of dairy and bakery products ensure high loyalty and frequency of customer visits.

The Company's third distribution network, Aadhaar is present in the rural and semi-urban markets in Punjab and Gujarat. The format currently operates 16 retail stores and 4 cash-and-carry stores. Aadhaar also has 35 franchises.

Today, modern retail is driving the growth of the next generation of FMCG brands in India. Modern retail provides a fast, efficient and highly engaging environment to create brands that cater to the needs of aspirational customers.

The Company's three modern retail networks act as robust distribution platforms for the growth and sustenance of its brands. The Company has an ambitious road map for the growth and expansion of these networks across Southern India through the Nilgiris brand and in Mumbai and Delhi through KB's convenience stores.

The Company expects that over the next couple of years, as its product and brand portfolio grows in line with its convenience store network, more than two-thirds of the sales from the convenience store networks will come from the Company's own brands.

Hungry Kya !



## BEYOND BUSINESS

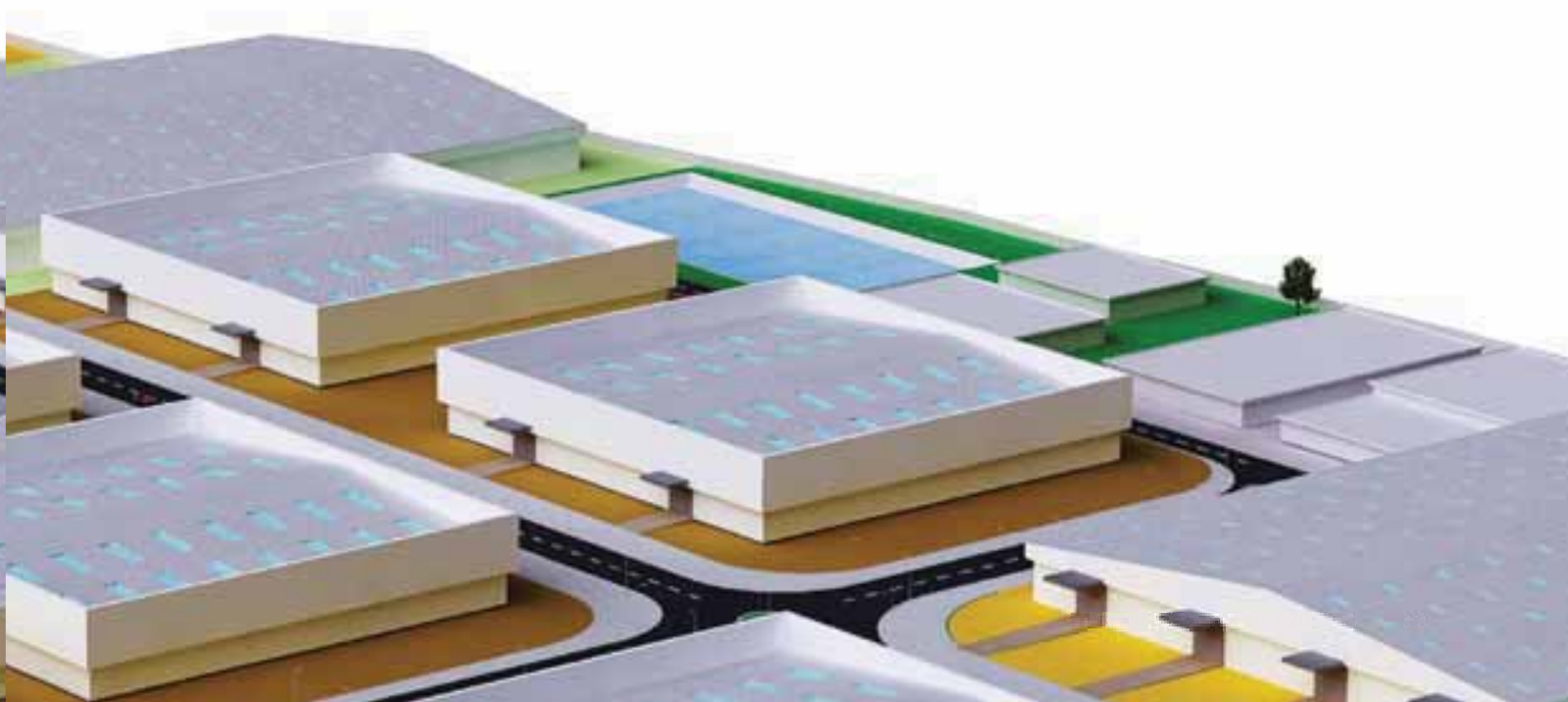
The Company is working on a holistic and integrated community development approach in the catchment areas around the India Food Park in Tumkur, Karnataka to increase the social and economic well-being of the rural population in the region. The India Food Park will accelerate this development by providing employment, as well as direct market access to the farmers and other skilled workers in the region. The initial community development pilot aims at engaging and improving the livelihood of around 20,000 households in the region over a period of three years. The first pilot project has begun in 12 villages in 2 blocks of Tumkur district covering around 6,000 households with a baseline survey to assess the needs of the farming community in Tumkur.

In addition, it is establishing institutions at grass root level that allow for best practices and principles, setting

up a Resource Centre to provide extended range of services for community development including: Organizing farmers into producer groups, educating the farmers on best farm practices including seed purchases, sowing techniques, crop management during growing season, harvesting techniques, pest management and providing the farmers with on-farm infrastructure including demonstration plots and initial collection facilities.

It is also implementing organic farming and Zero Budget natural farming techniques developed by the Agricultural Research Division of Art of Living that has already trained over 2,00,000 farmers in this technique and facilitating youth development for 2,000 people through skill and vocational-based services through the Aajeevika Skills scheme of the Ministry of Rural Development.





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

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report and the Audited Accounts of Future Consumer Enterprise Limited ["**Company**"], for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL HIGHLIGHTS

The summarized financial performance (Standalone and Consolidated) of the Company for 2014-15 and 2013-14 is given below:

(₹ in Lakhs)

	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Total Income	1,11,912.33	46,386.05	1,34,741.53	93,651.55
Profit/(Loss) before Tax & Exceptional Items	(6,860.91)	3,040.90	(10,877.61)	(1,590.47)
Less : Exceptional Items	2,514.00	-	-	-
Profit/(Loss) before Tax	(9,374.91)	3,040.90	(10,877.61)	(1,590.47)
Profit/(Loss) After Tax	(9,374.91)	3,040.90	(10,937.03)	(1,531.75)
Profit/(Loss) After Share of Associates & Minority Interest	NA	NA	(10,276.42)	(694.95)

### BUSINESS OPERATIONS

Future Consumer Enterprise Limited has emerged as an integrated food company having businesses from farm to fork. Your Company has operations from sourcing, processing, branding and distribution.

During the year under review, your Company expanded its food portfolio by extending its brands to new categories like fruits and vegetables, canola and rice bran oils, frozen and processed food products. Your Company also further spread its wings in the Southern part of India by acquiring almost 100% stake in the 100 year of well established brand 'Nilgiris 1905'. This acquisition enabled an addition of 135 stores to the convenience store network, which has been expanded to 151 stores in fiscal 2014-15.

With the focus on integrated play, your Company has, during the year under review, consolidated its businesses by merging one of its wholly-owned subsidiary, Future Agroviet Limited which predominantly has been engaged into agro-sourcing operations. The Company has further acquired balance 30% stake of Aadhaar Wholesale Trading and Distribution Limited, the rural distribution format, pursuant to which Aadhaar Wholesale Trading and Distribution Limited is now a wholly-owned subsidiary of the Company.

With focus on enhancing core values for the business, your Company is moving towards withdrawal from non-core activities. As a step towards the same, your Company has decided to discontinue the business operations of saloon and spa services undertaken by its wholly-owned subsidiary Star and Sitara Wellness Limited. The financial statements for the fiscal ended on 31<sup>st</sup> March, 2015, have taken into effect the impact

of such discontinuance, details whereof are provided under note no. 44 in the notes to accounts forming part of this Annual Report.

Your Company continues to focus on food and FMCG business by spreading its distribution network though its chain of convenience stores, creating and investing in brands and exploring options to undertake new activities. As a step towards the same, your Company has entered into the business of procuring and distribution of fruits and vegetables, ready-to-eat products developed from the Food Park, which has become operational during the year under review. Your Company also has plans to enter into manufacturing activities by setting-up of flour mill and spice mill at the Food Park. Along with growing and developing its own portfolio of brands in the food space, your Company also partnered with niche players operating in product categories like oats, break-fast cereals, sauces, pastes etc. under joint venture arrangements. These initiatives are expected to yield results in financial year 2015-16.

Your Company has recorded total income of ₹ 1,119.12 Crore and EBITDA loss of ₹ 5.99 Crore in the current financial year as against a total income of ₹ 463.86 Crore and EBITDA loss of ₹ 32.71 Crore in the previous year. EBITDA loss of ₹ 32.71 Crore in the previous year excludes one time gain on sale of investment of ₹ 89.07 Crore to make it comparable.

For the financial year 2014-15, no appropriation is proposed to be made towards Reserves.

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

## FUTURE OUTLOOK

Innovation with speed and imagination is the concept which your Company believes into creating, launching and marketing new products and brands and extends in improving shopping process, range of products with focus on improving the customer's overall experience. As Indian consumer has been increasing their aspirations and desires for consumption over the past years, their appetite to consume new and qualitative products in the home market has significantly increased.

India is the world's second largest producer of food, next to China, and has the potential of being the biggest within the food and agricultural sector. The total food production in India is likely to double in the next ten years and there is an opportunity for large investments in food and food processing technologies, skills and equipment, especially in areas of Canning, Dairy and Food Processing, Specialty Processing, Packaging, Frozen Food/Refrigeration and Thermo Processing. Fruits & Vegetables, Fisheries, Milk & Milk Products, Meat & Poultry, Packaged/Convenience Foods, Alcoholic Beverages & Soft Drinks and Grains which are important sub-sectors of the food processing industry.

The broad-based decline in retail inflation since the last quarter of 2014, depressed commodity prices and the Government's plan to step up infrastructure investments and focus on improving the ease of doing business with the concept of "Make in India" have improved the prospects for growth in the year 2015-16.

## INITIAL PUBLIC OFFER ("IPO")

In terms of the provisions of Clause 5A of the Listing Agreement, details about unclaimed shares in suspense account as on 31<sup>st</sup> March, 2015 is as under:

Description	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account as on 1 <sup>st</sup> April, 2014	3	21,600
Aggregate number of shareholders who approached the Company for transfer from suspense account upto 31 <sup>st</sup> March, 2015	Nil	NA
Number of shareholders to whom shares were transferred from suspense account upto 31 <sup>st</sup> March, 2015	Nil	NA
Aggregate number of shareholders and outstanding shares in the suspense account as on 31 <sup>st</sup> March, 2015	3	21,600

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

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

Pursuant to the Composite Scheme of Arrangement and Amalgamation, 1 equity share of Future Lifestyle Fashions Limited ("**FLFL**") has been allotted to shareholders of Future Consumer Enterprise Limited for every 31 shares held by them. Accordingly, 696 shares of FLFL, arising out of 21,600 unclaimed shares, have also been credited to the suspense account, which aggregates to 22,296 unclaimed shares.

## DIVIDEND

Your Directors have not recommended any dividend on equity shares for the financial year under review to conserve the funds for future business growth.

## INCREASE IN SHARE CAPITAL

During the year under review, the Company has issued and allotted 1,32,49,000 equity shares of the Company to eligible employees on exercise of options granted under FVIL Employees Stock Option Plan – 2011. Consequently, the issued, subscribed and paid-up share capital of the Company increased from 1,59,79,76,671 equity shares of ₹ 6 each to 1,61,12,25,671 equity shares of ₹ 6 each.

Also, the Company has issued 4,59,18,367 equity shares on preferential basis to Godrej Agrovet Limited and Anamudi Real Estates LLP towards consideration payable for acquisition of 30% stake in Aadhaar Wholesale Trading and Distribution Limited.

Consequent to said allotment of equity shares, the paid up share capital of the Company stood increased to ₹ 9,94,28,64,228 comprising of 1,65,71,44,038 equity shares of ₹ 6 each.

Consequent to amalgamation of Future Agrovet Limited ("**FAL**"), a subsidiary of the Company, pursuant to the Scheme of Amalgamation approved by Hon'ble High Court at Bombay, the authorised share capital of FAL comprising of ₹ 60,00,00,000 has been combined with the authorized share capital of the Company. In view of the same, the revised authorised share capital of the Company as on 31<sup>st</sup> March, 2015 is as follows:

Authorized Share Capital	₹
5,65,00,00,000 Equity Shares of ₹ 6 each	33,90,00,00,000
167,00,00,000 unclassified shares of ₹ 10 each	16,70,00,00,000
<b>TOTAL</b>	<b>50,60,00,00,000</b>

## ISSUE OF NON-CONVERTIBLE DEBENTURES

During the year under review, your Company has issued 1,000 Secured, Rated, Listed, Redeemable, Non Convertible Debentures ("**NCDs**") having face value of ₹ 10,00,000 each aggregating to ₹ 100 Crore, on private

placement basis. The NCDs are rated 'Care A-' by Care Limited and are listed on Wholesale Debt Market of BSE Limited.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As at 31<sup>st</sup> March, 2015, your Company had following Subsidiaries, Joint Ventures and Associate companies:

Sr. No	Name of the company	Category
1	Aadhaar Wholesale Trading and Distribution Limited	Subsidiary
2	Future Food and Products Limited	Subsidiary
3	Future Consumer Products Limited	Subsidiary
4	Amar Chitra Katha Private Limited ("ACKPL")	Subsidiary
5	ACK Edutainment Limited	Subsidiary of ACKPL
6	ACK Media Direct Limited	Subsidiary of ACKPL
7	IBH Books & Magazines Distributors Limited	Subsidiary of ACKPL
8	Ideas Box Entertainment Limited	Subsidiary of ACKPL
9	Karadi Tales Company Private Limited	Subsidiary of ACKPL
10	Star and Sitara Wellness Limited	Subsidiary
11	Express Retail Services Private Limited	Subsidiary
12	Aussee Oats Milling (Private) Limited	Subsidiary (With effect from 16 <sup>th</sup> September, 2014)
13	Integrated Food Park Private Limited	Subsidiary (With effect from 5 <sup>th</sup> February'2015)
14	Future Dairy and Bakery Products Private Limited (Originally known as ACK Eaglemoss Collectibles Publishing Private Limited)	Subsidiary (With effect from 21 <sup>st</sup> October,2014)
15	The Nilgiri Dairy Farm Private Limited ("NDFPL")	Subsidiary (With effect from 20 <sup>th</sup> November, 2014)
16	Appu Nutritions Private Limited	Subsidiary of NDFPL
17	Nilgiri's Mechanised Bakery Private Limited	Subsidiary of NDFPL
18	Nilgiris Franchise Private Limited	Subsidiary of NDFPL
19	Sublime Foods Private Limited	Subsidiary (With effect from 18 <sup>th</sup> February, 2015)
20	Sarjena Foods Private Limited	Associate (With effect from 5 <sup>th</sup> July, 2014)

Pursuant to the Scheme of Amalgamation sanctioned by the Honorable High Court of Bombay, vide its order dated 30<sup>th</sup> January, 2015, Future Agrovet Limited, a

wholly-owned subsidiary has been amalgamated with the Company with effect from 1<sup>st</sup> April, 2014, being the Appointed Date under the said Scheme.

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

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

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

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

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

## 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 I.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Krishan Kant Rathi resigned as Chief Executive Officer of Company with effect from 31<sup>st</sup> October,2014 and has been appointed as an Additional Director of the Company with effect from 15<sup>th</sup> November, 2014. In accordance with the provisions of Section 161 of the Companies Act, 2013, Mr. Krishan Kant Rathi shall hold office only upto the date of forthcoming Annual General Meeting. Pursuant to the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice from a Member proposing the candidature of Mr. Krishan Kant Rathi for the office of Director at the forthcoming Annual General Meeting.

Ms. Ashni Biyani has been appointed as Whole-time Director of the Company with effect from 15<sup>th</sup> November, 2014 for a period of 3 (three) years

pursuant to the approval accorded by the Shareholders of the Company at an Extra Ordinary General Meeting held on 12<sup>th</sup> January, 2015. In terms of the provisions of the Companies Act, 2013, Ms. Ashni Biyani retires from the Board of Directors of the Company by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

The Notice convening forthcoming Annual General Meeting includes the proposal for appointment / re-appointment of aforesaid Directors. A brief resume of the Directors seeking appointment /re-appointment at the forthcoming Annual General Meeting and other details as required to be disclosed in terms of Clause 49 of the Listing Agreement forms part of the said Notice. None of the Directors are disqualified for appointment / re-appointment under Section 164 of the Companies Act, 2013. None of the Directors 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.

During the year under review Mr. Anil Harish and Mr. B Anand have resigned from the Board of Directors of the Company with effect from 30<sup>th</sup> September, 2014 and 31<sup>st</sup> March, 2015 respectively. The Board of Directors wish to place on record their appreciation for the contributions made by Mr. Anil Harish and Mr. B Anand during their respective tenure as a member of the Board of Directors of the Company.

The Company has received individual declarations from following Independent Director(s) of the Company stating that they meet the criteria of independence as provided under Sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with Stock Exchanges :

- a) Mr. G N Bajpai
- b) Mr. Jagdish Shenoy
- c) Ms. Vibha Rishi
- d) Mr. Frederic de Mevius

During the year under review, Mr. Gopal Bihani resigned as Chief Financial Officer of the Company with effect from 1<sup>st</sup> September, 2014. Mr. Manoj Saraf has been appointed as Chief Financial Officer of the Company with effect from 2<sup>nd</sup> January, 2015.

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

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

Statutory Auditors by the Shareholders of the Company.

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

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

The Company has appointed M/s Sanjay Dholakia & Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2014-15 in terms of provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report is annexed to this Report as Annexure II. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

Details of loans granted, guarantees provided and investments made by the Company under the provisions of Section 186 of the Companies Act, 2013, are provided in under Note No. 46, under Notes forming part of standalone financial statements.

#### **RELATED PARTY TRANSACTIONS**

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

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

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

#### **RBI REGULATIONS**

With shift in main business activities, the Company is in process of de-registration with the Reserve Bank of India, as a Non Banking Financial Company.

#### **PUBLIC DEPOSITS**

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

#### **BOARD MEETINGS**

The Board of Directors met 8 (Eight) times during the financial year 2014-15. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Annual Report.

## COMMITTEES OF THE BOARD OF DIRECTORS

During the year under review, the Board has re-constituted some of its Committee(s) in terms of requirements prescribed under Companies Act, 2013 and Listing Agreement with the Stock Exchanges. During the year under review, the Board also constituted Corporate Social Responsibility Committee comprising of following members:

- a) Mr. Jagdish Shenoy - Chairman
- b) Mr. Kishore Biyani - Member
- c) Ms. Vibha Rishi - Member

The Audit Committee comprises of following members:

- a) Mr. G N Bajpai - Chairman
- b) Mr. Jagdish Shenoy - Member
- c) Ms. Vibha Rishi - Member

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

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

## PERFORMANCE EVALUATION OF BOARD

The Company has devised a policy for evaluation of Performance of the Board of Directors, its Committees and individual Directors ("Policy"). The evaluation involves assessment of performance individually of each of the Board Members and of the entire Board of Directors and its Committees.

The performance evaluation criteria of the entire Board of Directors *inter alia* comprised of the following key areas such as competencies and experience, quality of agenda notes circulated for board meetings, timelines for circulation of minutes, quality of recording board discussions, information sharing and communication, corporate governance process and disclosures.

The evaluation framework for assessing the performance of Committee(s) of Board of Directors *inter-alia* comprised of the following key areas such as composition of Members, deliverance of allocated responsibilities and qualitative Assessment/Responsibility.

The performance evaluation process of individual Directors *inter alia* comprised of the following key areas such as attendance at Board Meetings and Committee Meetings, preparedness for the Board and Committee Meeting(s), Contribution in the Board room using expertise, knowledge, experience and wisdom, independence of views and judgement, ownership of value building.

In terms of the Policy, a process of evaluation was undertaken by the Board for its own performance and that of its Committees and individual Directors. The evaluation process focused on various aspects of the functioning of the Board and Committees. Separate exercise was carried out to evaluate the performance of individual Directors on specified parameters.

The outcome of evaluation process was shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the evaluation, the Board and Committees have agreed on an action plan for the identified areas.

The details of programme for familiarisation of Independent Directors with the Company, industry in which it operates, their roles, rights, responsibilities is made available on the website of the Company – <http://futureconsumer.in/policies-and-code.html>

## CORPORATE GOVERNANCE

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

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

## CONSOLIDATED FINANCIAL STATEMENTS

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

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

## PARTICULARS OF EMPLOYEE STOCK OPTION PLAN

The Company has formulated following employee stock options schemes:

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

FCEL ESOP - 2014 has been approved by the Shareholders of the Company vide resolution passed at an Extra Ordinary General Meeting held on 12<sup>th</sup> January, 2015. The Shareholders of the Company have at aforesaid Extra Ordinary General Meeting also approved formation of Future Consumer Enterprise Employees Welfare Trust for implementation of FCEL ESOP-2014.

The details of options granted and exercised under FVIL ESOP-2011 are provided in Annexure IV, which is annexed to this Report.

No options have been granted under FCEL ESOP-2014 during the year under review.

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

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

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

The details in respect of Foreign Exchange earnings/outgo during the year under review, is provided in Note No. 33 under Notes forming part of standalone financial statements.

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

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

#### **CORPORATE SOCIAL RESPONSIBILITY**

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

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

#### **NOMINATION AND REMUNERATION POLICY**

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

#### **PARTICULARS OF EMPLOYEES**

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

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

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

#### **INTERNAL FINANCIAL CONTROLS**

Your Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses were observed.

#### **GENERAL**

- 1) The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
- 2) The Whole Time Director has not received any commission from the Company nor any remuneration or commission from any of its holding or subsidiary company.
- 3) There are no significant / material orders passed by the regulators/courts/tribunals during the year under review which would impact the going concern status of your Company and its future operations.

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and of the profit or loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2015, 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, their employees, regulatory authorities and its bankers. Your Directors would also like to place on record their appreciation for the efforts put in by employees of the Company during the year.

#### **On behalf of the Board of Directors**

**G. N. Bajpai**  
**Chairman**

Date: 15<sup>th</sup> May, 2015  
Place: Mumbai

**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**As on financial year ended on 31<sup>st</sup> March, 2015

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

**I. REGISTRATION & OTHER DETAILS:**

<b>CIN:</b>	L52602MH1996PLC192090
<b>Registration Date:</b>	10/07/1996
<b>Name of the Company:</b>	Future Consumer Enterprise Limited
<b>Category/Sub-category of the Company:</b>	Public Company Limited by Shares / Indian Non-Government Company
<b>Address of the Registered office &amp; contact details:</b>	Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai-400 060 Tel: 91 22 3084 1300 Fax: 91 22 6644 2201 Email ID: <a href="mailto:investor.care@futureconsumer.in">investor.care@futureconsumer.in</a>
<b>Whether listed company:</b>	Yes
<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any:</b>	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078 Tel: 91 22 2594 6970 Fax: 91 22 2594 6969 Email ID: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

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

All the business activities contributing 10% or more of the total turnover of the Company are as under:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Branding, Marketing and Distribution of FMCG, Food and Processed Food Products	469 and 471	100%

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

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

Sl. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
5.	ACK Edutainment Limited Sumer Plaza, 2 <sup>nd</sup> Floor, Marol Maroshi Road, Andheri (East), Mumbai-400 059.	U92190MH2008PLC187450	Step-down Subsidiary	-	2(87)(iii)
6.	ACK Media Direct Limited Sumer Plaza, 2 <sup>nd</sup> Floor, Marol Maroshi Road, Andheri (East), Mumbai-400 059.	U93000MH2004PLC264305	Step-down Subsidiary	-	2(87)(iii)
7.	I B H Books & Magazines Distributors Limited Sumer Plaza, 2 <sup>nd</sup> Floor, Marol Maroshi Road, Andheri (East), Mumbai-400 059.	U99999MH1980PLC023420	Step-down Subsidiary	-	2(87)(iii)
8.	Ideas Box Entertainment Limited Sumer Plaza, 2 <sup>nd</sup> Floor, Marol Maroshi Road, Andheri (East), Mumbai-400 059.	U92100MH2008PLC187045	Step-down Subsidiary	-	2(87)(iii)
9.	Karadi Tales Company Private Limited 3 A, Dev Regency, II First Main Road, Gandhi Nagar, Adyar, Chennai-600 020.	U32301TN1996PTC035885	Step-down Subsidiary	-	2(87)(iii)
10	Star and Sitara Wellness Limited Knowledge House, Shyam Nagar, Off Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U74900MH2011PLC212995	Subsidiary	100	2(87)(iii)
11	Express Retail Services Private Limited 34, DLF Industrial Area, Main Najafgarh Road, Kirti Nagar, New Delhi-110 015.	U51909DL2004PTC130729	Subsidiary	100	2(87)(iii)
12	Aussee Oats Milling (Private) Limited 28, BOI EPZ, Mirigama, Sri Lanka.	-	Subsidiary	50 + One Ordinary Share	2(87)(iii)
13	Integrated Food Park Private Limited 18/1, Pasadena Building, 3 <sup>rd</sup> Floor, Ashoka Pillar Road, 10 <sup>th</sup> Main, 1 <sup>st</sup> Cross, Jayanagar, Bangalore-560 011.	U74900KA2007PTC071171	Subsidiary	73.89	2(87)(iii)
14.	Future Dairy and Bakery Products Private Limited (Originally known as ACK Eaglemoss Collectibles Publishing Private Limited) Knowledge House, Shyam Nagar, Off Jogeshwari - Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U15490MH2011PTC215430	Subsidiary	100	2(87)(iii)
15.	The Nilgiri Dairy Farm Private Limited No. 180, EPIP Zone, Behind Ginger Hotel, I Gate, Whitefield, M-Silver Line Tech Park, Bangalore-560 066.	U85110KA1970PTC001942	Subsidiary	99.96	2(87)(iii)
16	Appu Nutritions Private Limited MFAR, Silverline Tech Park, No.180, 1st Floor, EPIP Phase II, Whitefield, Bangalore-560 066.	U01541KA1985PTC006784	Step-down Subsidiary	24	2(87)(iii)
17	Nilgiri's Mechanised Bakery Private Limited MFAR, Silverline Tech Park, No.180, 1st Floor, EPIP Phase II, Whitefield, Bangalore-560 066.	U85110KA1988PTC009463	Step-down Subsidiary	24	2(87)(iii)
18	Nilgiris Franchise Private Limited MFAR, Silverline Tech Park, No.180, 1st Floor, EPIP Phase II, Whitefield, Bangalore-560 066.	U65910KA1996PTC019885	Step-down Subsidiary	-	2(87)(iii)
19	Sublime Foods Private Limited 3A, Auckland Place, 10 <sup>th</sup> Floor, Kolkata- 700 017.	U15310WB2012PTC183693	Subsidiary	51	2(87)(iii)
20	Sarjena Foods Private Limited 101, Kapoor Apts, A-Wing, Punjabi Lane, Borivali (West), Mumbai-400 092.	U15400MH2011PTC214581	Associate	21.26	2(6)

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

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

Category of Shareholders	No. of Shares held at the beginning of the year (Details as per benpos as on 31 <sup>st</sup> March, 2014)				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A) Promoter and Promoter Group</b>									
<b>(1) Indian</b>									
a) Individuals / 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	65,71,75,975	0	65,71,75,975	41.13	71,88,45,543	0	71,88,45,543	43.38	2.25
e) Banks / Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other									
i) Relatives of promoters	1,66,788	0	1,66,788	0.01	1,66,788	0	1,66,788	0.01	0.00
<b>Sub-Total (A)(1)</b>	<b>65,73,42,763</b>	<b>0</b>	<b>65,73,42,763</b>	<b>41.14</b>	<b>71,90,12,331</b>	<b>0</b>	<b>71,90,12,331</b>	<b>43.39</b>	<b>2.25</b>
<b>(2) Foreign</b>									
a) Non-Resident Indians – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Others – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>65,73,42,763</b>	<b>0</b>	<b>65,73,42,763</b>	<b>41.14</b>	<b>71,90,12,331</b>	<b>0</b>	<b>71,90,12,331</b>	<b>43.39</b>	<b>2.25</b>
<b>B) Public shareholding[3]</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	14,002	0	14,002	0.00	0.00
b) Banks / Financial Institutions	0	0	0	0.00	5,60,831	0	5,60,831	0.03	0.03
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government(s)	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	31,59,07,119	0	31,59,07,119	19.77	30,56,22,884	0	30,56,22,884	18.44	-1.33
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>31,59,07,119</b>	<b>0</b>	<b>31,59,07,119</b>	<b>19.77</b>	<b>30,61,97,717</b>	<b>0</b>	<b>30,61,97,717</b>	<b>18.48</b>	<b>-1.29</b>
<b>(2) Non-institutions</b>									
a) Bodies Corporate									
i) Indian	46,72,84,196	0	46,72,84,196	29.24	43,82,87,539	0	43,82,87,539	26.45	-2.79
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh.	3,84,67,068	15,280	3,84,82,348	2.41	4,86,26,939	15,270	4,86,42,209	2.94	0.53
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	10,74,37,185	41,75,000	11,16,12,185	6.98	12,68,27,907	1,00,000	12,69,27,907	7.66	0.68
c) Others (specify)									
i) Non Resident Indians (Repatriable)	19,69,237	0	19,69,237	0.12	13,78,486	0	13,78,486	0.08	-0.04
ii) Non Resident Indians (Non Repatriable)	32,81,136	0	32,81,136	0.21	29,34,221	0	29,34,221	0.18	-0.03
iii) Clearing members	14,97,723	0	14,97,723	0.09	86,31,658	0	86,31,658	0.52	0.43
iv) Directors / Relatives	0	0	0	0.00	48,56,506	0	48,56,506	0.29	0.29
v) H U F	5,89,964	10,000	5,99,964	0.04	2,65,464	10,000	2,75,464	0.02	-0.02
<b>Sub-Total (B)(2)</b>	<b>62,05,26,509</b>	<b>42,00,280</b>	<b>62,47,26,789</b>	<b>39.09</b>	<b>63,18,08,720</b>	<b>1,25,270</b>	<b>63,19,33,990</b>	<b>38.13</b>	<b>-0.96</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>93,64,33,628</b>	<b>42,00,280</b>	<b>94,06,33,908</b>	<b>58.86</b>	<b>93,80,06,437</b>	<b>1,25,270</b>	<b>93,81,31,707</b>	<b>56.61</b>	<b>-2.25</b>
<b>C) Shares held by Custodians for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1,59,37,76,391</b>	<b>42,00,280</b>	<b>1,59,79,76,671</b>	<b>100.00</b>	<b>1,65,70,18,768</b>	<b>1,25,270</b>	<b>1,65,71,44,038</b>	<b>100.00</b>	<b>-</b>

\* During the year 2014-15, the issued, subscribed and paid-up share capital of the Company increased from 1,59,79,76,671 equity shares of ₹ 6 each to 1,65,71,44,038 equity shares of ₹ 6 each, consequent to allotment of equity shares.

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (Details as per benpos as on 31 <sup>st</sup> March, 2014)			Shareholding at the end of the year			% change in the 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 Capital Investment Private Ltd	8,41,06,029	5.26	5.26	8,41,06,029	5.08	5.08	0.18
2	Future Retail Limited (Formerly Pantaloon Retail (India) Limited)	15,00,00,000	9.39	0.00	15,00,00,000	9.05	0.00	0.34
3	PIL Industries Ltd	12,49,79,877 <sup>#</sup>	7.82	7.81	12,98,04,747	7.83	7.83	-0.29
4	Central Departmental Stores Pvt Ltd	9,58,38,700	6.00	5.42	9,58,38,700	5.78	5.66	0.22
5	Future Corporate Resources Limited	2,34,82,591	1.47	0.63	8,02,40,257 <sup>\$</sup>	4.84	4.22	-3.37
6	Gargi Developers Private Limited	12,88,78,666	8.07	8.04	12,88,78,666	7.78	7.77	0.29
7	RYKA Commercial Ventures Private Limited	3,33,72,341	2.09	2.09	3,33,72,341	2.01	2.01	0.08
8	Tirumal Trading and Investment Consultants Pvt. Ltd	1,48,94,197	0.93	0.00	1,48,94,197	0.90	0.90	0.03
9	Arllette Infrastructure Pvt Ltd	17,25,606	0.11	0.00	17,25,606	0.10	0.00	0.01
10	Avni Kishorkumar Biyani	99,619	0.01	0.00	99,619	0.01	0.00	0.00
11	Ashni Kishore Biyani	67,169	0.00	0.00	67,169	0.00	0.00	0.00
	<b>TOTAL</b>	<b>65,74,44,795</b>	<b>41.14</b>	<b>29.25</b>	<b>71,90,27,331</b>	<b>43.39</b>	<b>33.46</b>	<b>-2.51</b>

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

# Includes 1,02,032 Equity Shares acquired by PIL Industries Limited which were lying in pool account as on 1<sup>st</sup> April, 2014.

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

(iii) **Change in Promoters' Shareholding**

Sl. No		Shareholding at the beginning of the year (Details as per benpos as on 31 <sup>st</sup> March, 2014)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>PIL Industries Ltd</b>				
	At the beginning of the year	12,49,79,877 <sup>#</sup>	7.82	-	
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	79,981 (Acquisition of shares on 1.4.2014)	0.01	12,50,59,858	7.83
		30,113 (Acquisition of shares on 3.4.2014)	0.00	12,50,89,971	7.83
		1,68,500 (Acquisition of shares on 4.4.2014)	0.01	12,52,58,471	7.84
		46,276 (Acquisition of shares on 9.4.2014)	0.00	12,53,04,747	7.84
		20,00,000 (Acquisition of shares on 19.11.2014)	0.12	12,73,04,747	7.90
		25,00,000 (Acquisition of shares on 20.11.2014)	0.16	12,98,04,747	8.06
	At the End of the year	12,98,04,747	7.83	-	
2.	<b>Future Corporate Resources Limited</b>				
	At the beginning of the year	2,34,82,591	1.47	-	
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	25,00,000 (Acquisition of shares on 29.4.2014)	0.16	2,59,82,591	1.63
		24,053 (Acquisition of shares on 30.4.2014)	0.00	2,60,06,644	1.63
		29,15,118 (Acquisition of shares on 2.5.2014)	0.18	2,89,21,762	1.81
		10,00,000 (Acquisition of shares on 20.8.2014)	0.06	2,99,21,762	1.86
		10,00,000 (Acquisition of shares on 21.8.2014)	0.06	3,09,21,762	1.92
		10,55,000 (Acquisition of shares on 22.8.2014)	0.07	3,19,76,762	1.99
		6,25,000 (Acquisition of shares on 25.8.2014)	0.04	3,26,01,762	2.03
		9,00,000 (Acquisition of shares on 26.8.2014)	0.06	3,35,01,762	2.08
		10,50,000 (Acquisition of shares on 27.8.2014)	0.07	3,45,51,762	2.15
		6,50,000 (Acquisition of shares on 1.9.2014)	0.04	3,52,01,762	2.19
		8,00,000 (Acquisition of shares on 2.9.2014)	0.05	3,60,01,762	2.24
		2,50,000 (Acquisition of shares on 3.9.2014)	0.02	3,62,51,762	2.25
		1,12,35,388 (Acquisition of shares on 26.09.2014)	0.70	4,74,87,150	2.95
		3,05,896 (Acquisition of shares on 13.10.2014)	0.02	4,77,93,046	2.97
		3,16,000 (Acquisition of shares on 16.10.2014)	0.02	4,81,09,046	2.99
		5,00,000 (Acquisition of shares on 30.10.2014)	0.03	4,86,09,046	3.02
		5,00,000 (Acquisition of shares on 31.10.2014)	0.03	4,91,09,046	3.05
		15,00,000 (Acquisition of shares on 3.11.2014)	0.09	5,06,09,046	3.14
		50,00,000 (Acquisition of shares on 5.11.2014)	0.31	5,56,09,046	3.45
		50,00,000 (Acquisition of shares on 18.11.2014)	0.31	6,06,09,046	3.76
		30,00,000 (Acquisition of shares on 19.11.2014)	0.19	6,36,09,046	3.95
		30,00,000 (Acquisition of shares on 20.11.2014)	0.19	6,66,09,046	4.14
		3,00,000 (Acquisition of shares on 24.11.2014)	0.02	6,69,09,046	4.15
		1,00,000 (Acquisition of shares on 25.11.2014)	0.01	6,70,09,046	4.16

Sl. No		Shareholding at the beginning of the year (Details as per benpos as on 31 <sup>st</sup> March, 2014)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		29,02,607 (Acquisition of shares on 03.02.2015)	0.18	6,99,11,653	4.22
		20,06,910 (Acquisition of shares on 03.03.2015)	0.12	7,19,18,563	4.34
		20,12,652 (Acquisition of shares on 04.03.2015)	0.12	7,39,31,215	4.46
		1,000 (Acquisition of shares on 05.03.2015)	0.00	7,39,32,215	4.46
		23,08,042 (Acquisition of shares on 09.03.2015)	0.14	7,62,40,257	4.60
		10,00,000 (Acquisition of shares on 10.03.2015)	0.06	7,72,40,257	4.66
		10,00,000 (Acquisition of shares on 11.03.2015)	0.06	7,82,40,257	4.72
		10,00,000 (Acquisition of shares on 12.03.2015)	0.06	7,92,40,257	4.78
		10,00,000 (Acquisition of shares on 13.03.2015)	0.06	8,02,40,257	4.84
	At the End of the year	8,02,40,257 <sup>s</sup>	4.84		

# Includes 1,02,032 Equity Shares acquired by PIL Industries Limited which were lying in pool account as on 1<sup>st</sup> April, 2014.

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

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

Sl. No.		Shareholding at the beginning of the year (Details as per benpos as on 31 <sup>st</sup> March, 2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Arisaig Partners (Asia) PTE Ltd A/C Arisaig India Fund Limited</b>				
	At the beginning of the year	15,20,43,000	9.51	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	At the End of the year	15,20,43,000	9.18	-	-
2.	<b>BNP Paribas Arbitrage</b>				
	At the beginning of the year	14,07,53,144	8.81	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	At the End of the year	14,07,53,144	8.49	-	-
3.	<b>Bennett, Coleman And Company Limited</b>				
	At the beginning of the year	12,16,41,615	7.61	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	At the End of the year	12,16,41,615	7.34	-	-
4.	<b>Aaradhak Commercial Ventures Private Limited</b>				
	At the beginning of the year	8,15,48,254	5.10	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	At the End of the year	8,15,48,254	4.92	-	-
5.	<b>Mohini Resources Private Limited</b>				
	At the beginning of the year	7,55,28,254	4.73	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	At the End of the year	7,55,28,254	4.56	-	-
6.	<b>Godrej Agrovet Limited</b>				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	3,02,56,870 (Allotment of shares on preferential basis on 24.01.2015)	1.83	3,02,56,870	1.83
	At the End of the year	3,02,56,870	1.83	-	-
7.	<b>Santosh Desai</b>				
	At the beginning of the year	2,52,56,619	1.58	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	1,70,000 (Sale of shares on 14.11.2014)	0.01	2,50,86,619	1.56
		10,25,000 (Sale of shares on 28.11.2014)	0.06	2,40,61,619	1.49
		3,00,690 (Sale of shares on 05.12.2014)	0.02	2,37,60,929	1.48
		5,50,143 (Sale of shares on 12.12.2014)	0.03	2,32,10,786	1.44
		27,000 (Sale of shares on 19.12.2014)	0.00	2,31,83,786	1.44
	At the End of the year	2,31,83,786	1.40		

Sl. No.		Shareholding at the beginning of the year (Details as per benpos as on 31 <sup>st</sup> March, 2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8.	<b>Blessings Mercantile Private Limited</b>				
	At the beginning of the year	4,04,06,455	2.53	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	1,91,48,936 (Sale of shares on 25.04.2014)	1.20	2,12,57,519	1.33
	At the End of the year	2,12,57,519	1.28	-	-
9.	<b>Anamudi Real Estates LLP</b>				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	1,56,61,497 (Allotment of shares on preferential basis on 24.01.2015)	0.95	1,56,61,497	0.95
	At the End of the year	1,56,61,497	0.95	-	-
10.	<b>Aman Overseas Private Limited</b>				
	At the beginning of the year	1,50,00,000	0.94	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	At the End of the year	1,50,00,000	0.91	-	-

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

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

Sl. No.		Shareholding at the beginning of the year (1 <sup>st</sup> April, 2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>G N Bajpai</b>				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/swt equity)	2,50,000 (Allotment of shares on 26/9/15 consequent to exercise of Stock Options)	0.02	2,50,000	0.02
	At the End of the year	2,50,000	0.02	-	-
2.	<b>K K Rathi</b>				
	At the beginning of the year	4,34,845	0.03		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	34,845 (Sale of shares on 8/7/2014)	0.00	4,00,000	0.03
		82,00,000 (Allotment of shares on 16/7/14 consequent to exercise of Stock Options)	0.51	86,00,000	0.53
		85,323 (Sale of shares on 23/09/14)	0.01	85,14,677	0.53
		6,57,442 (Sale of shares on 24/09/14)	0.04	78,57,235	0.49
		30,000 (Sale of shares on 25/09/2014)	0.00	78,27,235	0.49
		4,59,000 (Sale of shares on 1/10/2014)	0.03	73,68,235	0.46
		5,00,000 (Sale of shares on 8/10/2014)	0.03	68,68,235	0.43
		1,52,735 (Sale of shares on 9/10/2014)	0.01	67,15,500	0.42
		87,500 (Sale of shares on 10/10/2014)	0.01	66,28,000	0.39
		7,500 (Sale of shares on 14/10/2014)	0.00	66,20,500	0.41
		46,000 (Sale of shares on 16/10/2014)	0.00	65,74,500	0.41
		7,00,000 (Sale of shares on 21/11/2014)	0.04	58,74,500	0.36
		2,77,994 (Sale of shares on 24/11/2014)	0.02	55,96,506	0.35
		1,96,000 (Sale of shares on 05/12/2014)	0.01	54,00,506	0.34
		2,94,000 (Sale of shares on 13/01/2015)	0.02	51,06,506	0.32
		2,00,000 (Sale of shares on 02/02/2015)	0.01	49,06,506	0.30
		3,00,000 (Sale of shares on 03/02/2015)	0.02	46,06,506	0.28
	At the End of the year	46,06,506	0.28	-	-

Sl. No.		Shareholding at the beginning of the year (1 <sup>st</sup> April, 2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	<b>Manoj Gagvani</b>				
	At the beginning of the year	100	0.00		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	3,10,000 (Allotment of shares on 16.7.14 consequent to exercise of Stock Options)	0.02	3,10,100	0.02%
		10,000 (Sale of shares on 21/07/2014)	0.00	3,00,100	0.02
		10,000 (Sale of shares on 22/07/2014)	0.00	2,90,100	0.02
		39,777 (Sale of shares on 23/07/2014)	0.00	2,50,323	0.02
		233 (Sale of shares on 24/07/2014)	0.00	2,50,090	0.02
		5,000 (Sale of shares on 25/07/2014)	0.00	2,45,090	0.02
		10,000 (Sale of shares on 28/07/2014)	0.00	2,35,090	0.01
		149 (Sale of shares on 31/07/2014)	0.00	2,34,941	0.01
		1,000 (Sale of shares on 18/08/2014)	0.00	2,33,941	0.01
		5,000 (Sale of shares on 08/09/2014)	0.00	2,28,941	0.01
		8,841 (Sale of shares on 09/09/2014)	0.00	2,20,100	0.01
		35,000 (Sale of shares on 10/09/2014)	0.00	1,85,100	0.01
		5,000 (Sale of shares on 11/09/2014)	0.00	1,80,100	0.01
		10,000 (Sale of shares on 12/09/2014)	0.00	1,70,100	0.01
		2,500 (Sale of shares on 15/09/2014)	0.00	1,67,600	0.01
		5,000 (Sale of shares on 18/09/2014)	0.00	1,62,600	0.01
		9,000 (Sale of shares on 19/09/2014)	0.00	1,53,600	0.01
		5,000 (Sale of shares on 23/09/2014)	0.00	1,48,600	0.01
		8,600 (Sale of shares on 24/09/2014)	0.00	1,40,000	0.01
		3,000 (Sale of shares on 01/10/2014)	0.00	1,37,000	0.01
		5,000 (Sale of shares on 08/10/2014)	0.00	1,32,000	0.01
		9,000 (Sale of shares on 03/11/2014)	0.00	1,23,000	0.01
		1,000 (Sale of shares on 05/11/2014)	0.00	1,22,000	0.01
		10,000 (Sale of shares on 20/11/2014)	0.00	1,12,000	0.01
		17,000 (Sale of shares on 21/11/2014)	0.00	95,000	0.01
		7,000 (Sale of shares on 24/11/2014)	0.00	88,000	0.01
		15,500 (Sale of shares on 26/11/2014)	0.00	72,500	0.00
		2,500 (Sale of shares on 01/12/2014)	0.00	70,000	0.00
		4,000 (Sale of shares on 03/12/2014)	0.00	66,000	0.00
		3,000 (Sale of shares on 05/12/2014)	0.00	63,000	0.00
		60,000 (Allotment of shares on 12.12.14 consequent to exercise of Stock Options)	0.00	1,23,000	0.01
		16,000 (Sale of shares on 26/12/2014)	0.00	1,07,000	0.01
		6,500 (Sale of shares on 29/12/2014)	0.00	1,00,500	0.01
		500 (Sale of shares on 30/12/2014)	0.00	1,00,000	0.01
	At the End of the year	1,00,000	0.01	-	-
4.	<b>Manoj Saraf</b>				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	-	-	-	-
	At the End of the year	0	0.00	-	-
5.	<b>Arun Kumar Agarwal</b>				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	100 (Acquisition of shares on 14/08/2014)	0.00	100	0.00
	At the End of the year	100	0.00	-	-

## V. INDEBTEDNESS

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

₹ in Lakhs

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (1.04.2014)</b>				
i) Principal Amount	1,036.56	-	-	1,036.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total of (i+ii+iii)</b>	<b>1,036.56</b>	<b>-</b>	<b>-</b>	<b>1,036.56</b>
<b>Change in indebtedness during the financial year</b>				
• Addition	53,778.94	15,707.95	-	69,486.89
• Reduction	-	15,707.95	-	15,707.95
<b>Net change</b>	<b>53,778.94</b>	<b>-</b>	<b>-</b>	<b>53,778.94</b>
<b>Indebtedness at the end of the financial year (31.3.2015)</b>				
i) Principal Amount	54,815.50	-	-	54,815.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	275.87	-	-	275.87
<b>Total of (i+ii+iii)</b>	<b>55,091.37</b>	<b>-</b>	<b>-</b>	<b>55,091.37</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Ashni Biyani* (Whole Time Director)	Arun Kumar Agarwal (Manager)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	26.50	32.31	58.81
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	0.32	0.32
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of Profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>26.50</b>	<b>32.63</b>	<b>59.13</b>
	<b>Ceiling as per the Act</b>	The remuneration paid to Whole Time Director and Manager is within the ceiling prescribed under the Companies Act, 2013		

\* Appointed as Whole-Time Director with effect from 15<sup>th</sup> November, 2014.

### B. Remuneration to other directors:

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	<b>Independent Directors</b>					
		<b>G N Bajpai</b>	<b>Jagdish Shenoy</b>	<b>Vibha Rishi</b>	<b>Frederic De Mevius</b>	
	Fee for attending board committee meetings	4.70	6.10	2.45	1.00	14.25
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	<b>Total</b>	<b>4.70</b>	<b>6.10</b>	<b>2.45</b>	<b>1.00</b>	<b>14.25</b>
2	<b>Other Non Executive Directors</b>					
		<b>Kishore Biyani</b>		<b>K K Rathi*</b>		
	Fee for attending board committee meetings	5.25		1.00		6.25
	Commission	-		-		-
	Others (Gross Remuneration)	-		-		-
	<b>Total</b>	<b>5.25</b>		<b>1.00</b>		<b>6.25</b>

\* Appointed as an Additional Director with effect from 15<sup>th</sup> November, 2014

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

₹ in Lakhs

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Manoj Saraf (Chief Financial Officer*)	Manoj Gagvani (Company Secretary & Head - Legal)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	23.62	65.01	88.63
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	3.29	3.29
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of Profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>23.62</b>	<b>68.30</b>	<b>91.92</b>

\*appointed with effect from 2<sup>nd</sup> January, 2015

**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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>A. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>A. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2015

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

To,  
The Members,  
FUTURE CONSUMER ENTERPRISE LIMITED  
Mumbai.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 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 there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (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 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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; There were no proposals for delisting of its Equity shares during the year under review. and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; There were no Buy Back of its Equity shares during the year under review.

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. It is confirmed by the Management that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.  
(Not applicable as the Secretarial Standards were not notified by the ICSI till 31<sup>st</sup> March, 2015) and
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s), where the Equity Shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited.

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

**I further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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 decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

**I further report that** during the audit period:

- a) the Company has issued 1000 Secured, Rated, Listed, Non Convertible Redeemable Debentures on private placement basis having face value of ₹ 10,00,000 each aggregating to ₹ 100 Crore. The aforesaid Debentures are listed on BSE Limited.
- b) the Company has issued and allotted 4,59,18,367 equity shares on preferential basis to Godrej Group towards consideration payable for acquisition of 30% stake in Aadhaar Wholesale Trading and Distribution Limited.
- c) Future Agrovat Limited, a subsidiary company has been amalgamated with the Company pursuant to Scheme of Amalgamation approved by Hon'ble High Court at Bombay vide order dated 30<sup>th</sup> January, 2015. The said Scheme has been made effective with effect from 13<sup>th</sup> March, 2015.
- d) The shareholders of the Company have granted approval vide Special Resolution passed on 28<sup>th</sup> January, 2015 to the Board of Directors to make loan(s) to any person or other body corporate and/or give any guarantee(s) / provide any security(ies) in connection with loan(s) made to any body corporate or person and/or acquire by way of subscription, purchase or otherwise, securities of any body corporate in excess of limits prescribed under Section 186 of the Companies Act, 2013.
- e) The shareholders of the Company have vide Special Resolution(s) passed on 7<sup>th</sup> October, 2014 granted approval to the Board of Directors for borrowing from time to time, whether by way of advances, loans, issue of debentures/bonds or other instruments and/or otherwise, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 1,000 Crore (Rupees One Thousand Crore only) and creation of charges on the assets of the Company.

This Report is to be read with our letter of even date which is annexed as Annexure 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: 15<sup>th</sup> May, 2015

Place: Mumbai

To,  
The Members,  
FUTURE CONSUMER ENTERPRISE LIMITED  
Mumbai.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

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

Date: 15<sup>th</sup> May, 2015

Place: Mumbai

**FORM NO. AOC-2**

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

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

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

The Company has not entered into any contracts or arrangements or transactions with its related parties which are not on arm's length basis during the financial year 2014-15.

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

Name(s) of the Related Party	Nature of Relation Ship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount (₹ In Lakhs)
Aadhaar Wholesale Trading and Distribution Limited	Subsidiary	Rent Income	1 <sup>st</sup> April, 2011 - Ongoing	As per Agreement	Refer Note below	8.40
		Sales	Ongoing	As per Sales Orders placed from time to time		1647.66
		Purchases	Ongoing	As per Purchase Orders placed from time to time		154.64
The Nilgiri Dairy Farm Private Limited	Subsidiary	Sales	Ongoing	As per Sales Orders placed from time to time		26.11
		Purchases	Ongoing	As per Purchase Orders placed from time to time		6.50
		Sale of Fixed Assets	One Time	At written down value		31.64
Sarjena Foods Private Limited	Associate	Purchases	Ongoing	As per Purchase Orders placed from time to time		45.00
Integrated Food Park Private Limited	Subsidiary	Rent Expenses / Security Deposit	As per Agreement of various dates - Ongoing	As per Agreement		134.09

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

**On behalf of the Board of Directors**

Date: 15<sup>th</sup> May, 2015  
Place: Mumbai

**G. N. Bajpai**  
**Chairman**

## Annexure IV

Disclosures relating to Employee Stock Option Scheme(s) in respect of Options granted till 31<sup>st</sup> March, 2015.

## 1. FVIL Employees Stock Option Plan-2011

Sr. No	Particulars	Grant I (Pre-listing)	Grant II	Grant III
(a)	Options granted	1,32,80,000	20,55,000	42,00,000
(b)	Options Vested	1,25,30,000	10,20,000	14,05,500
(c)	Options exercised	1,15,30,000	4,68,000	12,51,000
(d)	The total number of shares arising as a result of exercise of Option	1,15,30,000	4,68,000	12,51,000
(e)	Options lapsed / Cancelled	17,50,000	12,75,000	22,55,000
(f)	Exercise Price	₹ 6 per equity share	₹ 6 per equity share	₹ 6 per equity share
(g)	Variation of terms of Options	Nil	Nil	Nil
(h)	Money realized by exercise of Options	6,91,80,000	28,08,000	75,06,000
(i)	Total number of Options in force	Nil	3,12,000	6,94,000
(j)	Employee wise details of options granted to:			
	(i) Senior Managerial Personnel (Directors, Key Managerial Personnel and Others)	Refer Note 1	Refer Note 1	Refer Note 1
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil	Nil	Nil
	(iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil	Nil
(k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	(0.58) for the financial year ended March 31, 2015		
(l)	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation that shall have been recognised if it had used the fair value of options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Had the Company followed the fair value method of Stock option compensation, income would have been reduced by ₹12.38 lakhs.		
(m)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average price of options is ₹ 6 each and fair value of option is ₹ 1.15 each	Weighted average price of options is ₹ 6 each and fair value of option is ₹ 1.51 each	Weighted average price of options is ₹ 6 each and fair value of option is ₹ 1.77 each
(n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information: (i) risk free interest rate; (ii) expected life; (iii) expected volatility; (iv) expected dividend; and (v) the price of the underlying share in market at the time of option grant	Refer Note 2 below		

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

Sr. No.	Name of the Option Grantee(s)	No. of Options Granted		
		Grant I	Grant II	Grant III
<b>A</b>	<b>Key Managerial Personnel</b>			
1	Manoj Gagvani	Nil	Nil	80,000
<b>B</b>	<b>Others</b>			
1	Arun Gupta	Nil	3,00,000	4,00,000
2	Devendra Chawla	Nil	Nil	2,00,000

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

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

## Annual Report on Corporate Social Responsibility ("CSR") Activities

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

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

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

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

- a) Mr. Jagdish Shenoy - Chairman
- 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 ₹ 2,720.50 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
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
							NOT APPLICABLE

\*Give details of implementing agency

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

Not Applicable

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

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

Date: 15<sup>th</sup> May, 2015  
Place: Mumbai

**Jagdish Shenoy**  
Chairman - CSR Committee

**Ashni Biyani**  
Whole Time Director

## Nomination and Remuneration Policy

### 1. Purpose of this Policy:

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

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

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

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

### 2. Definitions:

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

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

### 3. Composition of the Committee:

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

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

#### 4.1 Appointment criteria and qualification:

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

For the appointment of KMP (other than Managing / 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

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and Manager during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and designation	Remuneration of Director / KMP for Financial Year 2014-15 (₹ In Lakhs)	% increase in Remuneration for Financial Year 2014-15	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Ashni Biyani Whole Time Director	26.50	*	*	The EBITDA loss has decreased from 10% of sales in the financial year 2013-14 to 1% of sales in the financial year 2014-15
2	Manoj Saraf Chief Financial Officer	23.62	**	Not Applicable	
3	Manoj Gagvani Company Secretary & Head - Legal	68.30	9%	Not Applicable	
4	Arun Kumar Agarwal Manager	32.63	3%	Not Applicable	

\* Not applicable since Ashni Biyani was appointed as Whole Time Director with effect from 15<sup>th</sup> November, 2014

\*\* Not applicable since Manoj Saraf was appointed as KMP with effect from 2<sup>nd</sup> January, 2015

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

In the financial year 2014-15, there was an increase of 12% in the median remuneration of employees.

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

There were 1,588 permanent employees on the rolls of Company as on March 31, 2015.

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

The EBITDA loss for the financial year ended March 31, 2015 has decreased from 10% of sales to 1% of sales whereas the average increase in the remuneration for the same period was 9% over the immediately corresponding previous period. The average increase in the remuneration was in line with the performance of the Company.

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

The market capitalisation as on March 31, 2015 was ₹ 2,007 Crore and as on March 31, 2014 was ₹ 751 Crore.

- b) **Price Earnings ratio of the Company was (20.86) as at March 31, 2015 and was 24.47 as at March 31, 2014.**

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

Particulars	March 31, 2015*	May 10, 2011**	% Increase
Market Price (BSE)	12.11	8.30	46%
Market Price (NSE)	12.10	8.20	48%

\* Face value of ₹ 6 per share

\*\* Face value of ₹ 10 per share

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

The average percentage increase made in the salaries of employees other than the managerial personnel for the financial year i.e. 2014-15 was 9% whereas the increase in the managerial remuneration for the same financial year was 7%.

- (vii) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year** – Absolute figures are not comparable since the remuneration paid to Director was for part of the financial year 2014-15.

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

Management Discussion and Analysis is structured to comprise:

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

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

### ECONOMY OVERVIEW

India has systematically evolved from a closed-door economy to an open one, since the beginning of economic reforms in the Country in 1991. These reforms have had a far-reaching impact and have helped India substantially realize its significant growth potential. Currently, the Indian economy is characterized by the Government's liberalized foreign investment and trade policy with a significant role being played by de-regulation and the contribution of the private sector.

India now ranks as the 10<sup>th</sup> largest economy in the world and the 3<sup>rd</sup> largest in terms of GDP on its purchasing power parity (PPP). The Country's economy has crossed two trillion-dollar mark with a largely self-sufficient agricultural sector, a diversified industrial base and a stable financial and services sector.

India continues to benefit from the growing domestic demand from a young population, whose consumption is driving the expansion of the middle class. By 2025, India is expected to become the fifth-largest consuming class Country. An emerging rural consumer base is also contributing to this demand. Compared with other countries, India has been and continues to be relatively insulated from external shocks due to its strong domestic consumption pattern and savings culture. The Country has one of the highest savings rate in the world. As per The World Bank Data, India outperforms various developed nations with an estimated savings rate (as a percentage of GDP) at 31.8% in 2013, compared with a world average of 21.4%.

The change in the Central Government last year has heralded a new hope of economic reforms and faster

growth. With the focus on programs like 'Make In India', 'Swach Bharat', 'Smart Cities', 'Housing for all by 2022', '24\*7 Power for all' etc and new impetus to infrastructure development, India is expected to achieve not only higher economic growth and job creation but also better standard of living for its masses in both urban and rural areas. This certainly will propel consumption to new level and we could see an economy thriving on twin engines of growth namely investment and consumption. Though first year of the Government has not seen dramatic changes on the ground, the various steps taken and in the pipeline continues to ignite hope of "Acche Din".

### BUSINESS AND PERFORMANCE OVERVIEW

Future Consumer Enterprise Limited has evolved into an integrated food company with operations from sourcing, manufacturing, branding and distribution. During the financial year 2014-15, the Company has consolidated its play across segments by acquisition of new businesses and merging existing businesses into the holding company. The Company is focusing on leveraging its strengths and building a strong presence in the Food & FMCG category backed by a robust distribution set-up through urban and rural retail.

The Company is constantly expanding its existing vast portfolio of established Food & FMCG brands. Currently, it caters to various categories such as Basic Foods, Ready to Eat Meals, Snacks, Beverages, Personal Care and Home Care. The Own brands division manages the entire process of creation of formulations, branding strategy, product design and development, packaging, quality control and marketing. Additionally, it focuses on product innovation to create newer product categories and source collaboration opportunities with reputed vendors. India Food Park is strengthening Company's existing line of established brands in the commodity and value-added space through better sourcing, warehousing, sorting, manufacturing and packaging. The best in class facilities has enabled the Company's foray into newer food categories such as branded fruits and vegetables, canola and rice bran oils, frozen and processed food products which are currently not produced in India.

With the aim of capturing urban consumption, the Company is re-branding its convenience store chain from 'KB's Fair Price' to 'KB's Conveniently Yours' (KBCY). This new age neighbourhood store offers an exotic product range. KBCY customizes offerings for each catchment after understanding the demographics, competition and the daily consumption pattern in the neighbourhood. These stores aim to be well-stocked with products that sell the most in the locality and offer a mix of 'Good-Better-Best' range of products within each category driven by localization and the catchment potential.

In fiscal 2014-15, Company acquired one of the oldest supermarket chains of South India - Nilgiris, which specializes in dairy, bakery, chocolate products and packaged staples. An iconic brand like Nilgiris has provided the Company access to major Southern states. Along with a strong goodwill for its range of products, Nilgiris robust backend operations including several procurement centres, logistics and IT as well as a fleet of vehicles, including refrigerated trucks, further strengthens Company's distribution network.

The financial year 2014-15 has been a period of consolidation and acquisition for the Company with a sole aim of having an integrated play in the food and FMCG segment. During the year, the Company consolidated and merged the operations of Future Agrovet Limited, a 100% subsidiary. The Company now has one of the leading agri-produce sourcing operations in the Country. This business focuses on products like rice, sugar, wheat, oil seeds, pulses, dry fruits, spices and much more which are sourced through 51 centres across India for further grading, quality checks, processing, packaging, branding and distribution.

Additionally, the Company also acquired balance 30% stake of Aadhaar Wholesale Trading and Distribution Limited ("Aadhaar"), the rural retailing chain, from Godrej. Rural distribution is led through Aadhaar that operates through cash-and-carry stores or through franchisees.

The Company has recorded a turnover of ₹ 1,082.55 crore and EBITDA loss of ₹ 5.99 crore as against a turnover of ₹ 342.86 crore and EBITDA loss of ₹ 32.71 crore in the previous year. EBITDA loss of ₹ 32.71 crore in the previous year excludes one time gain on sale of investment of ₹ 89.07 crore to make it comparable.

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

### **Subsidiary Companies:**

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

Aadhaar is in the business of rural and semi-urban retail, Wholesale and Distribution of fast moving consumer products and general merchandise. It is actively pursuing wholesale distribution, cash-and-carry and franchisee models in this segment. It currently operates 16 retail stores and 4 cash-and-carry stores. Aadhaar has opened 4 retail stores during the year under review in Punjab. It will continue to expand through opening of more such stores in the current year. The cash-and-carry stores attracted keen interest from local shopkeepers and entrepreneurs to acquire franchise of retail stores. Aadhaar currently has 35 such franchises. Rural markets are expected to fuel the next level of

consumption growth in India. With capital inflows expected in backend infrastructure, linkages with rural markets are expected to be stronger. For the fiscal 2014-15, Aadhaar has registered turnover of ₹ 120.44 crore reducing the EBITDA loss to ₹ 4.45 crore from ₹ 10.25 crore in the previous year.

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

With origins in 1905, Nilgiris is a leading food and grocery retail chain in South India operating 149 franchise stores and 2 own stores. Nilgiris has chain of convenience stores with a strong presence in urban centres across India's southern states. The company has a unique portfolio of food brands, supported by owned manufacturing facilities for dairy and bakery categories. With in-house capabilities centering on bakery and dairy products, Nilgiris has grown to become a household name in the south with consumers spanning successive generations. Nilgiris has registered consolidated turnover of ₹ 195.16 crore and EBITDA loss of ₹ 16.00 crore for the fiscal 2014-15. Post acquisition by the Company, Nilgiris has registered consolidated turnover of ₹ 66.45 crore and EBITDA profit of ₹ 2.21 crore.

The subsidiaries of Nilgiris, as mentioned below, are engaged in the business of (i) licensing franchisee rights to third parties for operating convenience stores under the 'Nilgiris 1905' brand, (ii) manufacturing chocolates, dairy and bakery products and (iii) trading in general merchandise and imported products:

- Appu Nutritions Private Limited
- Nilgiri's Mechanised Bakery Private Limited
- Nilgiris Franchise Private Limited

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

Set-up in partnership with the Ministry of Food Processing Industries, Government of India –the state-of-the-art India food park facilitates end-to-end food processing along the value chain (grading, sorting, pulping, packaging & distribution) from the farm to the market. Equipped with world-class food processing units, 22,000-tonne storage capacity, cold storage unit and in-house pulping, milling, flouring, spice and dal units, the massive park is spread across 110 acre land at Tumkur region in Karnataka. The food park is a home for several food processing firms where IFPPL enables them to work through a single window system. IFPPL has registered total income of ₹ 0.44 crore and EBITDA profit of ₹ 0.14 crore for the fiscal 2014-15.

#### **4. Aussee Oats Milling (Private) Limited ("Aussee Oats")**

The Company is setting up 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. The Company holds 50.00% plus one ordinary share of Aussee Oats. Aussee Oats will focus on manufacturing and sale of a range of breakfast cereals such as mueslis, oats, cornflakes, wheat flakes, etc. The finished products are targeted to be sold by Aussee Oats in various countries such as India, Sri Lanka, Pakistan, Nepal, Bangladesh, Bhutan, etc. Aussee Oats has not commenced the manufacturing operations during the financial year 2014-15.

#### **5. Sublime Foods Private Limited ("Sublime Foods")**

Sublime Foods is setting up a manufacturing unit for a range of convenient food products such as sauces, condiments and dressings. The unit, which is in process to be set up at India Food Park Tumkur, will mainly produce Oriental and Western sauces such as sweet & chilli, chilli garlic, sriracha, schetzwan, mayonnaise, Indian ginger garlic paste, imli chutney and Italian classic arrabiatta and alfredo. It will also be capable of making jams, jellies, confectionery fillings, different types of cheese and some dairy products. The Company owns 51% stake in Sublime Foods. During the year under review, Sublime Foods has not commenced its business operations.

#### **6. Amar Chitra Katha Private Limited ("ACK")**

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

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

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

ACK has sought to diversify its product offering to digital media platforms including films, TV, online, mobile and other new media platforms. ACK's focus areas include creating new content and merchandise and expanding e-commerce (direct to consumer and indirect channels). ACK has digitised the majority of its content and the digital applications

are already launched. Further, e-commerce sales have been growing significantly and ACK is taking various initiatives to grow this part of the business exponentially. Within the publishing business, ACK focusses to rationalize the number of titles, expand to more regional languages and competitiveness of the product pricing. In the offline distribution business (IBH), the Company's management is focused on distribution of ACK products, improving cost efficiency and only working with preferred non-ACK publishers to improve the return on capital.

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

- a) ACK Edutainment Limited
- b) ACK Media Direct Limited
- c) IBH Books & Magazines Distributors Limited
- d) Ideas Box Entertainment Limited
- e) Karadi Tales Company Private Limited

During the fiscal 2014-15, ACK has reported consolidated turnover of ₹ 61.21 crore and EBITDA loss of ₹ 3.36 crore.

#### **7. Future Food and Products Limited ("FFPL")**

FFPL originally involved in the business of product development, designing, branding and distribution of FMCG products has diversified its objects to focus on establishment of food parks and food processing units.

#### **8. Future Consumer Products Limited ("FCPL")**

FCPL is involved in the business of product development, designing, branding and distribution of FMCG products under the brand "Sach". "Sach" is a co-created brand in association with the iconic cricketer Sachin Tendulkar, which establishes an emotional connect with young consumers. Categories of products to which "Sach" brand caters includes oral care, liquid hand wash, kids' soap and juices.

#### **9. Future Personal Care and Hygiene Products Private Limited (Originally known as ACK Eaglemoss Collectibles Publishing Private Limited) ("Future Personal Care")**

During the year under review, Future Personal Care changed its object clause to undertake activities for dealing into personal health care and hygiene products and consequently changed its name from Future Dairy and Bakery Products Private Limited to its present name.

#### **10. Express Retail Services Private Limited ("Express Retail")**

Express Retail was predominantly engaged in the business of distribution of food and FMCG products

through an iconic format brand “Big Apple” having presence in Delhi. The Company had acquired 100% stake in Express Retail in September 2012. Pursuant to Composite Scheme of Arrangement and Amalgamation, the business undertaken by Express Retail has been demerged into the Company.

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

During the fiscal 2014-15, Star & Sitara discontinued its business by closing all its stores.

#### **Associate Companies:**

##### **1. Sarjena Foods Private Limited (“Sarjena Foods”)**

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

During the year under review, Sarjena Foods has registered turnover of ₹ 7.74 crore and EBITDA loss of ₹ 4.98 crore

#### **COMPETITIVE LANDSCAPE**

Large part of food consumption in India is serviced by regional and small domestic players and highly fragmented unorganized players. Unbranded products in Food and FMCG sector constitute a significant share of the market. On the other hand, the presence of MNCs in this sector dominate the market. This scenario has over the period of last few years resulted into making the Food and FMCG sector highly competitive. The intensity of competition in the Food and FMCG sector is high and therefore companies need to emphasize on branding, distribution and innovation for their survival. The enactment of Food Safety and Standards Act (“FSSA”) has added a new dimension to the sector and the players complying with the rigid guidelines and standards shall only be able to survive. We have been continuously developing and strengthening our brands, increasing distribution channels both in urban and rural markets, and emphasizing on launching new and innovative products. We have also instituted necessary

safeguards to comply with FSSA and ensure that all our products follow these guidelines scrupulously. We believe that despite the highly competitive scenario we are well placed to satisfy the changing consumer preferences and demands, comply with food safety standards and establish deeper presence for our brands and Company.

#### **RISKS AND THREATS**

The business into which your Company operates has some inherent risks and is largely affected by factors such as consumer demand, cost control and market conditions. This requires identifying, monitoring and mitigating risk predominantly in the areas of business, operations and finance. Your Company continues to focus on a system-based approach in risk management by adopting adequate measures to anticipate, plan and mitigate the spectrum of risks it faces. With regards the Business risks, continuous monitoring with laid down policies and procedures, help in plugging gaps by assisting operating management in the formulation of control processes for the areas of operation. The annual planning exercise requires to clearly identify risks and set out a mitigation plan with agreed timelines and accountability. On the front of financing risk, costs are continuously monitored and adequate measures are taken in working capital management to mitigate the same. The new emerging risk is non compliance with Food Safety Standards, of which we are fully conscious and have put in place a system to meet them.

#### **INTERNAL CONTROLS AND THEIR ADEQUACY**

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

The Audit Committee comprising of Independent Directors regularly reviews the financial and risk management policies, monitors control procedures, review key audit findings and recommend measures to improvise the risk mitigation plan concerning the business of Company and that of its subsidiaries. The scope of work for the Internal Auditors is designed in the manner that they review the processes and transactions on periodic basis, discuss their findings with the operating management and make recommendations which are submitted to the Audit Committee. The Management Assurance team additionally carries out quarterly reviews to assess the internal control environment and their adequacy concerning the business and environment and make recommendations. A broader system of internal controls and external audits have been defined and deployed in various businesses to effect continuous improvements and protect our Businesses and Shareholders from potential risks.

## REVIEW OF CONSOLIDATED FINANCIAL PERFORMANCE

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (“**Indian GAAP**”) to comply with the Accounting Standards and the relevant provisions of the Companies Act, 2013 (as amended/ re-enacted), as applicable. The financial performance of the Company for the year under review is not comparable to the previous financial year on account of acquisition of The Nilgiri Dairy Farm Private Limited and various other subsidiaries and associates.

### Turnover

The Company has recorded consolidated turnover of ₹ 1,312.26 crore in the fiscal 2014-15 as against ₹ 822.41 crore in last fiscal. Our turnover consists of income from sale of products and other operating income by the Company and its subsidiaries.

### Cost of Goods Sold

Our cost of goods sold primarily includes costs in relation to purchases of finished goods and raw materials and other cost. Our cost of goods sold accounted for 86.89% and 87.35% of our turnover for fiscal 2014-15 and fiscal 2013-14 respectively.

### Employee Costs

Our employee cost include salaries and bonuses to our employees, contributions to provident funds and other

funds as well as staff welfare expenses. Our staff costs accounted for 6.56% and 8.25% of our turnover for fiscal 2014-15 and fiscal 2013-14 respectively.

### Administrative and Other Expenses

Our administrative and other expenses primarily include expenses towards payment of rent, power, water and fuel, advertisement, publicity and selling expenses, travelling expenses, legal and professional charges etc. Our administrative and other expenses accounted for 10.42% and 14.79% of our turnover for fiscal 2014-15 and fiscal 2013-14 respectively.

### Interest and Financing Charges

Our interest and financing cost primarily consists of interest on working capital loans, fixed loans and term loans. Our interest and financing charges accounted for 2.43% and 0.65% of our turnover for fiscal 2014-15 and fiscal 2013-14 respectively.

### Depreciation and Amortization

Depreciation expenses primarily consists of depreciation on our fixed assets. Depreciation also includes amortization of intangible assets such as trademarks, brands, license fees etc. Depreciation accounted for 3.62% and 4.78% of our turnover for fiscal 2014-15 and fiscal 2013-14 respectively.

# CORPORATE GOVERNANCE REPORT

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

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

Corporate Governance indicates fairness, transparency, accountability and integrity of the Management. It is all about maintaining valuable relationship and trust with all stakeholders.

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

Actions and decisions of the Board are aligned in the best interest of the Company. The Board critically evaluates Company's strategic decisions, management policy and

its effectiveness. The Board regularly reviews related party transactions, financial reports and evaluates the performance of the business.

## **BOARD OF DIRECTORS**

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

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

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

During the financial year 2014 - 2015, eight meetings of the Board of Directors were held on the following dates:

19<sup>th</sup> April, 2014, 19<sup>th</sup> May, 2014, 19<sup>th</sup> June, 2014, 12<sup>th</sup> August, 2014, 4<sup>th</sup> September, 2014, 14<sup>th</sup> November, 2014, 12<sup>th</sup> December, 2014 and 13<sup>th</sup> February, 2015.

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

The details of Directorship and Membership/Chairmanship of the Committees of the Board held by the Directors as on 31<sup>st</sup> March, 2015 and their attendance at the meetings during the year are as follows:

Name of the Director	Category	No. of Board Meetings held during the financial year 2014-15	No. of Board Meetings attended by the Director during the financial year 2014-15	Attendance at the last AGM	No. of Directorship in other public limited companies#	No. of Committee position held including the Company*	
						Chairman of the Committee	Member
Mr. G. N. Bajpai	Chairman, Independent Director & Non Executive Director	8	7	Yes	8	1	8
Mr. Kishore Biyani	Promoter and Vice-Chairman	8	7	No	9	1	3
Mr. Jagdish Shenoy	Independent Director & Non-Executive Director	8	8	Yes	3	0	4
Ms. Vibha Rishi	Independent Director & Non-Executive Director	8	3	No	6	0	3
Mr. Frederic de Mevius	Independent Director & Non-Executive Director	8	2	No	0	0	0
Mr. K K Rathi**	Non-Executive Director	8	2	N.A.	5	1	4
Ms. Ashni Biyani&	Whole Time Director	8	2	No	8	0	0
Mr. Anil Harish ^	Independent Director & Non-Executive Director	8	4	Yes	N.A.	N.A.	N.A.
Mr. B Anand §	Non-Executive Director	8	0	No	N.A.	N.A.	N.A.

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

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

\*\* Appointed as an Additional Director with effect from 15<sup>th</sup> November, 2014

& Appointed as Whole Time Director with effect from 15<sup>th</sup> November, 2014

^ Ceased to be Director with effect from 30<sup>th</sup> September, 2014

§ Ceased to be Director with effect from 31<sup>st</sup> March, 2015

As on 31<sup>st</sup> March, 2015, the number of directorship / committee membership / chairmanship of all the Directors is within the respective limits prescribed under Companies Act, 2013 and that of the Listing Agreement.

### MEETING OF INDEPENDENT DIRECTORS

As stipulated under the Code for Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 13<sup>th</sup> February, 2015.

The meeting was attended by all the Independent Directors.

### AUDIT COMMITTEE

#### Terms of Reference

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

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

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

### Composition and Attendance at Meetings:

As on 31<sup>st</sup> March, 2015, the composition of the Audit Committee has been as under:

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

During the financial year 2014-15, four meetings of Audit Committee were held on the following dates: 19<sup>th</sup> May, 2014, 9<sup>th</sup> August, 2014, 14<sup>th</sup> November, 2014 and 13<sup>th</sup> February, 2015.

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

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

\*Ceased to be a member with effect from 30<sup>th</sup> September, 2014

Mr. G.N. Bajpai, Chairman of the Audit Committee was present at the last Annual General Meeting held on 26<sup>th</sup> August, 2014.

### NOMINATION AND REMUNERATION / COMPENSATION COMMITTEE

#### Terms of Reference

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

- To undertake a process of due diligence to determine the 'fit and proper' status of existing Directors, if required;
- To undertake a process of due diligence to determine the 'fit and proper' status of the person proposed to be elected as a Director of the Company;
- To decide on the contents and obtain declarations from the Directors as may be required under the Companies Act, 1956, and/or other statutory provisions and update on the same to the Board of Directors from time to time;
- To recommend the suitable change(s), if required to the Board of Directors of the Company;

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

#### Composition and Attendance at Meetings:

As on 31<sup>st</sup> March, 2015, the composition of Nomination and Remuneration /Compensation Committee has been as under:

- a) Mr. Jagdish Shenoy
- b) Mr. G.N.Bajpai
- c) Mr. Kishore Biyani

During the financial year 2014-15, two meetings of Nomination and Remuneration /Compensation Committee were held on the following dates: 14<sup>th</sup> November, 2014 and 13<sup>th</sup> February, 2015.

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

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

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

#### Details of remuneration paid to the Directors during the Financial Year 2014-15:

Name of the Director	Sitting Fees* (₹)	Remuneration (₹)	Total (₹)	No of Stock Options
Mr. Kishore Biyani	5,25,000	Nil	5,25,000	Nil
Mr. G. N. Bajpai	4,70,000	Nil	4,70,000	Nil
Mr. Jagdish Shenoy	6,10,000	Nil	6,10,000	Nil
Ms. Vibha Rishi	2,45,000	Nil	2,45,000	Nil
Mr. Frederic de Mevius	1,00,000	Nil	1,00,000	Nil
Ms. Ashni Biyani**	Nil	26,50,177	26,50,177	Nil
Mr. K K Rathi #	1,00,000	Nil	1,00,000	Nil
Mr. Anil Harish @	1,50,000	Nil	1,50,000	Nil
Mr. B Anand§	Nil	Nil	Nil	Nil

\*includes fees paid for board and committee meetings

\*\*Appointed as Whole Time Director of the Company with effect from 15<sup>th</sup> November, 2014

# appointed as an Additional Director with effect from 15<sup>th</sup> November, 2014

@ Ceased to be Director with effect from 30<sup>th</sup> September, 2014

§ Ceased to be Director with effect from 31<sup>st</sup> March, 2015

#### Non-Executive Directors

The Non-Executive Directors of the Company are not paid any remuneration except by way of sitting fees for attending meetings of Board of Directors and its Committee(s). The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the financial year 2014-15.

Disclosure of shareholding of Non-Executive Directors as required under Clause 49(VIII)(C) of the Listing Agreement is given below :

Sr. No.	Name of the Director	No of equity shares held as on 31 <sup>st</sup> March, 2015
1	Mr. G. N. Bajpai	2,50,000
2	Mr. K K Rathi	46,06,506

#### Whole Time Director

The Shareholders of the Company had at an Extra Ordinary General Meeting held on 12<sup>th</sup> January, 2015 approved appointment of Ms. Ashni Biyani as Whole Time Director of the Company and payment of remuneration by way of salary in the scale of ₹ 75,00,000 to ₹ 97,50,000 (Rupees

Seventy Five Lakhs to Rupees Ninety Seven Lakhs Fifty Thousand Only) per annum (plus permissible contribution to provident fund, other funds and payment of gratuity, which shall not be included in computation of the ceiling on perquisites) plus other allowances and reimbursements as per Company policy, for a period of three years beginning from 15<sup>th</sup> November, 2014 to 14<sup>th</sup> November, 2017.

Ms. Ashni Biyani has received remuneration of ₹ 26.50 Lakhs for the period from 15<sup>th</sup> November, 2014 upto 31<sup>st</sup> March, 2015. In terms of the Agreement entered into by the Company with Ms. Ashni Biyani, notice period and severance fees is equal to six months remuneration payable.

## STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE

### Terms of Reference

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

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

### Composition and Attendance at Meeting

As on 31<sup>st</sup> March, 2015, the composition of Stakeholders' Relationship and Share Transfer Committee has been as under:

- Mr. Kishore Biyani
- Mr. Jagdish Shenoy

During the financial year 2014-15, two meeting(s) of Stakeholders' Relationship and Share Transfer Committee were held on 9<sup>th</sup> June, 2014 and 25<sup>th</sup> March, 2015.

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

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. Kishore Biyani	Chairman	Promoter and Vice-Chairman	2
Mr. Jagdish Shenoy	Member	Independent & Non-Executive Director	2

During the year under review, 6 (six) complaints/ correspondences were received by the Company and Link Intime India Private Limited, Registrar and Share Transfer Agent. The shareholder's complaints / correspondences were resolved and there were no pending complaints or un-attended correspondences as on 31<sup>st</sup> March, 2015.

### Name, Designation and address of Compliance Officer

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

### GENERAL BODY MEETINGS

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

Year	Day, Date and Time	Venue
2011-12	Wednesday, 5 <sup>th</sup> September, 2012 at 11.00 a.m.	Rangaswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2012-13	Monday, 23 <sup>rd</sup> September, 2013 at 10.30 a.m	Cultural Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2013-14	Tuesday, 26 <sup>th</sup> August, 2014 at 11.00 a.m.	Rangaswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021

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

AGM	AGM Date	Special Resolutions passed
16 <sup>th</sup>	5 <sup>th</sup> September, 2012	None
17 <sup>th</sup>	23 <sup>rd</sup> September, 2013	a) Appointment and payment of remuneration to Mr. Krishan Kant Rathi as Whole Time Director of the Company designated as 'Whole Time Director and Chief Executive Officer' b) Change in name of the Company
18 <sup>th</sup>	26 <sup>th</sup> August, 2014	a) Appointment of Mr. Arun Kumar Agarwal as Manager of the Company

## EXTRA ORDINARY GENERAL MEETING

During the year under review, one Extra Ordinary General Meeting ("EGM") of the Members of the Company was held on 12<sup>th</sup> January, 2015.

### Special Resolution(s) passed at the EGM held on 12<sup>th</sup> January, 2015

1. Issue of Equity Shares on Preferential Basis.
2. Appointment of Ms. Ashni Biyani as Whole Time Director of the Company and approve payment of remuneration.
3. Approval of Future Consumer Enterprise Limited Employee Stock Option Plan 2014 and grant of Employee Stock Options to the employees of the Company there under.
4. Grant of Employee Stock Options to the employees of the Subsidiary Company(ies) of the Company under Future Consumer Enterprise Limited Employee Stock Option Plan 2014.
5. Approval of Trust route for the implementation of Future Consumer Enterprise Limited Employee Stock Option Plan 2014.
6. Provision of money by the Company for purchase of its own shares by the Trust/Trustees for the benefit of

employees under Future Consumer Enterprise Limited Employee Stock Option Plan 2014

## POSTAL BALLOT

### Special Resolution passed through Postal Ballot:

During the year under review, certain Special Resolutions 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 Companies Act, 2013 read with Rules thereto and the provisions of Listing Agreement. The results of the postal ballot were also posted on the website of the Company - [www.futureconsumer.in](http://www.futureconsumer.in)

The details of the Postal Ballots conducted during the financial year 2014-2015, results of which were announced are provided herein below. No special resolution(s) are proposed to be passed by postal ballot at the 19<sup>th</sup> Annual General Meeting.

### A) Postal Ballot Notice dated 19<sup>th</sup> May, 2014, result whereof was announced on 1<sup>st</sup> August, 2014

SPECIAL RESOLUTION: Approval for Scheme of Amalgamation of Future Agrovet Limited with Future Consumer Enterprise Limited

Promoter/Public	No. of shares held	No. of votes polled	% votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% 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	66,32,08,836	N A	N A	N A	N A	N A	N A
Public-Institutional holders	30,79,06,324	9,00,603	0.29	9,00,603	0	100.00	0
Public-others	62,68,61,511	38,55,21,871	61.50	38,54,04,912	1,16,959	99.97	0.03
<b>Total</b>	<b>159,79,76,671</b>	<b>38,64,22,474</b>	<b>24.18</b>	<b>38,63,05,515</b>	<b>1,16,959</b>	<b>99.97</b>	<b>0.03</b>

### B) Postal Ballot Notice dated 12<sup>th</sup> August, 2014, result whereof was announced on 7<sup>th</sup> October, 2014

- 1) SPECIAL RESOLUTION: To approve the borrowing limits of the Company

Promoter/ Public	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
<b>Promoter and Promoter Group</b>	66,32,08,836	56,72,70,517	85.53	56,72,70,517	0	100.00	0.00
<b>Public – Institutional holders</b>	30,78,90,797	8,46,439	0.27	8,46,439	0	100.00	0.00
<b>Public-Others</b>	63,71,05,538	24,57,690	0.39	22,71,056	1,86,330	92.41	7.58
<b>Total</b>	<b>1,60,82,05,171</b>	<b>57,05,74,646</b>	<b>35.48</b>	<b>57,03,88,012</b>	<b>1,86,330</b>	<b>99.97</b>	<b>0.03</b>

2) SPECIAL RESOLUTION: Creation of charges on the assets of the Company

Promoter/ Public	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	66,32,08,836	56,72,70,517	85.53	56,72,70,517	0	100.00	0.00
Public – Institutional holders	30,78,90,797	8,46,439	0.27	8,46,439	0	100.00	0.00
Public-Others	63,71,05,538	24,57,990	0.39	23,48,033	1,09,653	95.53	4.46
<b>Total</b>	<b>1,60,82,05,171</b>	<b>57,05,74,946</b>	<b>35.48</b>	<b>57,04,64,989</b>	<b>1,09,653</b>	<b>99.98</b>	<b>0.02</b>

3) SPECIAL RESOLUTION: Issue of Non Convertible Debentures

Promoter/ Public	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	66,32,08,836	56,72,70,517	85.53	56,72,70,517	0	100.00	0.00
Public – Institutional holders	30,78,90,797	8,46,439	0.27	8,46,439	0	100.00	0.00
Public-Others	63,71,05,538	24,48,590	0.38	22,97,847	1,50,439	93.84	6.14
<b>Total</b>	<b>1,60,82,05,171</b>	<b>57,05,65,546</b>	<b>35.48</b>	<b>57,04,14,803</b>	<b>1,50,439</b>	<b>99.97</b>	<b>0.03</b>

4) SPECIAL RESOLUTION: Authority to the Board of Directors to make investments, give loans, provide guarantee/ security in excess of limits prescribed under Section 186 of the Companies Act, 2013

Promoter/ Public	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	66,32,08,836	56,72,70,517	85.53	56,72,70,517	0	100.00	0.00
Public – Institutional holders	30,78,90,797	8,46,439	0.27	0	8,46,439	0.00	100.00
Public-Others	63,71,05,538	24,58,090	0.39	21,72,929	2,84,857	88.40	11.59
<b>Total</b>	<b>1,60,82,05,171</b>	<b>57,05,75,046</b>	<b>35.48</b>	<b>56,94,43,446</b>	<b>11,31,296</b>	<b>99.80</b>	<b>0.20</b>

5) SPECIAL RESOLUTION: Approval of Related Party Transaction(s)

Promoter/ Public	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	66,32,08,836	0	0.00	0	0	0	0
Public – Institutional holders	30,78,90,797	8,46,439	0.27	8,46,439	0	100.00	0.00
Public-Others	63,71,05,538	21,97,084	0.34	19,86,511	2,10,269	90.42	9.57
<b>Total</b>	<b>1,60,82,05,171</b>	<b>30,43,523</b>	<b>0.19</b>	<b>28,32,950</b>	<b>2,10,269</b>	<b>93.08</b>	<b>6.91</b>

**C) Postal Ballot Notice dated 4<sup>th</sup> September, 2014, result whereof was announced on 29<sup>th</sup> October, 2014**

SPECIAL RESOLUTION: Alteration of Clause III(a)(2) of the Main Objects of the Memorandum of Association of the Company

Promoter/ Public	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	67,05,38,836	57,46,00,517	85.69	57,46,00,517	0	100.00	0.00
Public – Institutional holders	30,22,12,842	15,31,35,760	50.67	15,31,35,760	0	100.00	0.00
Public-Others	63,54,53,493	1,81,36,098	2.85	1,78,12,823	91,700	98.22	0.51
<b>Total</b>	<b>1,60,82,05,171</b>	<b>74,58,72,375</b>	<b>46.38</b>	<b>74,55,49,100</b>	<b>91,700</b>	<b>99.96</b>	<b>0.01</b>

**D) Postal Ballot Notice dated 12<sup>th</sup> December, 2014, result whereof was announced on 28<sup>th</sup> January, 2015**

SPECIAL RESOLUTION: Authority to the Board of Directors to make investments, give loans, provide guarantee/ security in excess of limits prescribed under Section 186 of the Companies Act, 2013

Promoter/ Public	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	70,18,47,978	70,17,48,359	99.99	70,17,48,359	0	100.00	0.00
Public – Institutional holders	30,23,04,983	24,97,244	0.83	0	22,53,191	0.00	90.23
Public-Others	60,70,72,710	2,54,09,781	4.19	2,53,02,659	1,02,222	99.58	0.40
<b>Total</b>	<b>1,61,12,25,671</b>	<b>72,96,55,384</b>	<b>45.29</b>	<b>72,70,51,018</b>	<b>23,55,413</b>	<b>99.64</b>	<b>0.32</b>

**E) Postal Ballot Notice dated 25<sup>th</sup> March, 2015, result whereof was announced on 12<sup>th</sup> May, 2015**

1) SPECIAL RESOLUTION: Alteration of the Main Objects of the Memorandum of Association of the Company

Promoter/Public	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	71,90,12,331	70,21,12,712	97.65	70,21,12,712	0	100.00	0.00
Public – Institutional holders	30,56,67,260	15,76,62,094	51.58	15,76,62,094	0	100.00	0.00
Public-Others	63,24,64,447	27,19,408	0.43	26,00,171	29,807	95.62	1.10
<b>Total</b>	<b>1,65,71,44,038</b>	<b>86,24,94,214</b>	<b>52.05</b>	<b>86,23,74,977</b>	<b>29,807</b>	<b>99.99</b>	<b>0.01</b>

2) SPECIAL RESOLUTION: Approval for acquisition of shares of the Company under Future Consumer Enterprise Limited Employee Stock Option Plan 2014 by way of secondary market acquisition

Promoter/Public	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	71,90,12,331	70,21,12,712	97.65	70,21,12,712	0	100.00	0.00
Public – Institutional holders	30,56,67,260	15,76,62,094	51.58	15,20,43,000	56,19,094	96.44	3.56
Public-Others	63,24,64,447	27,18,978	0.43	26,80,390	34,661	98.58	1.27
<b>Total</b>	<b>1,65,71,44,038</b>	<b>86,24,93,784</b>	<b>52.05</b>	<b>85,68,36,102</b>	<b>56,53,755</b>	<b>99.34</b>	<b>0.66</b>

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

## DISCLOSURES

### Vigil Mechanism / 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 and Employees ("**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) and Directors to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policy/ies of the Company, as adopted / framed from time to time. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the CEO / Chairman of the Audit Committee in exceptional cases.

The Policy covers 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 matters or activities on account of which the interest of the Company is affected and formally reported by whistle blowers. There are no instances of denial to any person, for access to the Chairman of the Audit Committee during the year.

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

### Related Party Transactions

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with related parties are given for information in Note No. 32 under notes to standalone financial statements.

### Statutory Compliance, Penalties and Strictures

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

### Disclosure of Accounting Treatment

The Financial Statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said Financial Statements comply with the relevant provisions of the Companies Act, 2013 and rules made there of, the mandatory Accounting Standards notified by the Central Government of India

under Companies (Accounting Standards) Rules, 2006, as amended from time to time and guidelines issued by Reserve Bank of India for Non Banking Financial (Non Deposit Accepting or Holding) Companies from time to time.

### Code of Conduct

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

The Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2014-15. A declaration to this effect in terms of Clause 49 of the Listing Agreement forms part of the Annual Report.

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

### Management Discussion and Analysis Report

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

### Means of Communication and Shareholder Information

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

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

### General Shareholder Information

#### Annual General Meeting

Date and Time	26 <sup>th</sup> August, 2015 at 3.00 p.m.
Venue	Rangswar Hall, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai - 400 021
Financial Year	The financial year of the Company is from April 1 to March 31 of the following year.
First Quarter Results	By second week of August, 2015
Second Quarter Results	By second week of November, 2015
Third Quarter Results	By second week of February, 2016
Fourth Quarter / Annual Results	By end of May, 2016
Date of Book Closure	20 <sup>th</sup> August, 2015 to 26 <sup>th</sup> August, 2015 (both days inclusive)
Dividend Payment Date	Not Applicable

Corporate Identity Number (CIN): **L52602MH1996PLC192090**

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

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

**Stock Code:**

BSE Limited : 533400

The National Stock Exchange of India Limited : FCEL

International Securities Identification Number ("ISIN") : INE220J01025

**Listing Fees**

Listing fees for both the Stock Exchanges for the year 2014-15 has been paid.

**Debentures**

The Company has issued and allotted 1,000 Secured, Rated, Listed, Redeemable, Non- Convertible, Taxable Debentures of ₹ 10 lakh each ("**NCDs**") on 17<sup>th</sup> March, 2015. 400 Series A NCDs are redeemable on 17<sup>th</sup> March, 2017 and 600 Series B NCDs are redeemable on 17<sup>th</sup> March, 2018. The NCDs are listed on the Wholesale Debt Market (WDM) of BSE Limited.

**Security Code and ISIN for NCDs:**

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

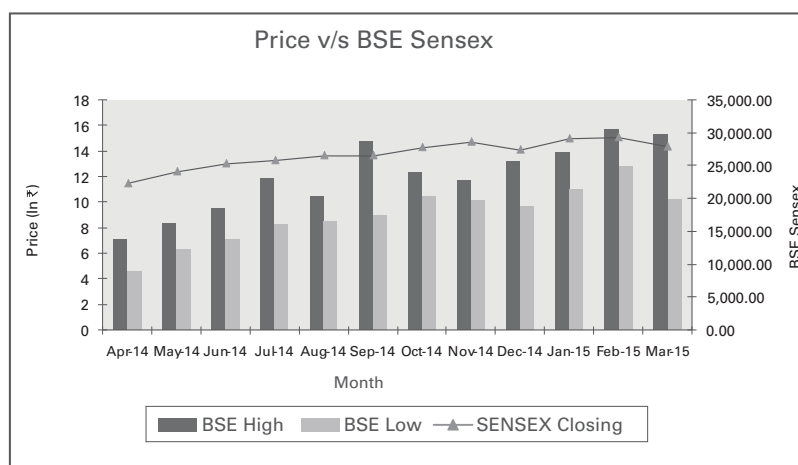
**Debenture Trustee**

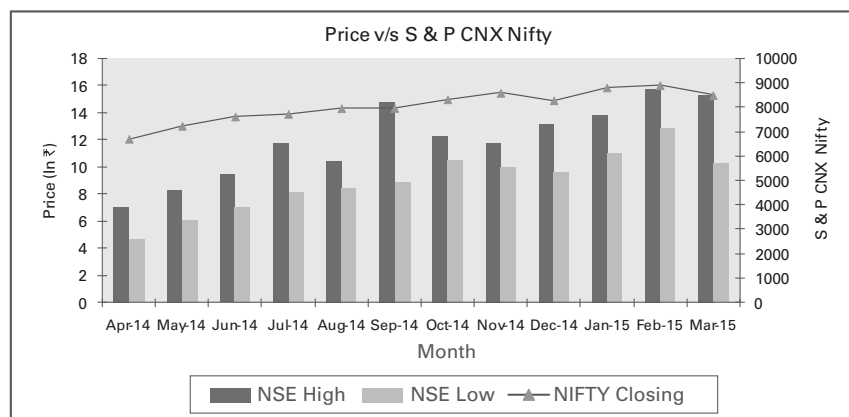
IL & FS Trust Company Limited  
The IL & FS Financial Center  
Plot No. C-22, G Block, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051  
Tel: + 91 22 2653 3333 / 3232  
Fax: + 91 22 2653 3038

**Market Price Data during Financial Year 2014-15:**

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2014	7.04	4.61	7.05	4.60
May, 2014	8.29	6.30	8.25	6.10
June, 2014	9.47	7.10	9.45	7.05
July, 2014	11.78	8.20	11.80	8.15
August, 2014	10.45	8.50	10.40	8.45
September, 2014	14.75	8.93	14.75	8.95
October, 2014	12.33	10.52	12.30	10.50
November, 2014	11.70	10.15	11.80	10.00
December, 2014	13.19	9.70	13.20	9.65
January, 2015	13.89	11.05	13.85	11.05
February, 2015	15.71	12.85	15.75	12.80
March, 2015	15.30	10.25	15.35	10.25

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





**Registrar and Share Transfer Agents**  
**LINK INTIME INDIA PRIVATE LIMITED**

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

**Share Transfer System**

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

**Distribution of Shareholdings as on 31<sup>st</sup> March, 2015**

Share holding (Number of Shares)	Number of Shareholders	% to total	No. of Shares	% to total
1 - 500	9,633	32.08	23,11,732	0.14
501 - 1000	7,586	25.26	59,34,572	0.36
1001 - 2000	5,003	16.66	76,72,719	0.46
2001 - 3000	1,844	6.14	49,16,200	0.30
3001 - 4000	657	2.19	24,25,110	0.14
4001 - 5000	1,234	4.11	59,54,590	0.36
5001 - 10000	1,864	6.20	1,50,77,807	0.91
10001 and above	2,210	7.36	1,61,28,51,308	97.33
<b>Total</b>	<b>30,031</b>	<b>100.00</b>	<b>1,65,71,44,038</b>	<b>100.00</b>

**Categories of Shareholding as on 31<sup>st</sup> March, 2015**

Category	No. of Shares	Shareholding %
Promoters and their relatives / Promoter Group Companies	71,90,12,331	43.39
Foreign Institutional Investor	30,56,22,884	18.44
Financial Institutions	3,71,420	0.02
Hindu Undivided Family	2,75,464	0.02
Mutual Funds	14,002	0.00
Non Residents Indians	13,78,486	0.08
Non Residents Indians (Non Repatriable)	29,34,221	0.18
Non Nationalised Banks	1,89,411	0.01
Indian Companies	43,82,87,539	26.45
Indian Public	17,55,70,116	10.59
Clearing Members	86,31,658	0.52
Directors	46,06,506	0.28
Independent Director	2,50,000	0.02
<b>Total</b>	<b>1,65,71,44,038</b>	<b>100.00</b>

**Dematerialization of Shares and Liquidity**

As on 31<sup>st</sup> March, 2015, a total of 1,65,70,18,768 equity shares aggregating to 99.99 % of the total issued, subscribed and paid-up equity share capital of the Company are in dematerialised form.

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

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

**Plant Location** : Not Applicable

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

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

**Company**

Future Consumer Enterprise Limited

**Registered Office:**

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

**Corporate Office:**

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

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

**Designated email id** : [investor.care@futureconsumer.in](mailto:investor.care@futureconsumer.in)

**Non Mandatory Requirements**

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

**1. The Board**

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

**2. Shareholders' Rights**

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

**3. Audit Qualifications**

There are no audit qualifications in the financial statements for the year 2014-15. Standard practices and procedures are followed to ensure unqualified financial statements.

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

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

**5. Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

**DECLARATION**

I, Ashni Biyani, Whole Time Director of Future Consumer Enterprise Limited, hereby declare that all the members of the Board of Directors of the Company and the Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Clause 49(II)(E)(2) of the Listing Agreement entered into with the Stock Exchange(s) for the year ended March 31, 2015.

For **Future Consumer Enterprise Limited**

Place: Mumbai  
Date: May 15, 2015

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

## Corporate Governance Certificate

To,  
The Members of  
Future Consumer Enterprise Limited

We have examined the compliance of conditions of Corporate Governance by Future Consumer Enterprise Limited (formerly known as Future Ventures India Limited) ("**the Company**") for the year ended 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the directors and the management and read with the paragraph above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

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

**MUMBAI**, May 15, 2015

# **STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS**

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF FUTURE CONSUMER ENTERPRISE LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **FUTURE CONSUMER ENTERPRISE LIMITED** (formerly known as Future Ventures India Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 36 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Ketan Vora**

Partner

(Membership No. 100459)

**MUMBAI**, May 15, 2015

## ANNEXURE TO THE AUDITORS' REPORT

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on account of Future Consumer Enterprise Limited for the year ended 31st March, 2015)**

- (i) Having regard to the nature of the Company's business/activities/result, clause (vi) of paragraph 3 of the Order are not applicable to the Company
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets of the Company were physically verified by the management in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. The Company is in the process of reconciling the book records with the physical verification records and discrepancies, if any, will be adjusted on completion of such reconciliation.
- (iii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) According to the information and explanations given to us, the company has not accepted any deposit during the year. Hence the clause is not applicable to the company.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax and Cess which have not been deposited as on 31st March, 2015 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in Lakhs)
Income Tax Act, 1961	Income Taxes	Commissioner of Income Tax Appeal	2009-10	2.62
Income Tax Act, 1961	Income Taxes	Commissioner of Income Tax Appeal	2010-11	33.83
Income Tax Act, 1961	Income Taxes	Commissioner of Income Tax Appeal	2011-12	1,429.50
Value Added Tax	Maharashtra Value added Tax	Assistant Commercial of sale tax	2008-09	139.05

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund of the companies.
- (viii) The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth and the Company has incurred cash losses during the financial year covered by our audit but has not incurred any cash loss during the preceding financial year.

- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and debenture holders. The company does not have any borrowings from Financial Institutions.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

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

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

**MUMBAI**, May 15, 2015

# BALANCE SHEET

AS AT 31ST MARCH 2015

Particulars	Note	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	99,428.64	95,878.60
(b) Reserves and Surplus	4	(6,898.57)	(554.74)
		<b>92,530.07</b>	<b>95,323.86</b>
<b>Non Current Liabilities</b>			
(a) Long-term borrowings	5	26,931.25	-
(b) Long Term Provisions	6	373.45	160.04
		<b>27,304.70</b>	<b>160.04</b>
<b>Current Liabilities</b>			
(a) Short Term Borrowings	7	27,457.56	1,036.56
(b) Trade Payables	8	6,548.67	4,765.01
(c) Other Current Liabilities	9	1,100.16	224.32
(d) Short Term Provisions	10	251.39	173.41
		<b>35,357.78</b>	<b>6,199.30</b>
<b>Total</b>		<b>155,192.55</b>	<b>101,683.20</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Fixed Assets (Net Block)			
(i) Tangible Assets	11	4,334.81	3,024.07
(ii) Intangible Assets	11	26,335.08	25,576.61
		30,669.89	28,600.68
(iii) Capital Work-in-progress		31.24	-
		30,701.13	28,600.68
(b) Non Current Investments	12	62,879.82	33,273.42
(c) Deferred Tax Assets (net)	13	-	-
(d) Long Term Loans and Advances	14	2,635.08	1,415.93
		<b>96,216.03</b>	<b>63,290.03</b>
<b>Current Assets</b>			
(a) Current Investments	15	10,000.00	12,384.16
(b) Inventories	16	8,112.73	2,604.18
(c) Trade Receivables	17	12,493.38	2,473.41
(d) Cash and Cash Equivalents	18	3,071.44	514.55
(e) Short-term Loans and Advances	19	24,299.48	19,576.19
(f) Other Current Assets	20	999.49	840.68
		<b>58,976.52</b>	<b>38,393.17</b>
<b>Total</b>		<b>155,192.55</b>	<b>101,683.20</b>
See accompanying Notes forming part of the financial statements	1-47		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

Place : Mumbai  
Date : May 15, 2015

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

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

**G.N.Bajpai**  
Chairman

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

**Kishore Biyani**  
Vice Chairman

**Manoj Saraf**  
Chief Financial Officer

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Note	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
<b>REVENUE</b>			
(a) Revenue from operations	21	108,255.39	34,285.68
(b) Other income	22	3,656.94	12,100.37
<b>Total revenue</b>		<b>111,912.33</b>	<b>46,386.05</b>
<b>EXPENSES</b>			
(a) Cost of materials consumed and other inputs		1,427.27	-
(b) Purchases of stock-in-trade (traded goods)		94,967.59	28,957.00
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	440.57	928.71
(d) Employee benefits expense	24	5,972.19	3,941.15
(e) Finance costs	25	2,987.06	64.03
(f) Depreciation and Amortisation expense	11	3,274.59	2,531.33
(g) Other expenses	26	9,703.97	6,922.93
<b>Total expenses</b>		<b>118,773.24</b>	<b>43,345.15</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(6860.91)</b>	<b>3,040.90</b>
Exceptional items (Refer Note 44)		2,514.00	-
<b>Profit / (Loss) before tax</b>		<b>(9,374.91)</b>	<b>3,040.90</b>
Tax expense		-	-
<b>Profit / (Loss) after Tax</b>		<b>(9,374.91)</b>	<b>3,040.90</b>
<b>Basic and Diluted Earnings per Share (Face Value ₹ 6/- each)</b>	31	<b>(0.58)</b>	<b>0.19</b>
See accompanying Notes forming part of the financial statements	1 - 47		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

Place : Mumbai  
Date : May 15, 2015

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

**G.N.Bajpai**  
Chairman

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

**Kishore Biyani**  
Vice Chairman

**Manoj Saraf**  
Chief Financial Officer

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
<b>A. Cash Flow From Operating Activities</b>		
Profit / (Loss) before tax as per Statement of Profit and Loss	<b>(9,374.91)</b>	<b>3,040.90</b>
<b>Adjustments for</b>		
Depreciation and Amortisation	3,274.59	2,531.33
Interest and Financial Charges	2,987.06	64.03
Interest Income	(3,128.25)	(2,804.57)
Interest on Income Tax Refund	-	(1.07)
Dividend Income	(0.16)	(128.68)
Loss on Sale of Fixed Assets	262.69	164.45
Diminution in Value of Investment and Inter Corporate Deposits Written off	2,514.00	-
Profit on Sale of Long Term Investments	-	(8,907.30)
Provision for Standard assets	(21.83)	(8.68)
Profit on Sale of Current Investments	(215.18)	(212.35)
Provision no longer required written back	(219.10)	-
Provision for Doubtful Debts	99.19	-
Unrealised Foreign Exchange Gain	(7.37)	-
Sundry Balances written back	(56.96)	(9.87)
<b>Operating Profit before Working Capital changes</b>	<b>(3,886.23)</b>	<b>(6,271.81)</b>
<b>Adjusted for Working Capital changes</b>		
(Increase) / Decrease in Trade Receivable	(3,235.38)	(1,064.00)
(Increase) / Decrease in Inventories	385.73	928.71
(Increase) / Decrease in Loans and Advances	(13,166.68)	71.08
Increase / (Decrease) in Liabilities and Provisions	(941.32)	(3,232.14)
	<b>(20,843.88)</b>	<b>(9,568.16)</b>
Income Taxes Refund (Paid)	(621.02)	(207.93)
<b>Net Cash flow from / (used in) operating activities (A)</b>	<b>(21,464.90)</b>	<b>(9,776.09)</b>
<b>B. Cash Flow From Investing Activities</b>		
Sale of Fixed Assets	41.56	21.78
Purchase of Fixed Assets including capital advances	(858.36)	(306.87)
Purchase of Long Term Investments - subsidiaries and associates (includes share application money)	(31,111.64)	(8,343.42)
Proceeds from sale of Long Term Investments	756.00	18,507.37
Purchase of Current Investments	(22,740.33)	(63,190.80)
Proceeds from sale of Current Investments	25,339.98	61,420.43
Inter Corporate Deposit given (Net)	6,386.21	(1,842.70)
Interest Received	2,834.30	2,521.15
Dividend Income	0.16	128.68
<b>Net Cash flow from / (used in) Investing Activities (B)</b>	<b>(19,352.12)</b>	<b>8,915.62</b>

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
<b>C. Cash Flow From Financing Activities</b>		
Interest & Finance Charges Paid	(2,711.19)	(64.03)
Proceeds from Borrowings (Net)	44,528.00	959.58
Proceeds from Issue of Equity Shares	794.94	-
<b>Net Cash flow from / (used in) Financing Activities (C)</b>	<b>42,611.75</b>	<b>895.55</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>1,794.73</b>	<b>35.08</b>
Cash and Cash Equivalents as at the beginning of the year	507.40	343.09
Adjustment pursuant to the composite scheme of Amalgamation and Arrangement (Refer Note 38)	171.66	129.23
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>2,473.79</b>	<b>507.40</b>
<b>Reconciliation of Cash and Cash equivalent with Balance Sheet</b>		
Add: In Earmarked Accounts - Margin Money Deposit Accounts	597.65	7.15
<b>Cash and Cash Equivalents as per Balance Sheet (Refer Note 18)</b>	<b>3,071.44</b>	<b>514.55</b>

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Ketan Vora**  
Partner

Place : Mumbai  
Date : May 15, 2015

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

**G.N.Bajpai**  
Chairman

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

**Kishore Biyani**  
Vice Chairman

**Manoj Saraf**  
Chief Financial Officer

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

## 1. CORPORATE INFORMATION

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

The shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited since May 10, 2011. Pursuant to a composite scheme of Amalgamation and Arrangement coming into effect during the financial year 2012-13, the Company has become an operating entity from being a Non-Banking Finance Company "(NBFC)" since it was unable to satisfy the prescribed norms of assets / income pattern as required under the Reserve Bank of India regulations. In view of the same, the Company has made an application to Reserve Bank of India ("RBI") seeking de-registration as NBFC on May 30, 2013.

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### b) Use of Estimates

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

### c) Inventories

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

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

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

### e) Cash flow statement

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

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

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

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

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

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

Acquired Brand and Goodwill are amortized over ten years based on the estimated useful life on straight line method.

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

**g) Revenue Recognition**

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with delivery, and are recorded net of VAT. Fee for services rendered and royalty income is recognized at the specific rates as per the terms of contract.

**h) Other Income**

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

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

**i) Investments**

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

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

**j) Employee Benefits**

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

Defined Contribution Plans

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

Defined Benefit Plans

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

otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Compensated Absences

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

Other short-term employee benefits

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

**k) Employee Share based payments**

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

**l) Foreign currency transactions and translations**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are dealt with in the Statement of Profit and Loss. Forward exchange contracts entered into to hedge the foreign currency risk and outstanding as on balance sheet date are translated at year end exchange rates. The premium or discount arising at the inception of such forward exchange contracts are amortised as income or expense over the life of the contract. Gains / Losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognized as income or expense.

**m) Segment Reporting**

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

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

Inter-segment revenue comprises of transactions, which are primarily determined based on market / fair value factors.

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

**n) Leases**

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

**o) Earnings per share**

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

**p) Taxes on income**

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

Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and tax laws

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

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

**q) Impairment of assets**

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

**r) Provisions and Contingencies**

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

**s) Operating Cycle**

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

**3. SHARE CAPITAL**

a)

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Authorised</b>		
5,650,000,000 (Previous year - 5,550,000,000) Equity Shares of ₹ 6/- each	339,000.00	333,000.00
1,670,000,000 (Previous year - 1,670,000,000) Unclassified Shares of ₹ 10/- each	167,000.00	167,000.00
<b>Total</b>	<b>506,000.00</b>	<b>500,000.00</b>
<b>Issued, Subscribed and Fully Paid-up Capital</b>		
1,657,144,038 (Previous year - 1,597,976,671) Equity Shares of ₹ 6/- each	<b>99,428.64</b>	<b>95,878.60</b>

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

Particulars	As at 31st March 2015		As at 31st March 2014	
	No of Shares	₹ in Lakhs	No of Shares	₹ in Lakhs
No. of Equity shares at the beginning of the year	1,597,976,671	95,878.60	1,597,976,671	95,878.60
Add : Allotment Pursuant to exercise of stock options granted under FVIL Employees Stock Option Plan - 2011	13,249,000	794.94	-	-
Add : Shares issued without payment being received in cash (see note (f) below)	45,918,367	2,755.10	-	-
<b>Total</b>	<b>1,657,144,038</b>	<b>99,428.64</b>	<b>1,597,976,671</b>	<b>95,878.60</b>

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

Particulars	As at 31st March 2015		As at 31st March 2014	
	No of Shares	% of Holding	No of Shares	% of Holding
Arisaig Partners (Asia) Pte. Limited. A/c.	152,043,000	9.18	152,043,000	9.51
Arisaig India Fund Limited				
Future Retail Limited	150,000,000	9.05	150,000,000	9.39
BNP Paribas Arbitrage	140,753,144	8.49	140,753,144	8.81
PIL Industries Limited	129,804,747	7.83	124,877,845	7.81
Gargi Developers Private Limited	128,878,666	7.78	128,878,666	8.07
Bennett, Coleman and Company Limited	121,641,615	7.34	121,641,615	7.61
Central Departmental Stores Private Limited	95,838,700	5.78	95,838,700	6.00
Future Capital Investment Private Limited	84,106,029	5.08	84,106,029	5.26
Aaradhak Commercial Ventures Private Limited	81,548,254	4.92	81,548,254	5.10

d) Terms/Rights attached to Equity Shares:

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

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

e) As at 31st March, 2015 in terms of FVIL Employees Stock Option Plan 2011 equity shares aggregating to 1,006,000 (Previous Year- 15,785,000 equity shares) were reserved for issuance towards outstanding Employee Stock Options granted. (Refer Note 29)

f) The Company has allotted 45,918,367 (Previous Year - NIL) equity shares of ₹ 6 each fully paid up at a premium of ₹ 6.74 per share on preferential basis without payment being received in cash to the minority shareholders of Aadhaar Wholesale Trading and Distribution Limited (a subsidiary of the Company) for acquisition of their stake consequently Aadhaar Wholesale Trading and Distribution Limited has become as wholly owned subsidiary of the Company.

**4. RESERVES AND SURPLUS**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Capital Redemption Reserve</b>		
As Per last Balance Sheet	5.20	5.20
<b>Statutory Reserve under section 45(IC) of RBI Act, 1934</b>		
Opening Balance	1,363.06	754.88
Add: Transfer during the year	-	608.18
	<b>1,363.06</b>	<b>1,363.06</b>
<b>General Reserve</b>		
As Per last Balance Sheet	0.59	0.59
<b>Securities Premium Account</b>		
Premium on shares issued during the year	3,094.90	-
<b>Capital Reserve</b>		
Opening Balance	-	715.51
Less: Adjustment pursuant to the Composite Scheme of Amalgamation and Arrangement	-	(715.51)
	-	-
<b>Surplus/(Deficit) in Profit and Loss Account</b>		
Opening Balance	(1,923.59)	(3,093.43)
Add: Adjustment pursuant to the Composite Scheme of Amalgamation and Arrangement	-	(1,262.88)
Add: Current Year Profit/(Loss)	(9,374.91)	3,040.90
Add : Depreciation on transition to Schedule II of the Companies Act,2013 on tangible fixed assets with Nil remaining useful life (net of deferred tax) (Refer Note 42)	(63.82)	-
Less : Transfer to Statutory Reserve as per RBI Section 45 (IC)	-	(608.18)
	<b>(11,362.32)</b>	<b>(1,923.59)</b>
<b>Total</b>	<b>(6,898.57)</b>	<b>(554.74)</b>

**5. LONG-TERM BORROWINGS**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Secured</b>		
Term Loan From Banks	16,931.25	-
1000, 11.95% Redeemable Non convertible Debentures of ₹ 10 lakhs each	10,000.00	-
<b>Total</b>	<b>26,931.25</b>	<b>-</b>

**Term Loan from banks are secured by:**

- First pari-passu charge on movable fixed assets and second charge on current assets of the company,
- Pledge of investment in shares of The Nilgiri Dairy Farm Private Limited,
- Personal Guarantee of Mr Kishore Biyani, a director
- First charge on Movable and Immovable fixed assets of the proposed Flour/Rice/Spice Processing Units at Tumkur,
- Pledge of shares of listed entities Future Retail Limited and/or Future Consumer Enterprise Limited and/or Future Lifestyle Fashions Limited
- Subservient charge over tangible assets of other companies.

Of the above,

- ₹ 4,743.75 lakhs is repayable in 46 semi-annual installments beginning from October 2015 and carry an interest of 12% p.a.
- ₹ 12,187.50 lakhs is repayable in 70 quarterly installments beginning from December 2015 and carry an interest of 12% p.a.

**Redeemable Non convertible Debentures** are 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 its interest thereon and is repayable as follows :

Series A of ₹ 4,000 lakhs repayable after 2 years in March 2017 and Series B of ₹ 6,000 lakhs repayable after 3 years in March 2018. Interest is payable quarterly from date of allotment.

The above debentures are privately place with mutual funds and are listed in Wholesale Debt Segment of BSE Limited.

## 6. LONG TERM PROVISIONS

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Provision for Employee Benefits :</b>		
Provision for Gratuity (Refer Note 27 )	241.69	94.24
Provision for Compensated Absences	131.76	65.80
<b>Total</b>	<b>373.45</b>	<b>160.04</b>

## 7. SHORT TERM BORROWINGS

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Secured :</b>		
Loans repayable on demand from banks	13,210.84	-
Other Loans from Bank	14,246.72	1,036.56
<b>Total</b>	<b>27,457.56</b>	<b>1,036.56</b>

**Working Capital Loan from Banks is secured by:**

- First and exclusive charge on all existing and future current assets of the Company,
- Subservient Charge on Tangible Movable Fixed Assets and Current Assets both present and future of the Company
- Personal Guarantee of Mr. Kishore Biyani, a director and Mr.Vijay Biyani.

The Working capital loan of ₹ 10,000 lakhs is repayable at the end of 90 days in June 2015 and other credit facilities are repayable on demand. The rate of Interest ranges from 10.5% to 13.5% p.a.

## 8. TRADE PAYABLES

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
Payable to :		
- Micro, Small and Medium Enterprises (Refer note 43)	250.23	423.86
- Others	6,298.44	4,341.15
<b>Total</b>	<b>6,548.67</b>	<b>4,765.01</b>

**9. OTHER CURRENT LIABILITIES**

<b>Particulars</b>	<b>As at 31st March 2015 ₹ In Lakhs</b>	<b>As at 31st March 2014 ₹ In Lakhs</b>
Security and Other Deposits Received	56.14	14.30
Current Maturities of Long Term Debt	426.69	-
Statutory Remittances		
- Vat Payable	76.01	37.54
- TDS Payable	128.84	64.73
- PF Payable	34.76	25.84
- Service Tax Payable	15.85	8.14
- Other Statutory Payable	23.56	7.67
Payable on purchase of Fixed Assets	43.66	63.03
Interest Accrued but Not Due	275.87	-
Advance received from Customers	18.78	3.07
<b>Total</b>	<b>1,100.16</b>	<b>224.32</b>

**10. SHORT TERM PROVISIONS**

<b>Particulars</b>	<b>As at 31st March 2015 ₹ In Lakhs</b>	<b>As at 31st March 2014 ₹ In Lakhs</b>
<b>Provision for Employee Benefits :</b>		
Provision for Gratuity (Refer Note 27)	26.85	10.47
Provision for Compensated Absences	43.92	21.93
Provision for Bonus	153.26	91.82
<b>Others</b>		
Provision for Standard Assets	27.36	49.19
<b>Total</b>	<b>251.39</b>	<b>173.41</b>

11. FIXED ASSETS		Gross Block				Depreciation				Net Block		
Description of Assets		As at 1st April 2014	Acquisition through Business Combination #	Additions	Deletions	As at 31st March 2015	As at 1st April 2014	Other adjustments ##	For the Period	Deletions	As at 31st March 2015	As at 31st March 2015
A. Tangible Assets	Land	-	302.74	-	-	302.74	-	-	-	-	-	302.74
	Building	-	382.86	-	-	382.86	-	-	6.17	-	6.17	376.69
	Office Equipments	212.36	58.05	31.14	8.17	293.38	36.83	18.48	72.93	2.77	125.47	167.91
	Computers	426.56	86.52	33.72	76.33	470.47	219.78	37.64	173.46	55.02	375.86	94.61
	Furniture & Fixtures	1,982.34	219.01	158.28	209.73	2,149.90	337.30	-	222.94	38.75	521.49	1,628.41
	Vehicles	23.71	69.78	0.05	8.75	84.79	13.94	0.48	16.13	6.97	23.58	61.21
	Plant & Machinery	974.16	877.29	86.55	80.13	1,857.87	250.78	-	151.61	14.58	387.81	1,470.06
	Leasehold improvement	545.63	69.22	45.77	100.54	560.08	282.06	7.22	98.94	61.32	326.90	233.18
Total	4,164.76	2,065.47	355.51	483.65	6,102.09	1,140.69	63.82	742.18	179.41	1,767.28	4,334.81	
B. Intangible Assets - Acquired												
	TradeMark & Brand Usage Rights	20,205.21	-	-	-	20,205.21	3,715.95	-	1,083.72	-	4,799.67	15,405.54
	Software	112.63	10.41	0.67	-	123.71	93.26	-	16.72	-	109.98	13.73
	Goodwill	11,039.87	3,279.80	-	-	14,319.67	1,971.89	-	1,431.97	-	3,403.86	10,915.81
	Total	31,357.71	3,290.21	0.67	-	34,648.59	5,781.10	-	2,532.41	-	8,313.51	26,335.08
Grand Total		35,522.47	5,355.68	356.18	483.65	40,750.68	6,921.79	63.82	3,274.59	179.41	10,080.79	30,669.89
# Refer Note 38												
# # Refer Note 42												

# Refer Note 38

## Refer Note 42

FIXED ASSETS (Previous Year)		Gross Block				Depreciation				(₹ In Lakhs) Net Block		
Description of Assets		As at 1st April 2013	Acquisition through Business Combination	Additions	Deletions	As at 31st March 2014	As at 1st April 2013	Acquisition through Business Combination	For the Period	Deletions	As at 31st March 2014	As at 31st March 2014
<b>A. Tangible Assets</b>												
Office Equipments		121.04	6768	30.76	7.12	212.36	6.17	20.16	12.24	1.74	36.83	175.53
Computers		256.39	163.73	18.98	12.54	426.56	38.76	136.41	50.59	5.98	219.78	206.78
Furniture & Fixtures		1,474.60	331.11	212.69	36.06	1,982.34	86.95	112.82	145.25	7.72	337.30	1,645.04
Vehicles		5.04	20.04	1.34	2.71	23.71	4.52	763	2.23	0.44	13.94	9.77
Plant & Machinery		262.54	73736	40.76	66.50	974.16	8.63	209.73	47.13	14.71	250.78	723.38
Leasehold improvement		14.24	672.53	5.94	147.08	545.63	9.76	280.41	47.07	55.18	282.06	263.57
<b>Total</b>		<b>2,133.85</b>	<b>1,992.45</b>	<b>310.47</b>	<b>272.01</b>	<b>4,164.76</b>	<b>154.79</b>	<b>767.16</b>	<b>304.51</b>	<b>85.77</b>	<b>1,140.69</b>	<b>3,024.07</b>
<b>B. Intangible Assets - Acquired</b>												
TradeMark & Brand Usage Rights		20,199.04	6.17	-	-	20,205.21	2,628.02	3.01	1,084.92	-	3,715.95	16,489.26
Software		0.38	112.25	-	-	112.63	0.38	54.39	38.49	-	93.26	19.37
Goodwill		7,082.63	3,957.24	-	-	11,039.87	472.18	396.30	1,103.41	-	1,971.89	9,067.98
<b>Total</b>		<b>27,282.05</b>	<b>4,075.66</b>	<b>-</b>	<b>-</b>	<b>31,357.71</b>	<b>3,100.58</b>	<b>453.70</b>	<b>2,226.82</b>	<b>-</b>	<b>5,781.10</b>	<b>25,576.61</b>
<b>Grand Total</b>		<b>29,415.90</b>	<b>6,068.11</b>	<b>310.47</b>	<b>272.01</b>	<b>35,522.47</b>	<b>3,255.37</b>	<b>1,220.86</b>	<b>2,531.33</b>	<b>85.77</b>	<b>6,921.79</b>	<b>28,600.68</b>

**12. NON CURRENT INVESTMENTS**  
**UNQUOTED (AT COST UNLESS STATED OTHERWISE)**

Particulars	Nominal Value ₹ / Unit	Number of Units		Amount (₹ In Lakhs)	
		As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
<b>i) Subsidiaries - Trade</b>					
<b>- In Fully paid up Equity Shares</b>					
Aadhaar Wholesale Trading and Distribution Limited	10	40,400,000	25,480,000	19,514.01	12,257.52
Future Agrovet Limited (Refer Note 38)	10	-	36,500,000	-	6,200.00
Future Consumer Products Limited	10	900,000	900,000	2,000.00	2,000.00
Future Food and Products Limited	1	11,300,000	11,300,000	223.67	223.67
Amar Chitra Katha Private Limited	1	369,940	369,940	9,141.44	9,141.44
Star and Sitara Wellness Limited	10	1,809,000	1,809,000	-	1,800.00
(Net off provision for other than temporary diminution ₹ 1800 lakhs (Previous Year- ₹ Nil))					
Express Retail Services Private Limited	10	50,000	50,000	5.79	5.79
Aussee Oats Milling (Private) Limited		11,702,189	-	544.20	-
(a Company incorporated in Sri Lanka, face value LKR 10 each)					
Future Personal Care and Hygiene Products Private Limited	10	10,000	-	1.00	-
(formerly known as ACK Eagle Moss Collectibles Publishing Private Limited)					
The Nilgiri Dairy Farm Private Limited	100	215,910	-	22,732.69	-
APPU Nutritions Private Limited	1000	240	-	210.00	-
Nilgiri's Mechanised Bakery Private Limited	10	21,600	-	210.00	-
Sublime Foods Private Limited	10	750,000	-	75.00	-
Integrated Food Park Private Limited	10	21,428,100	-	2,148.75	-
<b>- In Fully paid up Preference Shares</b>					
Future Consumer Products Limited	100	145,000	145,000	145.00	145.00
The Nilgiri Dairy Farm Private Limited	100	4,684,270	-	4,684.27	-
<b>ii) Associates - Trade</b>					
<b>- In Fully paid up Equity Shares</b>					
Sarjena Foods Private Limited	10	324,675	-	500.00	-
<b>iii) Investment in Debentures (Fully Paid up, Trade)</b>					
0% Optional Convertible Debentures of Capital Foods Private Limited	100	744,000	1,500,000	744.00	1,500.00
<b>Total</b>		<b>94,854,924</b>	<b>78,053,940</b>	<b>62,879.82</b>	<b>33,273.42</b>

**13. DEFERRED TAX ASSET (NET)**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Deferred tax (liabilities) / assets</b>		
<u>Tax effect of items constituting deferred tax liabilities</u>		
On difference between book balance and tax balance of fixed assets	4,928.72	4,031.97
Provision for Standard asset	6.75	2.95
<b>Tax effect of items constituting deferred tax liabilities</b>	<b>4,935.47</b>	<b>4,034.92</b>
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	132.23	105.12
Disallowances under Section 40(a)(i) of the Income Tax Act, 1961	-	112.35
Provision for doubtful debts / advances	30.65	-
Unabsorbed depreciation carried forward #	4,772.59	3,817.45
<b>Tax effect of items constituting deferred tax assets</b>	<b>4,935.47</b>	<b>4,034.92</b>
<b>Deferred tax (liabilities) / assets (net)</b>	<b>-</b>	<b>-</b>

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

**14. LONG TERM LOANS AND ADVANCES**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Unsecured Considered Good</b>		
Advance Income Tax	1,555.60	934.58
(Net of Provision ₹ 735.21 lakhs (Previous year - ₹ 735.21 lakhs))		
Security Deposits	470.81	420.16
Other Deposits	87.75	0.48
Capital Advance	472.16	1.21
Other Loans and advances	48.76	59.50
<b>Total</b>	<b>2,635.08</b>	<b>1,415.93</b>

**15. CURRENT INVESTMENTS**

Particulars	Nominal Value ₹ / Unit	Number of Units		Amount (₹ In Lakhs)	
		As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
<b>Unquoted - Non Trade</b>					
<b>i) Mutual Funds</b>					
Kotak Banking & PSU Debt Fund Direct - Growth	10	-	3,545,031	-	1,011.76
Pramerica Liquid Fund - Direct plan Growth	1000	-	2,854	-	39.08
Reliance Money Manager Fund - Direct Growth plan	1000	-	42,434	-	748.95
Religare Invesco Liquid Fund - Direct Plan Growth	1000	-	4,585	-	80.91
Religare Invesco Ultra Short Term Fund - Direct plan Growth	1000	-	28,309	-	503.46
<b>ii) Certificate of Deposits</b>					
Sicom Limited				10,000.00	10,000.00
<b>Total</b>		<b>-</b>	<b>3,623,213</b>	<b>10,000.00</b>	<b>12,384.16</b>

**16. INVENTORIES**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
Stock - In - Trade	7,865.80	2,604.18
Packing Material	246.93	-
<b>Total</b>	<b>8,112.73</b>	<b>2,604.18</b>

**17. TRADE RECEIVABLES**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	62.12	65.58
Considered Doubtful	101.08	-
	<b>163.20</b>	<b>65.58</b>
Less: Provision for doubtful debts	(101.08)	-
	<b>62.12</b>	<b>65.58</b>
Other Trade Receivables (considered good)	12,431.26	2,407.83
<b>Total</b>	<b>12,493.38</b>	<b>2,473.41</b>

**18. CASH AND CASH EQUIVALENTS**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
Cash on Hand	110.62	278.95
Balances with Scheduled Banks		
- In Current Account	2,363.17	228.45
In Earmarked Accounts:		
- In Margin Money Deposit Accounts #	597.65	7.15
<b>Total</b>	<b>3,071.44</b>	<b>514.55</b>

# The Margin money deposits with remaining maturity of more than 12 months is ₹ 27.50 lakhs (previous year ₹ Nil). Of the above balances which meets the definition of cash and cash equivalent as per AS3 Cash Flow statement is ₹ 2473.79 lakhs (Prev. Year ₹ 507.40 lakhs)

**19. SHORT TERM LOAN AND ADVANCES**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Unsecured - Considered Good</b>		
Loans and advances to employees	21.55	3.96
Loans and advances to Related Party	5,116.98	2,270.84
Inter-Corporate Deposits	5,776.49	17,081.70
Security Deposits	12,154.28	-
Balances with Government authorities	48.68	28.27
Advances given to Suppliers	1,030.10	108.96
Other Loan and Advances	151.40	82.46
<b>Total</b>	<b>24,299.48</b>	<b>19,576.19</b>

**20. OTHER CURRENT ASSETS**

<b>Particulars</b>	<b>As at 31st March 2015 ₹ In Lakhs</b>	<b>As at 31st March 2014 ₹ In Lakhs</b>
Interest Accrued on Deposits	916.70	622.74
Unbilled Revenue	45.09	43.26
Insurance Claim Receivable	6.06	174.68
Receivables on sale of fixed assets	31.64	-
<b>Total</b>	<b>999.49</b>	<b>840.68</b>

**21. REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>For the year ended 31st March 2015 ₹ In Lakhs</b>	<b>For the year ended 31st March 2014 ₹ In Lakhs</b>
Sale of Products	107,207.09	33,626.10
Other Operating Income	1,048.30	659.58
<b>Total</b>	<b>108,255.39</b>	<b>34,285.68</b>

**22. OTHER INCOME**

<b>Particulars</b>	<b>For the year ended 31st March 2015 ₹ In Lakhs</b>	<b>For the year ended 31st March 2014 ₹ In Lakhs</b>
Lease Rental Income	10.58	2.83
Interest on Income tax Refund	-	1.07
Gain on Sale of Investment		
- Non Current	-	8,907.30
- Current	215.18	212.35
Interest Income		
- Bank Deposits	19.95	3.88
- Other Deposits	1,751.73	1,200.00
- Inter Corporate Deposit	1,356.57	1,600.70
Dividend Income		
- Current Investments	0.16	83.12
- Non Current Investments	-	45.56
Provision no longer required written back	219.10	-
Provision for Standard Assets written back	21.83	8.68
Miscellaneous Income	61.84	34.88
<b>Total</b>	<b>3,656.94</b>	<b>12,100.37</b>

**23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

<b>Particulars</b>	<b>For the year ended 31st March 2015 ₹ In Lakhs</b>	<b>For the year ended 31st March 2014 ₹ In Lakhs</b>
Opening Stock of Traded Goods	2,604.18	2,957.99
Add: Transfer into the Company pursuant to composite scheme of Amalgamation and Arrangement (Refer Note 38)	5,702.19	574.90
Closing Stock of Traded Goods	(7,865.80)	(2,604.18)
<b>Total</b>	<b>440.57</b>	<b>928.71</b>

**24. EMPLOYEE BENEFITS EXPENSES**

<b>Particulars</b>	<b>For the year ended 31st March 2015 ₹ In Lakhs</b>	<b>For the year ended 31st March 2014 ₹ In Lakhs</b>
Salaries Wages & Bonus	5,452.86	3,513.01
Contribution to Provident and Other Funds	298.26	229.71
Staff Welfare Expenses	221.07	198.43
<b>Total</b>	<b>5,972.19</b>	<b>3,941.15</b>

**25. FINANCE COSTS**

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
Interest on		
- Borrowings	2,763.99	58.23
- Others	2.96	5.80
Other borrowing cost	220.11	-
<b>Total</b>	<b>2,987.06</b>	<b>64.03</b>

**26. OTHER EXPENSES**

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
Rent	2,567.92	2,092.46
Warehousing and Distribution Expenses	2,814.76	1,741.36
Electricity expenses	415.90	314.27
Advertisement, Publicity & Selling expenses	290.39	399.27
Repairs & Maintenance		
- On Plant and Machinery	1.09	-
- On Buildings	1.14	-
- On Others	140.55	99.45
Legal and Professional Charges	917.63	497.30
Provision for Doubtful Debts	99.19	-
Rates and Taxes	365.02	55.75
Insurance	34.81	16.54
Auditor's Remuneration (Refer Note below)	68.43	75.98
Directors Sitting Fees	22.00	9.20
Loss on Sale/Retirement of Fixed Assets	262.69	164.45
Net loss on foreign currency transactions and translation	31.73	0.01
Brand Royalty	398.83	508.03
Donation	5.82	-
Miscellaneous Expenses	1,266.07	948.86
<b>Total</b>	<b>9,703.97</b>	<b>6,922.93</b>

**AUDITOR'S REMUNERATION INCLUDED IN "OTHER EXPENSES"**

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
Audit Fees	36.48	29.21
Tax Audit	5.70	28.09
Other Services	25.32	12.92
Out of Pocket Expenses	0.93	5.76
<b>Total</b>	<b>68.43</b>	<b>75.98</b>

**27. EMPLOYEE BENEFITS**

- A. The Company's obligation towards Gratuity is a Defined Benefit plan and is not funded. The details of actuarial valuation as on 31<sup>st</sup> March, 2015 are given below:

Particulars	For the Year Ended 31st March 2015 ₹ In Lakhs	For the Year Ended 31st March 2014 ₹ In Lakhs
<b>Net Employee benefit expenses (recognized in Employee cost)</b>		
Current Service Cost	75.56	37.44
Interest cost on benefit obligation	14.19	7.15
Actuarial (Gain)/Loss	62.20	0.92
<b>Net benefit Expenses</b>	<b>151.95</b>	<b>45.51</b>
<b>Amounts recognised in Balance sheet</b>		
Closing Defined Benefit obligation	(268.54)	(104.71)
Closing Fair Value of Plan Assets	-	-
<b>Unfunded Net assets/(Liability) recognised in the Balance Sheet</b>	<b>(268.54)</b>	<b>(104.71)</b>
<b>Change in the present value of the defined benefit obligation are as follows</b>		
Obligation at period beginning	104.71	51.78
Add : Adjustments on Merger (Refer Note 38)	72.72	27.67
Current service cost	75.56	37.44
Interest on defined Obligation	14.19	7.15
Benefits paid	(60.84)	(20.25)
Actuarial (Gain)/ Losses on obligation	62.20	0.92
<b>Obligation at year end</b>	<b>268.54</b>	<b>104.71</b>
<b>Assumptions</b>		
Discount Rate	8.00% p.a.	9.00% p.a.
Salary Increase	8.00% p.a.	5.00% p.a.
Attrition Rate	20% to 2% p.a.	20% to 2% p.a.
Retirement Age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of Defined benefit obligation	268.54	104.71	51.78	13.40	6.83
Fair value of Plan Assets	NA	NA	NA	NA	NA
Funded Status	NA	NA	NA	NA	NA
Experience gain/(loss) adjustments on Plan Liabilities	60.84	0.92	(7.18)	(0.61)	(1.42)
Experience adjustments on Plan Assets	NA	NA	NA	NA	NA

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

- B. The Company has recognised an amount of ₹ 122.71 lakhs (Previous Year ₹ 33.04 lakhs) for long-term compensated absences. Actuarial Assumption for long-term compensated absences are:

Particulars	For the Year Ended 31st March 2015	For the Year Ended 31st March 2014
Discount Rate	8% p.a.	9.00% p.a.
Salary Increase	8% p.a.	5.00% p.a.
Attrition Rate	20% to 2% p.a.	20% to 2% p.a.
Retirement Age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

28. The Company has recognised an amount of ₹ 217.01 lakhs (Previous Year ₹ 163.53 lakhs) for Provident Fund contributions and ₹ 80.84 lakhs (Previous Year ₹ 65.84 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

## 29. EMPLOYEE STOCK OPTION PLAN

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

Particulars	31st March 2015			31st March 2014		
	Grant 1	Grant 2	Grant 3	Grant 1	Grant 2	Grant 3
Date of Grant	27th Mar'11	14th Feb'12	9th Nov'12	27th Mar'11	14th Feb'12	9th Nov'12
Vesting Date	Options vest over a period of 3 years in the ratio of 30%, 30%, 40%	Options vest over a period of 3 years in the ratio of 30%, 30%, 40%	Options vest over a period of 3 years in the ratio of 30%, 30%, 40%	Options vest over a period of 3 years in the ratio of 30%, 30%, 40%	Options vest over a period of 3 years in the ratio of 30%, 30%, 40%	Options vest over a period of 3 years in the ratio of 30%, 30%, 40%
Vesting Commences on	28th Mar'12	15th Feb'13	10th Nov'13	28th Mar'12	15th Feb'13	10th Nov'13
Exercise Period	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting	3 years from the date of vesting
Exercise Price	₹ 6 per Option	₹ 6 per Option	₹ 6 per Option	₹ 6 per Option	₹ 6 per Option	₹ 6 per Option
<b>Options outstanding at the beginning of the year</b>						
- Vested	1,25,30,000	4,83,000	7,35,000	78,18,000	4,66,500	-
-Yet to be Vested	-	3,22,000	17,15,000	52,12,000	10,88,500	42,00,000
During the Year						
- Options Vested	-	3,12,000	7,35,000	52,12,000	2,41,500	7,35,000
- Options Granted	-	-	-	-	-	-
Options Exercised	1,15,30,000	4,68,000	12,51,000	-	-	-
Options Forfeited/ Lapsed	10,00,000	25,000	5,05,000	5,00,000	7,50,000	17,50,000
<b>Options outstanding at the end of the year</b>						
- Vested	-	3,12,000	-	1,25,30,000	4,83,000	7,35,000
-Yet to be Vested	-	-	6,94,000	-	3,22,000	17,15,000

### Stock Compensation Expense:

The employee compensation cost has been calculated using the intrinsic value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The employee compensation cost as per the intrinsic value method for the financial year 2014-15 is Nil.

### Fair Value Methodology

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

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

Particulars	31st March 2015			31st March 2014		
	Grant 1	Grant 2	Grant 3	Grant 1	Grant 2	Grant 3
Risk-Free Interest Rate (Average)	8.61 %	8.74 %	8.81 %	8.61 %	8.74 %	8.81 %
Expected Life (Years)	2.09	2.97	3.71	2.09	2.97	3.71
Expected volatility of Share Price (%)	47.15%	47.15%	47.15%	47.15%	47.15%	47.15%
Dividend Yield (%)	0%	0%	0%	0%	0%	0%
Price of the underlying share at the time of option grant	₹ 10.00	₹ 8.75	₹ 9.90	₹ 10.00	₹ 8.75	₹ 9.90
Fair Value of the Option	₹ 1.15 each	₹ 1.51 each	₹ 1.77 each	₹ 1.15 each	₹ 1.51 each	₹ 1.77 each

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

#### Impact on Net Profit

Particulars	2014-15 ₹ In Lakhs	2013-14 ₹ In Lakhs
Net Profit/(Loss) (As reported)	(9,374.91)	3,040.90
Add: Stock based employee compensation expense included in net profit under intrinsic value method	-	-
Add: Stock based compensation (expense) / income determined under fair value based method (Proforma)	(12.38)	160.70
<b>Net Profit/(Loss) (Proforma)</b>	<b>(9,387.29)</b>	<b>3,201.60</b>

#### Impact on Earnings per Share

Particulars	2014-15 ₹ per share	2013-14 ₹ per share
Basic and Diluted Earnings per Share (As reported)	(0.58)	0.19
Basic and Diluted Earnings per Share (Proforma)	(0.58)	0.20

### 30. SEGMENT REPORTING

The Company is engaged in Branding, Selling and Distribution of "Consumer products" which in terms of Accounting Standard 17 "Segment Reporting" constitute a single reporting segment. Hence, there is no separate reportable segment under Accounting Standard 17 "Segment Reporting".

### 31. EARNINGS PER SHARE

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

Particulars	As at 31st March 2015	As at 31st March 2014
Profit / (Loss) for the year (In lakhs)	(9,374.91)	3,040.90
No of equity shares at the beginning of the year	1,59,79,76,671	1,59,79,76,671
No of equity shares at the end of the year	1,65,71,44,038	1,59,79,76,671
Weighted Average number for of shares outstanding for Basic EPS	1,61,51,01,238	1,59,79,76,671
Add: Weighted Average number of potential equity shares on account of Employee Stock Options outstanding	5,06,522	-
Weighted Average number of shares outstanding for diluted EPS	1,61,56,07,760	1,59,79,76,671
<b>Earnings per share</b>		
- Basic	<b>(0.58)</b>	<b>0.19</b>
- Diluted	<b>(0.58)</b>	<b>0.19</b>

**32. RELATED PARTY DISCLOSURES****A. Names of Related Parties and Nature of Relationship****1. Subsidiary Companies**

- a. Aadhaar Wholesale Trading and Distribution Limited
- b. Future Consumer Products Limited
- c. Future Food and Products Limited
- d. Star and Sitara Wellness Limited
- e. Amar Chitra Katha Private Limited and its subsidiaries
  - i. IBH Books and Magazines Distributors Limited
  - ii. ACK Edutainment Limited
  - iii. ACK Media Direct Limited
  - iv. Karadi Tales Company Private Limited
  - v. Ideas Box Entertainment Limited
- f. Express Retail Services Private Limited
- g. Future Personal Care and Hygiene Private Limited (Formerly known as ACK Eaglemoss Collectibles Publishing Private Limited)
- h. Aussee Oats Milling (Private) Limited (w.e.f. 16<sup>th</sup> Sept' 2014)
- i. The Nilgiri Dairy Farm Private Limited (w.e.f. 20<sup>th</sup> Nov' 2014)
  - i. Appu Nutritions Private Limited
  - ii. Nilgiri's Mechanised Bakery Private Limited
  - iii. Nilgiris Franchise Private Limited
- j. Sublime Foods Private Limited (w.e.f. 18<sup>th</sup> Feb' 2015)
- k. Integrated Food Park Private Limited (Associate during the period 24<sup>th</sup> July'2014 to 5<sup>th</sup> Feb'2015)

**2. Associates**

- a. Sarjena Foods Private Limited (w.e.f. 5<sup>th</sup> July' 2014)

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

- a. Arun Kumar Agarwal – Manager
- b. Ashni Biyani – Whole Time Director (w.e.f 15<sup>th</sup> Nov'2014)

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

- a. Future Ideas Company Limited (upto 30<sup>th</sup> May' 2013)
- b. Future Retail Limited (formerly known as Pantaloon Retail (India) Limited) (upto 30<sup>th</sup> May' 2013)

**B. Transactions with Related Parties****(₹ In Lakhs)**

Nature of transactions	Subsidiary	Associates	Enterprises over which key management personnel can exercise control/significant influence	Key Management Personnel
Purchase of Investments* (Equity Shares)	3,154.01 (1,643.42)	500.00 (-)	- (-)	- (-)
Redemption of Investments (Optional Convertible Debentures)	- (-)	- (1,000.00)	- (-)	- (-)
Loans and Advances Given	61.96 (21.07)	- (-)	- (-)	- (-)
Inter Corporate Deposits Given	6,407.01 (10,560.00)	1,677.00 (2,962.20)	- (-)	- (-)
Inter Corporate Deposits Received back	4,565.00 (9,660.00)	935.00 (4,687.00)	- (-)	- (-)
Security Deposit Given	40.74 (-)	24.60 (-)	- (-)	- (-)

(₹ In Lakhs)

Nature of transactions	Subsidiary	Associates	Enterprises over which key management personnel can exercise control/significant influence	Key Management Personnel
Net Transfer of Assets and Liabilities into the Company pursuant to the Scheme of Amalgamation and Arrangement	2,920.20 (1,472.75)	- (-)	- (-)	- (-)
Interest Income	313.89 (340.53)	99.33 (222.49)	- (-)	- (-)
Rent Income	8.40 (-)	- (-)	- (-)	- (-)
Royalty Income	- (-)	- (-)	- (11.39)	- (-)
Sales	1,673.77 (587.17)	- (-)	- (-)	- (-)
Purchases	161.16 (2,166.91)	45.00 (-)	- (-)	- (-)
Sale of Fixed Assets	31.64 (-)	- (-)	- (-)	- (-)
Managerial Remuneration	- (-)	- (-)	- (-)	59.13 (121.04)
Reimbursement of Expenses and Other Expenses	- (8.72)	- (-)	- (-)	- (-)
Rent Expenses	36.92 (-)	31.82 (-)	- (30.53)	- (-)
Brand Royalty	64.90 (56.36)	- (-)	- (36.52)	- (-)
Inter Corporate Deposit written off during the year	714.00 (-)	- (-)	- (-)	- (-)
Interest Receivable	163.71 (101.44)	- (-)	- (-)	- (-)
Trade Receivable	416.13 (446.62)	- (-)	- (-)	- (-)
Receivables against Fixed Assets	31.64 (-)	- (-)	- (-)	- (-)
ICDs Outstanding	5,000.01 (2,195.00)	- (-)	- (-)	- (-)
Trade Payables	118.91 (571.06)	- (-)	- (-)	- (-)
Other Payables	- (-)	- (-)	- (1889.18)	- (-)
Other Receivables	- (-)	178.23 (-)	- (-)	- (-)
Security Deposit Outstanding	65.34 (-)	- (-)	- (-)	- (-)
Loans and Advances Outstanding	137.79 (75.84)	- (-)	- (-)	- (-)

\* Includes Inter-Corporate Deposit amounting to ₹ 1,400 lakhs converted into Equity Shares.  
Figures in bracket represent previous year's figures.

**C. Disclosure in respect of Material Transactions with Related Parties****(₹ In Lakhs)**

<b>Type of Transactions</b>	<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Purchase of Investments (Equity Shares)	Aadhaar Wholesale Trading and Distribution Limited*	1,400.00	700.00
	Amar Chitra Katha Private Limited	1.00	943.42
	Aussee Oats Milling (Private) Limited	544.20	-
	Integrated Food Park Private Limited	1,133.81	-
	Sarjena Foods Private Limited	500.00	-
Loans and Advances Given	Express Retail Services Private Limited	14.36	21.07
	Future Food and Products Limited	26.78	54.77
	Integrated Food Park Private Limited	20.82	-
Inter Corporate Deposits Given	Aadhaar Wholesale Trading and Distribution Limited	2,380.00	2,520.00
	Future Agroviet Limited (Refer Note 38)	-	6,500.00
	Integrated Food Park Private Limited	2,097.00	1,572.20
	The Nilgiri Dairy Farm Private Limited	1,640.31	-
	Star and Sitara Wellness Limited	819.00	-
Inter Corporate Deposits Received Back	Aadhaar Wholesale Trading and Distribution Limited	3,505.00	2,010.00
	Future Agroviet Limited (Refer Note 38)	-	6,500.00
	Integrated Food Park Private Limited	935.00	2,332.00
	Star and Sitara Wellness Limited	710.00	-
Net Transfer of Assets and Liabilities into the Company pursuant to the Scheme of Amalgamation and Arrangement	Future Agroviet Limited (Refer Note 38)	2,920.20	-
	Express Retail Services Private Limited	-	1,534.42
Interest Income	Aadhaar Wholesale Trading and Distribution Limited	178.68	166.76
	Future Agroviet Limited (Refer Note 38)	-	92.37
	Integrated Food Park Private Limited	133.78	139.67
Rent Income	Aadhaar Wholesale Trading and Distribution Limited	8.40	-
Sales	Aadhaar Wholesale Trading and Distribution Limited	1,647.66	587.17
Purchases	Future Agroviet Limited (Refer Note 38)	-	2,166.91
	Sarjena Foods Private. Limited	45.00	-
	Aadhaar Wholesale Trading and Distribution Limited	154.64	-
Sale of Fixed Assets	The Nilgiri Dairy Farm Private Limited	31.64	-
Reimbursement of Expenses and Other Expenses	Future Food and Products Limited	-	8.72
Rent Expenses	Integrated Food Park Private Limited	68.75	-
Brand Royalty	Future Consumer Products Limited	55.91	56.36
	Amar Chitra Katha Private Limited	8.99	-
Interest Receivable	Aadhaar Wholesale Trading and Distribution Limited	18.52	83.45
	Integrated Food Park Private Limited	87.75	-
	The Nilgiri Dairy Farm Private Limited	37.69	-
	Star and Sitara Wellness Limited	-	17.99
Security Deposit Given	Integrated Food Park Private Limited	65.34	-
Trade Receivables	Aadhaar Wholesale Trading and Distribution Limited	398.28	446.62
Receivables against Capital goods	The Nilgiri Dairy Farm Private Limited	31.64	-
Trade Payables	Future Consumer Products Limited	39.67	69.36
	Integrated Food Park Private Limited	58.16	-
	Future Agroviet Limited (Refer Note 38)	-	501.70
Other Receivables	Sarjena Foods Private Limited	178.23	-

		(₹ In Lakhs)	
Type of Transactions	Particulars	2014-15	2013-14
ICDs Outstanding	Aadhaar Wholesale Trading and Distribution Limited	465.00	1,590.00
	Aussee Oats Milling Private Limited	551.71	-
	Integrated Food Park Private Limited	2,097.00	-
	Star and Sitara Wellness Limited	-	605.00
	The Nilgiri Dairy Farm Private Limited	1,640.31	-
Loans and Advances Outstanding	Future Food and Products Limited	81.54	54.77
	Express Retail Services Private Limited	35.43	21.07
	Integrated Food Park Private Limited	20.82	-
Security Deposit Outstanding	Integrated Food Park Private Limited	65.34	-
Inter Corporate Deposit written off during the year	Star and Sitara Wellness Limited	714.00	-
Managerial Remuneration	Mr. Arun Agarwal	32.63	4.80
	Ms. Ashni Biyani #	26.50	-

\* Includes Inter-Corporate Deposit amounting to ₹ 1,400 lakhs converted into Equity Shares.

# For the Period 15th Nov'14 to 31st March'15.

### 33. FOREIGN CURRENCY EXPENDITURE

Particulars	For the Year ended 31st March 2015 ₹ In Lakhs	For the Year ended 31st March 2014 ₹ In Lakhs
Travelling and Conveyance Expenses	4.00	3.02
Royalty	42.61	-
Sitting Fees	1.00	0.20
Reimbursement of Expenses	11.25	-
<b>Total</b>	<b>58.86</b>	<b>3.22</b>

### 33A. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below

Particulars	As at 31st March 2015		As at 31st March 2014	
	in Foreign currency	₹ In Lakhs	in Foreign currency	₹ In Lakhs
Creditors for goods and expenses	USD 422,872	264.68	-	-
Trade receivables and advances given	USD 159,125	99.60	-	-

### 34. CIF VALUE OF IMPORTS

Particulars	For the Year ended 31st March 2015 ₹ In Lakhs	For the Year ended 31st March 2014 ₹ In Lakhs
Traded Goods	2,653.73	-
<b>Total</b>	<b>2,653.73</b>	<b>-</b>

### 35. TRADED GOODS DETAILS

Particulars	For the Year Ended 31st March 2015 ₹ In Lakhs	For the Year Ended 31st March 2014 ₹ In Lakhs
<b>Purchases</b>		
FMCG	94,967.59	28,957.00
Others	-	-
	<b>94,967.59</b>	<b>28,957.00</b>
<b>Sales</b>		
FMCG	1,07,207.09	33,626.10
Others	-	-
	<b>1,07,207.09</b>	<b>33,626.10</b>

**36. CONTINGENT LIABILITIES**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
Corporate Guarantees issued to bank	11,015.98	5,565.24
Disputed Income Tax Demand	2,017.58	126.70
Disputed Sales Tax Matter	147.05	-
Claims not acknowledged as debt*	50.98	47.63
	<b>13,231.59</b>	<b>5,739.57</b>

\*does not include cases where liability is not ascertainable.

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

- 37.** The estimated amount of contracts remaining to be executed on capital account as at 31st March '2015 is ₹ 1,362.53 lakhs. (Previous Year ₹ NIL).

**38. COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT**

A Scheme of Amalgamation under Sections 391 and 394 and other applicable provisions of the Companies Act, 1956, filed by the Company for merger of its subsidiary Future Agrovet Limited (FAL) with the Company has been approved by the Hon'ble High Court of Bombay on January 30, 2015 and necessary filings have been done with the Registrar of Companies on March 13, 2015. The scheme has been given effect to in the books with effect from April 1, 2014, being the Appointed Date as approved by the Hon'ble High Court at Bombay on the following basis:

1. The business of FAL which stands transferred to and vested in the Company comprises of the business of procuring, processing and supplying of agricultural commodities in loose and packaged form under various private brands of the company.
2. The amalgamation has been accounted under the Purchase Method.
3. The entire assets and liabilities of FAL (the Amalgamating Company) have been accounted in the books of the Company at their respective fair values.
4. Since the entire share capital of FAL is held by the Company, no shares or consideration is to be issued / payable by the Company.
5. The difference between the fair value of assets net of liabilities of FAL and the value of investments in FAL held by the Company amounting to ₹ 3279.80 lakhs has been debited to goodwill.

**39. DISCLOSURE OF LOANS AND ADVANCES / INVESTMENTS AS PER CLAUSE 32 OF THE LISTING AGREEMENT**  
(₹ In Lakhs)

Name of the Company	As at 31st March 2015		As at 31st March 2014	
	Outstanding Loan Amount	Maximum Loan Amount Outstanding	Outstanding Loan Amount	Maximum Loan Amount Outstanding
<b>Subsidiaries</b>				
Aadhaar Wholesale Trading and Distribution Limited	465.00	2,325.00	1,590.00	1,780.00
Amar Chitra Katha Private Limited	200.00	300.00	-	750.00
Aussee Oats Milling Private Limited	551.71	551.71	-	-
Integrated Food Park Private Limited	2,097.00	2,097.00	-	-
Nilgiris Franchisee Private Limited	25.00	25.00	-	-
Star and Sitara Wellness Limited	-	944.00	605.00	645.00
Sublime Food Private Limited	21.00	21.00	-	-
Future Agrovet Limited (Refer Note-38)	-	-	-	3,500.00
The Nilgiri Dairy Farm Private Limited	1,640.31	1,640.31	-	-
	<b>5,000.02</b>	<b>7,904.02</b>	<b>2,195.00</b>	<b>6,675.00</b>
<b>Associates</b>				
Capital Foods Exportts Private Limited	-	-	-	3,500.00
Integrated Food Park Private Limited	-	-	-	2,425.20
	-	-	-	<b>5,925.20</b>

**40. DETAILS OF LEASING ARRANGEMENTS:**

The Company has entered into cancellable operating lease arrangement for its stores and office premises. Operating lease rentals charged to Statement of Profit and Loss aggregate to ₹ 2,567.92 lakhs (Previous year ₹ 2,092.46 lakhs.)

- 41.** Certain subsidiaries of the company have incurred losses resulting in erosion of their net-worth. These companies are in the process of building respective businesses/brands and creating substantial value. The management is fully committed to lead to profitability by providing the necessary financial support and mentoring. Therefore, in the opinion of the management, the diminutions in the value of the said investment are temporary in nature and consequently, no adjustment is considered necessary to the carrying value of investment.

- 42.** During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing ₹ 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets.

The depreciation expense in the statement of Profit and Loss for the year is higher by ₹ 266.51 lakhs consequent to the change in useful life of the assets.

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 63.82 lakhs against the opening balance in Profit & Loss Account under Reserves and Surplus.

- 43.** This 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. The principal amount due and remaining unpaid as on 31<sup>st</sup> March 2015 is ₹ NIL (Previous year ₹ 26.04 lakhs) and interest due and payable there on is ₹ 0.82 lakhs (Previous year 0.82 lakhs).

- 44.** During the current year, one of the subsidiary of the Company, Star and Sitara Wellness Limited has closed down its business on account of losses. The Company has made a provision for other than temporary diminution in value of its entire Investment in Star and Sitara Wellness Limited amounting to ₹ 1,800 lakhs and written off inter corporate deposits of ₹ 714.00 lakhs given to the Subsidiary.

- 45.** The Company is engaged primarily in operating Food and FMCG products sourcing, branding and distribution business and is no longer entitled to hold the certificate of registration based on the non-fulfilment of the principal business criteria as required for being a Non-Banking Financial Company ("NBFC"), as laid down in the press release dated April 08, 1999. The Company accordingly has intimated the change in business to the Reserve bank of India (RBI) and has applied for deregistration as a NBFC, vide its communication dated May 30, 2013.

However, pending deregistration by the RBI, the Company has for the year under consideration, complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. However, no disclosures pursuant to Reserve Bank of India Notification DNBS.193DG (VL) - 2007 dated 22nd February, 2007 (Para 13 Disclosure), Notification DNBS.200/CGM (PK) 2008 dated 1st August, 2008 (CRAR Disclosure) and additional disclosure pursuant to Notification DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10th November, 2014 have been made in these financial statements, as the same are no longer considered to be pertinent.

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

Nature	₹ In Lakhs	Period	Interest Rate	Purpose
Inter Corporate Deposit Given	10,776.50	240-251 days	12.5 % to 13.2%	General corporate purpose
Investments Made	62,879.82	Not applicable	Not applicable	Not applicable
Guarantees Given	11,015.98	Not applicable	Not applicable	Availment of Term Loan

The corresponding figures of the previous year have not been given as section 186 of the Companies Act, 2013 is applicable with effect from April 1, 2014.

- 47.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. The figures for the current year includes the operations of the entire business undertaking of Future Agrovet Limited with effect from April 1, 2014 as explained in detail in Note 38. In view of this, the figures for the current year are not comparable with those of the corresponding previous year.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF FUTURE CONSUMER ENTERPRISE LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **FUTURE CONSUMER ENTERPRISE LIMITED** (formerly known as Future Ventures India Limited) (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate company, comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Boards of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate company as at 31<sup>st</sup> March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of 19 subsidiaries (Previous year 13 subsidiaries) (including sub-subsidiaries), whose financial statements reflect total assets of ₹ 41,740.61 lakhs (Previous year ₹ 29,221.29 lakhs) as at 31<sup>st</sup> March, 2015, total revenues of ₹ 24,783.47 lakhs (Previous year ₹ 48,540.73 lakhs) and net cash inflows amounting to ₹ 719.93 lakhs (Previous year net cash outflow of ₹ 238.92 lakhs) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 93.67 lakhs (Previous year net profit of ₹ 42.67 lakhs) for the year ended 31<sup>st</sup> March, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect

of these subsidiaries and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

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

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2015 taken on record by the board of directors of the Holding company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the group companies and its associate company incorporated in India is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) 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 consolidated financial statements disclose the impact of pending litigations on the Consolidated financial position of the Group and its associate - Refer Note 35 to the Consolidated financial statements
    - ii. The Group and its associate company did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate company incorporated in India

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

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

**MUMBAI**, May 15, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on consolidated financial statements of Future Consumer Enterprise Limited and its Associate Company for the year ended 31<sup>st</sup> March, 2015)**

Our reporting on the Order includes 18 Subsidiary Companies (including sub-subsidiaries) and 1 Associate Company incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company, Subsidiary Companies and Associate Company incorporated in India.
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified by the management of the respective entities in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. The Holding Company is in the process of reconciling the book records with the physical verification records and discrepancies, if any, will be adjusted on completion of such reconciliation.
- (ii) In respect of the inventory of the Holding Company, Subsidiary Companies and Associate Company incorporated in India.
  - (a) As explained to us and other auditors, the inventories were physically verified during the year by the Management of respective entities at reasonable intervals.
  - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company, Subsidiary Companies and Associate Company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- (iv) In our opinion and according to the information and explanations given to us and other auditors, there is an adequate internal control system in Holding Company, Subsidiary Companies and Associate Company incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchases of inventory and fixed assets and the sale of goods and services. During the course of our and the other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) According to the information and explanations given to us and other auditors, the Holding company, Subsidiary Companies, and Associate Company incorporated in India have not accepted any deposit during the year. Hence the question of compliance with section 73 and 76 or any other relevant provisions of the Companies Act, 2013 does not arise.
- (vi) According to the information and explanations given to us and other auditors, the maintenance of cost records as per Companies (Cost record and Audit) Rule, 2014, as amended prescribed by the central government under sub-section (1) of the section 148 of the Companies Act, 2013 is not applicable in respect of the Holding company, Subsidiary Companies, and Associate Company incorporated in India
- (vii) According to the information and explanations given to us and other auditors, in respect of statutory dues of the Holding Company, Subsidiary Companies and Associate Company incorporated in India:
  - (a) The respective entities have generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
  - (b) There were no undisputed amounts payable by respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax and Cess which have not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes by the respective entities are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in Lakhs)*
Income Tax Act, 1961	Income Taxes	Income Tax Appellate Tribunal (ITAT)	2006-07 2007-08 2008-09	38.80
		Commissioner of Income Tax Appeal	2006-07 2008-09 2009-10 2010-11 2011-12	1,771.46
		Deputy Commissioner of Income-tax	2009-10	33.55
Value Added Tax	Maharashtra Value added Tax	Assistant Commercial of sale tax	2008-09	139.05
Central Sales Tax Act, 1956	Central sales tax	Commissioner of Sales-tax	2008-09	21.49
Central Sales Tax Act, 1956	Central Sales Tax, Interest and Penalty	Joint Commissioner (Appeals) of Commercial Taxes, Bangalore	2005-06 2006-07 2007-08	32.44

\*The amounts are adjusted for payment made including refunds adjusted by tax authorities and payments made under protest.

- (d) There are no amounts that are due to be transferred by the Holding Company, Subsidiary Companies, and Associate Company to the Investor Education and Protection Fund in accordance with the relevant provision of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The consolidated accumulated losses of Holding Company, Subsidiary Companies, and Associate Company at the end of the financial year are not more than fifty per cent of the consolidated net worth of the Group and its Associate. Company has incurred cash losses on consolidated basis during the financial year covered by our and other auditors audit but has not incurred any cash loss on consolidated basis during the preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, Subsidiaries Companies and Associate Company have not defaulted in the repayment of dues to banks and debenture holders.
- (x) In our opinion and according to the information and explanations given to us and other auditors, the terms and conditions of the guarantees given by the Holding Company, Subsidiary Companies and Associate Company incorporated in India for loans taken by others outside of the group and its associates from banks and financial institutions are not *prima facie* prejudicial to the interests of Holding company, Subsidiary companies, and Associate company.
- (xi) In our opinion and according to the information and explanations given to us and other auditors, the term loans taken by the Holding Company, Subsidiary Company and its Associate Company incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us and other auditors, no fraud by the Holding Company, Subsidiary Companies and Associate Company incorporated in India and no material fraud on the Holding Company, Subsidiary Companies and Associate Company incorporated in India has been noticed or reported during the year.

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

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

**MUMBAI**, May 15, 2015

# CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2015

Particulars	Note	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	4	99,428.64	95,878.60
(b) Reserves and Surplus	5	(22,470.58)	(15,310.11)
		<b>76,958.06</b>	<b>80,568.49</b>
<b>Minority Interest</b>		<b>3,382.76</b>	<b>1,630.50</b>
<b>Non Current Liabilities</b>			
a) Long Term Borrowings	6	36,073.52	7.94
b) Deferred Tax Liability (Net)	15	0.02	-
c) Other Long Term Liabilities	7	850.22	37.79
d) Long Term Provisions	8	685.83	372.85
		<b>37,609.59</b>	<b>418.58</b>
<b>Current Liabilities</b>			
a) Short Term Borrowings	9	30,238.03	10,946.48
b) Trade Payables	10	12,961.90	11,056.99
c) Other Current Liabilities	11	3,165.74	1,113.76
d) Short Term Provisions	12	378.80	207.31
		<b>46,744.47</b>	<b>23,324.54</b>
<b>TOTAL</b>		<b>164,694.88</b>	<b>105,942.11</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
a) Fixed Assets (Net Block)			
(i) Tangible Assets	13	22,485.83	7,516.46
(ii) Intangible Assets	13	29,485.27	29,504.38
		<b>51,971.10</b>	<b>37,020.84</b>
(iii) Capital Work-in-Progress		4,354.85	-
(iv) Intangible Assets under development		693.43	697.70
		<b>57,019.38</b>	<b>37,718.54</b>
b) Goodwill on Consolidation		36,849.19	10,260.21
c) Non-Current Investments	14	1,163.11	1,511.89
d) Deferred Tax Assets (Net)	15	-	58.45
e) Long Term Loan and Advances	16	6,022.75	2,320.93
		<b>101,054.43</b>	<b>51,870.02</b>
<b>Current Assets</b>			
a) Current Investments	17	10,000.16	12,384.26
b) Inventories	18	11,147.49	10,446.29
c) Trade Receivables	19	15,470.55	10,953.22
d) Cash and Cash Equivalents	20	4,330.68	1,101.42
e) Short Term Loan & Advances	21	21,764.28	18,437.90
f) Other Current Assets	22	927.29	749.00
		<b>63,640.45</b>	<b>54,072.09</b>
<b>TOTAL</b>		<b>164,694.88</b>	<b>105,942.11</b>
See accompanying Notes forming part of the consolidated financial statements	1-42		

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

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

**Ketan Vora**  
Partner

**G.N.Bajpai**  
Chairman

**Kishore Biyani**  
Vice Chairman

Place : Mumbai  
Date : May 15, 2015

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

**Manoj Saraf**  
Chief Financial Officer

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Note	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
<b>A. Continuing Operations</b>			
<b>Revenue</b>			
(a) Revenue from Operations	23	131,225.82	82,240.70
(b) Other Income	24	3,515.71	11,410.85
<b>Total Revenue</b>		<b>134,741.53</b>	<b>93,651.55</b>
<b>Expenditure</b>			
(a) Cost of materials consumed and other inputs	25	6,276.49	1,551.75
(b) Purchase of stock-in-trade (traded goods)	26	107,505.15	69,466.18
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	239.46	816.39
(d) Employee Benefit Expenses	28	8,608.64	6,783.82
(e) Finance Costs	29	3,193.23	533.28
(f) Depreciation and Amortisation expenses	13	4,746.61	3,931.07
(g) Other Expenses	30	13,667.38	12,159.53
		<b>144,236.96</b>	<b>95,242.02</b>
<b>(Loss) before Tax</b>		<b>(9495.43)</b>	<b>(1590.47)</b>
<b>Less : Tax Expense</b>			
Current Tax		0.71	-
Tax relating to earlier years		0.25	-
<b>Net Current Tax</b>		<b>0.96</b>	<b>-</b>
Deferred Tax (Credit) / Expense		(1.42)	(58.72)
<b>(Loss) from continuing operations after tax</b>		<b>(9,494.97)</b>	<b>(1,531.75)</b>
<b>B. Discontinuing Operations</b>			
<b>(Loss) from discontinuing operations before tax</b>		<b>(1,382.18)</b>	<b>-</b>
<b>Less : Tax Expense</b>			
Deferred Tax		59.88	-
<b>(Loss) from discontinuing operations after tax</b>		<b>(1,442.06)</b>	<b>-</b>
<b>(Loss) after taxation before minority interest and share of associates</b>		<b>(10,937.03)</b>	<b>(1,531.75)</b>
Add: Share of Associates Profit/(Loss)		(93.67)	35.11
Add: Share of Minority Interest		397.20	769.95
Add : Adjustment on Acquisition of Subsidiaries		357.08	31.74
<b>(Loss) after Share of Associates and Minority Interest</b>		<b>(10,276.42)</b>	<b>(694.95)</b>
<b>Basic and Diluted Earnings per Share(Face Value ₹ 6/- each)</b>	34	<b>(0.64)</b>	<b>(0.04)</b>
See accompanying Notes forming part of the consolidated financial statements	1-42		

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

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

**Ketan Vora**  
Partner

**G.N.Bajpai**  
Chairman

**Kishore Biyani**  
Vice Chairman

Place : Mumbai  
Date : May 15, 2015

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

**Manoj Saraf**  
Chief Financial Officer

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	For the Year Ended 31st March 2015 ₹ In Lakhs	For the Year Ended 31st March 2014 ₹ In Lakhs
<b>A. Cash Flow From Operating Activities</b>		
(Loss) before tax, Share of profit/loss of Associate and Minority Interest	(10,877.61)	(1,590.47)
<b>Adjustments for</b>		
Depreciation & Amortisation expense	4,904.43	3,931.07
Interest and Financial Charges	3,231.81	522.03
Interest Income	(2,860.65)	(2,334.56)
Interest Income on Income Tax Refund	(0.05)	(1.97)
Dividend Income	(0.16)	(128.68)
Profit on Sale of Investments	(215.18)	(8,795.92)
Loss on Sale of Fixed Assets & Asset Written Off (Net)	1,233.52	848.87
Bad Debts / Provision for Doubtful Debts/Advances written off	152.31	189.03
Provision no longer required written back	(332.04)	-
Provision for Standard Assets	(21.83)	-
Inventory Reserve	37.16	(41.28)
Sundry Balances written back	(65.83)	-
Unrealised Foreign Exchange Gain	(222.68)	-
Impairment of Goodwill on Consolidation	90.08	-
<b>Operating Profit/(Loss) before Working Capital changes</b>	<b>(4,946.72)</b>	<b>(7,401.88)</b>
Decrease / (Increase) in Inventories	128.23	585.86
Decrease / (Increase) in Trade Receivables	(2,554.75)	(836.12)
Decrease / (Increase) in Loans & Advances	(14,356.90)	2,977.65
Increase / (Decrease) in Liabilities and Provisions	(2,482.83)	(3,042.66)
<b>Operating Profit/(Loss) after Working Capital changes</b>	<b>(24,212.97)</b>	<b>(7,717.15)</b>
Income Taxes paid (Net of refunds)	(640.18)	(194.26)
<b>Cash generated/(used in) from operations (A)</b>	<b>(24,853.15)</b>	<b>(7,911.41)</b>
<b>B. Cash Flow From Investing Activities</b>		
Proceeds from sale of Fixed assets	97.65	72.35
Purchase of Fixed Assets including capital advances	(6,016.02)	(1,226.69)
Proceeds from Sale of Investments	26,095.98	79,942.13
Purchase of Investments	(53,307.77)	(70,834.22)
Inter Corporate Deposit (Given) / Received	11,386.22	(1,842.70)
Interest Received	2,730.42	2,049.62
Dividends Received	0.16	128.68
<b>Cash used in Investing Activities (B)</b>	<b>(19,013.36)</b>	<b>8,289.17</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	For the Year Ended 31st March 2015 ₹ In Lakhs	For the Year Ended 31st March 2014 ₹ In Lakhs
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from Issue of Equity Shares	794.94	-
Repayment of Share Application Money by Subsidiary	-	1,001.07
Proceeds from Borrowings	47,565.82	4,812.43
Repayment of Borrowings	(30.13)	(6,250.60)
Proceeds from Minority Shareholders towards Equity Shares	1,138.99	300.00
Interest and Finance Charges Paid	(3,202.58)	(481.79)
<b>Cash generated from Financing Activities (C)</b>	<b>46,267.04</b>	<b>(618.89)</b>
<b>Net Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>2,400.53</b>	<b>(241.13)</b>
Cash and Cash Equivalents as at the beginning of the year	1,043.93	914.36
Add: Adjustment on acquisition of subsidiary	285.79	370.70
Cash and Cash Equivalents as at the end of the year	3,730.25	1,043.93
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>2,400.53</b>	<b>(241.13)</b>
<b>Reconciliation of Cash and Cash Equivalents with amounts reflected in Balance Sheet</b>		
Cash and Cash Equivalents as above	3,730.25	1,043.93
Add: Bank deposits - In earmarked accounts	600.43	57.49
<b>Cash and Cash Equivalents as per Balance sheet (Refer Note 20)</b>	<b>4,330.68</b>	<b>1,101.42</b>

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

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

**Ketan Vora**  
Partner

**G.N.Bajpai**  
Chairman

**Kishore Biyani**  
Vice Chairman

Place : Mumbai  
Date : May 15, 2015

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

**Manoj Saraf**  
Chief Financial Officer

Corporate Identity Number of Future Consumer Enterprise Limited is L52602MH1996PLC192090

**1. Corporate Information**

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

The shares of the Company are listed on the National Stock Exchange of India Limited and BSE Limited since May 10, 2011. Pursuant to a composite scheme of Amalgamation and Arrangement coming into effect during the financial year 2012-13, the Company has become an operating entity from being a Non-Banking Finance Company "(NBFC)" since it was unable to satisfy the prescribed norms of assets / income pattern as required under the Reserve Bank of India regulations. In view of the same, the Company has made an application to Reserve Bank of India ("RBI") seeking de-registration as NBFC on May 30, 2013.

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

**2. Basis of Consolidation:**

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

**A. Basis of Accounting and preparation of Consolidated Financial Statements**

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements of the Group have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

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

- a) The financial statements of the subsidiaries and associate used in the consolidation have

been drawn up to the same reporting date as that of the Company for the year ended March 31, 2015.

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

- j) The consolidated financial statements comprise the financial statements of Future Consumer Enterprise Limited and the following companies:

Name of the Company	Relationship	Country of Incorporation	% Holding as at 31st March 2015	% Holding as at 31st March 2014
Aadhaar Wholesale Trading and Distribution Limited	Subsidiary	India	100%	70%
Future Agrovat Limited (Merged with the Company. Refer Note- 36 )	Subsidiary (till 31 <sup>st</sup> March, 2014)	India	-	100%
Future Consumer Products Limited	Subsidiary	India	90%	90%
Future Food and Products Limited	Subsidiary	India	100%	100%
Star and Sitara Wellness Limited	Subsidiary	India	100%	100%
Express Retail Services Private Limited	Subsidiary	India	100%	100%
Amar Chitra Katha Private Limited (Further referred as ACK)	Subsidiary	India	73.99%	73.99%
- IBH Books and Magazines Distributors Limited	Subsidiary of ACK	India	100%	100%
- ACK Edutainment Limited	Subsidiary of ACK	India	100%	100%
- ACK Media Direct Limited	Subsidiary of ACK	India	100%	100%
- Karadi Tales Company Private Limited	Subsidiary of ACK	India	51%	51%
- Ideas Box Entertainment Limited	Subsidiary of ACK	India	100%	100%
Future Personal Care and Hygiene Private Limited (Formerly known as ACK Eaglemoss Collectibles Publishing Private Limited)	Subsidiary	India	100%	100%*
Aussee Oats Milling (Private) Limited	Subsidiary	Sri Lanka	50% + 1 Equity Share	-
The Nilgiri Dairy Farm Private Limited (Further referred as NDF)	Subsidiary	India	99.96%	-
- Appu Nutritions Private Limited	Subsidiary of NDF	India	76%**	-
- Nilgiri's Mechanised Bakery Private Limited	Subsidiary of NDF	India	76%**	-
- Nilgiris Franchise Private Limited	Subsidiary of NDF	India	100%	-
Sublime Foods Private Limited	Subsidiary	India	51%	-
Integrated Food Park Private Limited	Subsidiary	India	73.89%	-
Sarjena Foods Private Limited	Associate	India	21.26%	-

\* Future Personal Care and Hygiene Private Limited was a 100% subsidiary of ACK last year.

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

### 3. Significant Accounting Policies

#### a) Use of Estimates

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

#### b) Inventories

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

Cost of inventory is determined on weighted average basis in respect of Trading Goods while in the case of others it is determined on First in First out basis.

#### c) Cash and cash equivalents (for purposes of Cash Flow Statement)

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

#### d) Cash flow statement

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

the Company are segregated based on the available information.

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

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

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

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

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

Acquired Brand and goodwill are amortized over ten years based on the estimated useful life on straight line method

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

**f) Revenue Recognition**

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

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

**g) Capital Grant**

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

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

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

**h) Other Income**

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

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

**i) Investments**

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

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

**j) Employee Benefits**

Defined Contribution Plans

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

Defined Benefit Plans

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

Compensated Absences

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

Other short-term employee benefits

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

**k) Employee's Share based payments**

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

**l) Foreign currency transactions and translations**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are dealt with in the Statement of Profit and Loss. Forward exchange contracts entered into to hedge the foreign currency risk and outstanding as on balance sheet date are translated at year end exchange rates. The premium or discount arising at the inception of such forward exchange contracts are amortised as income or expense over the life of the contract. Gains / Losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognised as income or expense.

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

**m) Borrowing Cost**

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

**n) Segment Reporting**

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

**o) Leases**

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

**p) Earnings per share**

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

**q) Taxes on income**

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

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

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

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

**r) Impairment of assets**

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

**s) Provisions and Contingencies**

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

**t) Operating Cycle**

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

**4. Share Capital**

a)

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Authorised</b>		
5,650,000,000 (Previous year - 5,550,000,000) Equity Shares of ₹ 6/- each	339,000.00	333,000.00
1,670,000,000 (Previous year - 1,670,000,000) Unclassified Shares of ₹ 10/- each	167,000.00	167,000.00
<b>Total</b>	<b>506,000.00</b>	<b>500,000.00</b>
<b>Issued, Subscribed &amp; Fully Paid-up Capital</b>		
1,657,144,038 (Previous year - 1,597,976,671) Equity Shares of ₹ 6/- each	<b>99,428.64</b>	<b>95,878.60</b>

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

Particulars	As at 31st March 2015		As at 31st March 2014	
	No of Shares	₹ In Lakhs	No of Shares	₹ in Lakhs
No. of Equity shares at the beginning of the year	1,597,976,671	95,878.60	1,597,976,671	95,878.60
Add : Allotment Pursuant to exercise of stock options granted under FVIL Employees Stock Option Plan - 2011	13,249,000	794.94	-	-
Add : Shares issued without payment being received in cash (see note (f) below)	45,918,367	2,755.10	-	-
<b>Total</b>	<b>1,657,144,038</b>	<b>99,428.64</b>	<b>1,597,976,671</b>	<b>95,878.60</b>

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

Particulars	As at 31st March 2015		As at 31st March 2014	
	No of Shares	% of Holding	No of Shares	% of Holding
Arisaig Partners (Asia) Pte. Limited. A/c. Arisaig India Fund Limited	152,043,000	9.18	152,043,000	9.51
Future Retail Limited	150,000,000	9.05	150,000,000	9.39
BNP Paribus Arbitrage	140,753,144	8.49	140,753,144	8.81
PIL Industries Limited	129,804,747	7.83	124,877,845	7.81
Gargi Developers Private Limited	128,878,666	7.78	128,878,666	8.07
Bennett, Coleman and Company Limited	121,641,615	7.34	121,641,615	7.61
Central Departmental Stores Private Limited	95,838,700	5.78	95,838,700	6.00
Future Capital Investment Private Limited	84,106,029	5.08	84,106,029	5.26
Aaradhak Commercial Ventures Private Limited	81,548,254	4.92	81,548,254	5.10

d) Terms/Rights attached to Equity Shares:

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

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

e) As at 31st March, 2015 in terms of FVIL Employees Stock Option Plan 2011 equity shares aggregating to 1,006,000 (Previous Year- 15,785,000 equity shares) were reserved for issuance towards outstanding Employee Stock Options granted.

f) The Company has allotted 45,918,367 (Previous Year - NIL) equity shares of ₹ 6 each fully paid up at a premium of ₹ 6.74 per share on preferential basis without payment being received in cash to the minority shareholders of Aadhaar Wholesale Trading and Distribution Limited (a subsidiary of the Company) for acquisition of their stake consequently Aadhaar Wholesale Trading and Distribution Limited has become as wholly owned subsidiary of the Company.

**5. Reserve and Surplus**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	5.20	5.20
<b>Statutory Reserve under section 45 (IC) of RBI Act, 1934</b>		
Opening Balance	1,363.06	754.88
Add: Transfer during the year	-	608.18
	<b>1,363.06</b>	<b>1,363.06</b>
<b>Securities Premium Account</b>		
Opening Balance	-	93.09
Add: Premium on shares issued during the year	3,094.90	-
Less: Adjustment against Goodwill created on acquisition of subsidiary	-	(93.09)
	<b>3,094.90</b>	<b>-</b>
<b>General Reserve</b>		
As per last Balance Sheet	0.59	0.59
<b>Capital Reserve</b>		
Opening Balance	-	1,170.49
Less: Adjustment pursuant to scheme of Arrangement and Amalgamation	-	(715.51)
Less :- Reversal of Capital Reserve on disposal of Associate	-	(918.45)
Add: Share of Capital Reserve in an Associate	-	463.47
	<b>-</b>	<b>-</b>
<b>Foreign Currency Translation reserve</b>		
Effect of Foreign Exchange rate Variations during the year	(19.69)	-
<b>Debenture Redemption Reserve</b>		
Opening Balance	-	22.66
Less :- Reversal of Debenture Redemption Reserve on disposal of associate	-	(22.66)
	<b>-</b>	<b>-</b>
<b>Surplus/(Deficit) in Profit and Loss Account</b>		
Opening Balance	(16,678.96)	(14,979.53)
Add: Current Year (Loss)	(10,276.42)	(694.95)
Less : Transfer to Statutory Reserve as per RBI Section 45 (IC)	-	(608.18)
Add : Adjustment pursuant to the composite scheme of Amalgamation and Arrangement	273.98	(396.30)
Add : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (net of deferred tax) (Refer Note 37)	(233.24)	-
	<b>(26,914.64)</b>	<b>(16,678.96)</b>
<b>Total</b>	<b>(22,470.58)</b>	<b>(15,310.11)</b>

**6. Long Term Borrowings**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>SECURED LOANS</b>		
Term Loan from Banks	26,073.52	-
Term Loan from Others	-	7.94
1000, 11.95% Redeemable Non convertible Debentures of ₹ 10 lakhs each	10,000.00	-
<b>Total</b>	<b>36,073.52</b>	<b>7.94</b>

**7. Other Long Term Liabilities**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Other Liabilities</b>		
Deposit from customers	846.60	37.79
Subsidy from government	3.62	-
<b>Total</b>	<b>850.22</b>	<b>37.79</b>

**8. Long Term Provisions**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Provision for Employee Benefits :</b>		
Provision for Compensated Absences	188.37	157.08
Provision for Gratuity (Refer Note 39)	379.69	215.77
<b>Others</b>		
Provision for claims and contingencies	117.77	-
<b>Total</b>	<b>685.83</b>	<b>372.85</b>

**9. Short Term Borrowings**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>SECURED LOANS</b>		
Loans repayable on demand from banks	14,886.51	2,705.84
Other Loans from Bank	14,807.65	8,240.64
<b>Total</b>	<b>29,694.16</b>	<b>10,946.48</b>
<b>UNSECURED LOANS</b>		
Inter Corporate Deposits from others	543.87	-
<b>Total</b>	<b>543.87</b>	<b>-</b>
<b>Grand Total</b>	<b>30,238.03</b>	<b>10,946.48</b>

**10. Trade Payables**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
Payable to		
- Micro, Small and Medium Enterprises	250.23	423.86
- others	12,711.67	10,633.13
<b>Total</b>	<b>12,961.90</b>	<b>11,056.99</b>

**11. Other Current Liabilities**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
Advance from Customers	579.66	461.29
Current Maturities of Long Term Debt	1,028.85	10.37
Security & Other Deposits	683.41	195.44
Interest accrued but not due	308.84	1.39
Book overdraft	31.41	-
Statutory Dues	464.19	338.95
Payable on purchase of Fixed Assets	62.38	106.32
Other Liabilities	7.00	-
<b>Total</b>	<b>3,165.74</b>	<b>1,113.76</b>

**12. Short Term Provisions**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Provision for Employee Benefits</b>		
Provision for Compensated Absences	132.60	47.21
Provision for Gratuity (Refer Note 39)	65.57	19.10
Provision for Bonus, Incentives and others	153.27	91.81
<b>Others</b>		
Provision for Standard Assets	27.36	49.19
<b>Total</b>	<b>378.80</b>	<b>207.31</b>



**14 Non Current Investments**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
a) Investment - Trade Unquoted		
(i) In Equity Shares		
- Associate		
Cost of Investment	500.00	-
(Includes ₹ 354.08 lakhs (Previous year - ₹ Nil) representing Goodwill on Consolidation)		
Add: Accumulated Share of Profit/(Loss) of Associates	(93.67)	-
Add: Adjustment on Conversion of Associate into Subsidiary	0.15	-
- Others	11.46	11.46
(ii) In Debentures (Fully Paid up)		
- 0% Optional Convertible Debentures of Capital Foods Private Limited	744.00	1,500.00
	<b>1,161.94</b>	<b>1,511.46</b>
b) Non Trade Investments		
(i) Quoted		
Equity Shares - Others	0.74	-
(Market Value of quoted investment is ₹ 2.14 lakhs)		
(ii) Unquoted		
National Savings Certificate (Liened with Sales Tax Authorities)	0.43	0.43
<b>Total</b>	<b>1,163.11</b>	<b>1,511.89</b>

**15. Deferred Tax Asset / (Liability) Net**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Deferred tax (liabilities) / assets</b>		
<u>Tax effect of items constituting deferred tax liabilities</u>		
On difference between book balance and tax balance of fixed assets	5,192.38	4,323.70
Provision for Standard Asset	6.75	2.95
<b>Tax effect of items constituting deferred tax liabilities</b>	<b>5,199.13</b>	<b>4,326.65</b>
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	188.59	105.12
Provision for doubtful debts / advances	141.25	21.22
Disallowances under Sections of the Income Tax Act, 1961	38.72	150.35
On difference between book balance and tax balance of fixed assets	-	56.32
Loss on Sale of Assets	-	0.03
Unabsorbed depreciation carried forward #	4,830.55	4,052.06
<b>Tax effect of items constituting deferred tax assets</b>	<b>5,199.11</b>	<b>4,385.10</b>
<b>Deferred tax (liabilities) / assets (net)</b>	<b>(0.02)</b>	<b>58.45</b>

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

**16. Long Term Loan & Advances**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>a) Unsecured - Considered Good</b>		
(i) Advance Income Tax (Net of Provision of ₹ 735.21 lakhs (Previous Year ₹ 735.21 lakhs))	2,409.59	1,477.58
(ii) Advance to Creditors	72.33	-
(iii) Inter Corporate Deposits	1.05	-
(iv) Security Deposits	1,609.16	628.33
(v) Other Deposits	113.45	61.84
(vi) Balances with excise & custom authorities	159.42	18.01
(vii) Capital Advances	1,598.15	1.75
(viii) Other Loan and Advances	59.60	133.42
	<b>6,022.75</b>	<b>2,320.93</b>
<b>b) Unsecured - Considered Doubtful</b>		
(i) Other loans and advances	742.20	-
Less: Provision for doubtful loans & Advances	(742.20)	-
	-	-
(ii) Security & Other Deposits : Considered Doubtful	20.24	2.13
Less: Provision for doubtful deposits	(20.24)	(2.13)
	-	-
<b>Total</b>	<b>6,022.75</b>	<b>2,320.93</b>

**17. Current Investments**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>Non Trade Investments</b>		
Unquoted		
National Savings Certificate (Lodged with Sales Tax Authorities)	0.16	0.10
Units of Mutual Funds	-	2,384.16
Certificate of Deposits	10,000.00	10,000.00
<b>Total</b>	<b>10,000.16</b>	<b>12,384.26</b>

**18. Inventories (Lower of Cost and Net Realisable Value)**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
Raw Materials	491.39	11.13
Work-in-Progress	184.28	108.05
Finished Goods	515.32	317.20
Stock - In - Trade	9,669.90	9,766.71
Packing and Others	286.60	243.20
<b>Total</b>	<b>11,147.49</b>	<b>10,446.29</b>

**19. Trade Receivables**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
Outstanding for a period exceeding six months from the date they are due for Payment		
Unsecured Considered Good	1,434.24	754.19
Considered Doubtful	4,521.46	122.83
Less: Provision for Doubtful Debts	(4,521.46)	(122.83)
	<b>1,434.24</b>	<b>754.19</b>
Other Debtors		
Unsecured Considered Good	14,036.31	10,199.03
Considered Doubtful	246.66	
Less: Provision for Doubtful Debts	(246.66)	-
	-	-
<b>Total</b>	<b>15,470.55</b>	<b>10,953.22</b>

**20. Cash and Cash Equivalents**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
Cash and Cheques on Hand	141.39	381.77
Balance with Scheduled Bank		
- In Current Account	3,328.42	618.61
- In Fixed Deposit Accounts	260.44	43.55
Earmarked Bank deposits		
- Margin Money with Bank	600.43	57.49
<b>Total</b>	<b>4,330.68</b>	<b>1,101.42</b>
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash flow Statement is	3,730.25	1,043.93

**21. Short Term Loan & Advances**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
<b>a) Unsecured - Considered Good</b>		
(i) Loans and advances to employee	58.97	62.06
(ii) Inter-Corporate Deposits	5,776.49	17,081.70
(iii) Advances given to Suppliers	2,288.46	320.60
(iv) Security Deposits	12,332.96	67.27
(v) Other Deposits	30.80	-
(vi) Balances with excise, custom and other Government authorities	764.25	449.69
(vii) Other Loan and Advances	512.35	456.58
	<b>21,764.28</b>	<b>18,437.90</b>
<b>b) Unsecured - Considered Doubtful</b>		
(i) other Advances	8.98	-
Less: Provision for doubtful loans/Advances	(8.98)	-
	-	-
(ii) Security Deposits : Considered Doubtful	-	1.60
Less: Provision for doubtful deposits	-	(1.60)
	-	-
<b>Total</b>	<b>21,764.28</b>	<b>18,437.90</b>

**22. Other Current Assets**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
Accrued income	345.54	-
Less: Provision for doubtful accrued income	(264.61)	-
	<b>80.93</b>	<b>-</b>
Interest accrued on Deposits and others	758.55	530.36
Insurance Claim Receivables	8.97	175.38
Less: Provision for doubtful assets	(1.32)	-
	<b>7.65</b>	<b>175.38</b>
Receivables on sale of fixed assets	35.07	-
Unbilled Revenue	45.09	43.26
<b>Total</b>	<b>927.29</b>	<b>749.00</b>

**23. Revenue from Operations**

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
Sales of Products and services	129,044.01	80,706.18
Less : Excise Duty	(35.72)	-
	<b>129,008.29</b>	<b>80,706.18</b>
Other Operating Income	2,217.53	1,534.52
<b>Total</b>	<b>131,225.82</b>	<b>82,240.70</b>

**24. Other Income**

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
Lease Rental Income	68.71	8.10
Gain on Sale of Investment		
- Current	215.18	212.35
- Non Current	-	8,583.56
Interest Income:		
- On Bank Deposits	27.58	11.96
- On Other Deposit	1,751.75	1,200.02
- Inter Corporate Deposit	1,080.99	1,122.58
Dividend Income		
- On Current Investments	0.16	83.12
- On Non Current Investments	-	45.56
Interest on Income tax and Vat Refund	0.05	1.97
Provision No Longer Required Written Back (net)	231.10	84.27
Excess provision for Standard Assets written back	21.83	8.68
Miscellaneous Income	118.36	48.68
<b>Total</b>	<b>3,515.71</b>	<b>11,410.85</b>

**25. Cost of materials consumed and other inputs**

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
Opening Stock of Raw Materials and Others	203.22	24.17
Add: Adjustment on acquisition of subsidiary	430.36	215.94
Add: Purchases	6,420.90	1,514.86
Closing Stock of Raw Materials and Others	(777.99)	(203.22)
<b>Total</b>	<b>6,276.49</b>	<b>1,551.75</b>

**26. Purchase of stock-in-trade (traded goods)**

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
Purchases	107,505.15	69,466.18
<b>Total</b>	<b>107,505.15</b>	<b>69,466.18</b>

**27. Changes in inventories of Finished Goods, Work In Progress and Stock in Trade**

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
Opening Stock of Work In Progress	108.05	105.63
Closing Stock of Work In Progress	(184.28)	(108.05)
	<b>(76.23)</b>	<b>(2.42)</b>
Opening Stock of Finished Goods	317.20	286.52
Add: Adjustment on acquisition of subsidiary	324.73	-
Closing Stock of Finished Goods	(515.32)	(317.20)
	<b>126.61</b>	<b>(30.68)</b>
Opening Stock of Traded Goods	9,766.71	5,381.10
Less: On account of discontinuing operations (Refer Note 38)	(19.22)	-
Add: Adjustment on acquisition of subsidiary	111.49	5,235.10
Closing Stock of Traded Goods	(9,669.90)	(9,766.71)
	<b>189.08</b>	<b>849.49</b>
<b>Total</b>	<b>239.46</b>	<b>816.39</b>

**28. Employee Benefit Expenses**

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
Salaries Wages & Bonus	7,839.90	6,134.79
Contribution to Provident and Other Funds	477.10	392.61
Staff Welfare Expenses	291.64	256.42
<b>Total</b>	<b>8,608.64</b>	<b>6,783.82</b>

**29. Finance Costs**

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
Interest on		
- Borrowings	2,883.15	482.73
- Interest Others	78.73	39.32
Other borrowing cost	231.35	11.23
<b>Total</b>	<b>3,193.23</b>	<b>533.28</b>

**30. Other Expenses**

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
Rent	3,067.95	3,095.01
Consumables and Packing Material	410.09	451.14
Warehousing and Distribution Expenses	3,119.98	2,198.82
Other purchase of materials & Publishing exps.	246.19	525.66
Electricity expenses	627.54	429.63
Advertisement, & Marketing Expenses	777.68	696.85
Commission and Brokerage	15.83	12.46
Labour contract charges	272.12	-
Repairs and Maintenance		
- Plant and Machinery	28.76	2.35
- Buildings	13.67	0.95
- Others	286.90	189.89
Legal and Professional Charges	1,123.76	618.80
Rates & Taxes	409.53	159.17
Insurance	52.90	45.61
Auditor's Remuneration	129.54	121.90
Directors Sitting Fees	22.00	9.20
Sundry balance written off	-	242.49
Loss on Sale/Retirement of Fixed Assets	291.77	848.87
Net loss on foreign currency transactions and translation	118.79	-
Donation	5.82	-
Brand Royalty	673.67	791.53
Bad Debts and Advances Written Off	152.31	189.03
Pre-operational Expenses	31.92	-
Miscellaneous Expenses	1,788.66	1,530.17
<b>Total</b>	<b>13,667.38</b>	<b>12,159.53</b>

**31. Capital Commitment**

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

Particulars	For the Year Ended 31st March 2015 ₹ In Lakhs	For the Year Ended 31st March 2014 ₹ In Lakhs
Group (Excluding Associate)	1,416.01	7.20
	<b>1,416.01</b>	<b>7.20</b>

**32. Segmental Reporting**

The Company is engaged in Branding, Selling and Distribution of "Consumer products" which in terms of Accounting Standard 17 "Segment Reporting" constitute a single reporting segment. Hence, there is no separate reportable segment under Accounting Standard 17 "Segment Reporting".

**33. Related Party Disclosures****A. Names of Related Parties and Nature of Relationship****1. Associates**

- a. Sarjena Foods Private Limited (w.e.f. 5<sup>th</sup> July' 2014)
- b. Integrated Food Park Private Limited (During the period 24<sup>th</sup> July' 2015 to 5<sup>th</sup> February' 2015)

**2. Key Management Personnel (KMP)**

- a. Arun Kumar Agarwal - Manager
- b. Ashni Biyani – Whole Time Director (w.e.f 15<sup>th</sup> Nov'2014)

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

- a. Future Ideas Company Limited (upto 30<sup>th</sup> May' 2013)
- b. Future Retail Limited (formerly known as Pantaloon Retail (India) Limited) (upto 30<sup>th</sup> May' 2013)

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

(₹ In Lakhs)

Particulars	Associates	Significant influence	Key Managerial Person
Purchase of Investments	500.00 (-)	- (-)	- (-)
Redemption of Investments (OCD)	- (1,000.00)	- (-)	- (-)
Inter Corporate Deposits Given	1,677.00 (2,962.20)	- (-)	- (-)
Inter Corporate Deposits Received Back	935.00 (4,687.00)	- (-)	- (-)
Interest Income	99.33 (222.49)	- (-)	- (-)
Security Deposit Given	24.60 (-)	- (-)	- (-)
Royalty Income	- (-)	- (11.39)	- (-)
Royalty Charges for Brand	- (-)	- (36.52)	- (-)
Marketing & Advertisement Expenses	- (5.00)	- (-)	- (-)
Purchases	45.00 (-)	- (-)	- (-)
Rent Paid	31.82 (-)	- (37.50)	- (-)
Trade and Other Receivables	178.23 (-)	- (-)	- (-)
Managerial Remuneration	- (-)	- (-)	59.13 (121.04)

Figures in bracket represent previous year's figures.

**C) Disclosure in respect of Material Transaction with Related Parties**

(₹ In Lakhs)

Particulars	2014-15	2013-14
<b>Purchase of Investments</b>		
Sarjena Foods Private Limited	500.00	-
<b>Inter Corporate Deposits Given</b>		
Integrated Food Park Private Limited	1,677.00	1,572.20
<b>Inter Corporate Deposits Received back</b>		
Integrated Food Park Private Limited	935.00	2,332.00
<b>Interest Income</b>		
Integrated Food Park Private Limited	99.33	139.67
<b>Purchases</b>		
Sarjena Foods Private Limited	45.00	-
<b>Security Deposit Given</b>		
Integrated Food Park Private Limited	24.60	-
<b>Rent Paid</b>		
Integrated Food Park Private Limited	31.82	-
<b>Trade and Other Receivables</b>		
Sarjena Foods Private Limited	178.23	-
<b>Managerial Remuneration</b>		
Ms. Ashni Biyani	26.50 #	-
Mr. Arun Agarwal	32.63	4.80

# For the Period 15<sup>th</sup> Nov'14 to 31<sup>st</sup> March'15**34. Earnings per Share**

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

Particulars	As at 31st March 2015	As at 31st March 2014
(Loss) for the year (In lakhs)	(10,276.42)	(694.95)
No of equity shares at the beginning of the year	1,59,79,76,671	1,59,79,76,671
No of equity shares at the end of the year	1,65,71,44,038	1,59,79,76,671
Weighted Average number for of shares outstanding for Basic EPS	1,61,51,01,238	1,59,79,76,671
Add: Weighted Average number of potential equity shares on account of Employee Stock Options outstanding	5,06,522	-
Weighted Average number of shares outstanding for diluted EPS	1,61,56,07,760	1,59,79,76,671
<b>Earnings per share</b>		
- Basic	(0.64)	(0.04)
- Diluted	(0.64)	(0.04)

**35. Contingent Liabilities**

Particulars	As at 31st March 2015 ₹ In Lakhs	As at 31st March 2014 ₹ In Lakhs
Corporate Guarantees	-	5,565.24
Central Excise and Sales Tax Demand	200.98	-
Income Tax Demand Notice	2,564.23	126.70
Claims against the Company not acknowledged as debt *	64.38	95.20
	<b>2,829.59</b>	<b>5,787.14</b>

\*does not include cases where liability is not ascertainable.

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

**36. Composite scheme of Amalgamation and Arrangement**

A Scheme of Amalgamation under Sections 391 and 394 and other applicable provisions of the Companies Act, 1956, filed by the Company for merger of its subsidiary Future Agrovet Limited (FAL) with the Company has been approved by the Hon'ble High Court of Bombay on January 30, 2015 and necessary filings have been done with the Registrar of Companies on March 13, 2015. The scheme has been given effect to in the books with effect from April 1, 2014, being the Appointed Date as approved by the Hon'ble High Court at Bombay on the following basis:

1. The business of FAL which stands transferred to and vested in the Company comprises of the business of procuring, processing and supplying of agricultural commodities in loose and packaged form under various private brands of the company.
2. The amalgamation has been accounted under the Purchase Method.
3. The entire assets and liabilities of FAL (the Amalgamating Company) have been accounted in the books of the Company at their respective fair values.
4. Since the entire share capital of FAL is held by the Company, no shares or consideration is to be issued / payable by the Company.
5. The difference between the fair value of assets net of liabilities of FAL and the value of investments in FAL held by the Company amounting to ₹ 3,279.80 lakhs has been debited to goodwill.

- 37.** During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing ₹ 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets.

The depreciation expense in the statement of Profit and Loss for the year is higher by ₹ 288.83 lakhs consequent to the change in useful life of the assets.

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 233.24 lakhs against the opening balance in Profit & Loss Account under Reserves and Surplus.

- 38.** During the current year a subsidiary of the Company, Star and Sitara Wellness Limited has discontinued its operations on account of losses. Consequently, the Company has therefore impaired Goodwill of ₹ 90.08 lakhs recorded on acquisition of the subsidiary. Disclosure pertaining to discontinued operations are as follows:

The amount of revenue attributable to discontinued operations is ₹ 438.61 lakhs (Previous Year ₹ 684.70 lakhs). The amount of expense attributable to discontinued operations is ₹ 928.48 lakhs (Previous Year ₹ 1842.23 lakhs), which include interest expense of ₹ 38.58 lakhs (Previous Year ₹ 39.24 lakhs).

The carrying amount of assets and liabilities relating to discontinued operations is ₹ 66.02 lakhs (Previous Year ₹ 1,329.61 lakhs) and ₹ 355.90 lakhs (Previous Year ₹ 942.93 lakhs) respectively.

The amount of cash flows attributable to the operating, investing and financing activities of the discontinued operations are ₹ (105.29) lakhs (Previous Year ₹ (452.68) lakhs), ₹ 33.83 lakhs (Previous Year ₹ (35.61) lakhs) and ₹ 70.42 lakhs (Previous Year ₹ 440.76 lakhs) respectively.

- 39.** The Group has a defined benefit gratuity plan and the details of actuarial valuation as on March 31, 2015 are given below:

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
<b>Net Employee benefit expenses (recognised in Employee cost)</b>		
Current Service Cost	105.53	85.41
Interest cost on benefit obligation	26.06	24.20
Expected Return on plan assets	(5.85)	(4.41)
Net actuarial (Gain)/Loss recognised in the period	61.60	(39.74)
Net benefit expenses	<b>187.34</b>	<b>65.46</b>
<b>Amounts recognised in balance sheet</b>		
Defined benefit obligation	570.80	295.35
Fair Value of Plan assets	(125.54)	(60.48)
<b>Unfunded net liability Recognised in the Balance Sheet</b>	<b>445.26</b>	<b>234.87</b>

Particulars	For the year ended 31st March 2015 ₹ In Lakhs	For the year ended 31st March 2014 ₹ In Lakhs
<b>Change in the present value of the defined benefit obligation</b>		
Obligation at period beginning	295.36	203.66
Less: Adjustment on account of demerger	-	(27.10)
Add: Adjustment on acquisition of Subsidiary	163.69	96.68
Current service cost	105.53	85.41
Interest on defined Obligation	26.06	24.20
Benefits paid	(81.27)	(47.51)
Actuarial (Gain) / Loss on obligation	61.43	(39.99)
<b>Obligation at period end</b>	<b>570.80</b>	<b>295.35</b>
<b>Changes in Fair value of Assets</b>		
Fair value of plan asset at the beginning of the year	65.12	53.19
Add: Adjustment on acquisition of subsidiary	56.44	-
Expected return on plan assets	5.85	5.74
Actuarial gain / Loss	(0.16)	(0.79)
Contribution by Employer	10.22	8.15
Benefits Paid	(11.93)	(5.81)
<b>Fair value of plan asset at the end of the year</b>	<b>125.54</b>	<b>60.48</b>
Discount Rate ( % )	7.85% - 9%	8.85% - 9%
Salary escalation rate	5% - 10%	5% - 8%
Attrition Rate	20% to 1%	20% to 1%
Retirement Age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2006-08)Ult	Indian Assured Lives Mortality (2006-08)Ult

#### 40. Details of leasing arrangements:

The Company has entered into operating lease arrangement for its stores and office premises, the details of which are as follows:

Particulars	As at 31st March 2015 ₹ in Lakhs	As at 31st March 2014 ₹ in Lakhs
Lease payments for the year	3,308.72	3,095.01
<b>Future Minimum Lease Payments in respect of non-cancellable leases</b>		
Not later than one year	216.68	195.88
Later than one year but not later than five years	257.57	63.45
Later than five years	10.17	-

41. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entities	Net assets, i.e., total assets minus total liabilities As at 31st March 2015		Share of profit or loss For the year ended 31st March 2015	
	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated profit or (loss)	Amount profit or (loss) (₹ In Lakhs)
Future Consumer Enterprise Limited	78.52%	60,430.05	(74.59%)	(7,664.98)
<b>Subsidiaries</b>				
<b>Indian</b>				
Aadhaar Wholesale Trading and Distribution Limited	3.52%	2,706.70	(8.49%)	(872.03)
Future Consumer Products Limited	0.05%	40.50	0.02%	1.56
Future Food and Products Limited	0.11%	84.38	(0.01%)	(1.12)
Star and Sitara Wellness Limited	(0.38%)	(289.88)	(6.58%)	(676.56)
Express Retail Services Private Limited	0.03%	25.83	(0.05%)	(5.52)
Amar Chitra Katha Private Limited	4.48%	3,449.30	(12.22%)	(1,255.38)
Future Personal Care and Hygiene Private Limited	(0.00%)	(0.10)	(0.00%)	(0.06)
The Nilgiri Dairy Farm Private Limited	3.50%	2,690.14	0.41%	41.96
Sublime Foods Private Limited	0.21%	163.01	(0.01%)	(1.23)
Integrated Food Park Private Limited	12.40%	9,542.38	(0.23%)	(23.82)
<b>Foreign</b>				
Aussee Oats Milling (Private) Limited	1.95%	1,498.52	(1.19%)	(122.79)
<b>Minority Interests in all subsidiaries</b>				
<b>Indian</b>				
The Nilgiri Dairy Farm Private Limited	0.00%	-	(0.02%)	(1.55)
Amar Chitra Katha Private Limited	(1.20%)	(924.23)	3.15%	324.11
Sublime Foods Private Limited	(0.09%)	(69.55)	0.01%	0.60
Integrated Food Park Private Limited	(2.49%)	(1,919.44)	0.06%	6.22
<b>Foreign</b>				
Aussee Oats Milling (Private) Limited	(0.61%)	(469.54)	0.66%	67.82
<b>Associates</b>				
<b>Indian</b>				
Sarjena Foods Private Limited			(0.91%)	(93.67)
<b>Total</b>	<b>100.00%</b>	<b>76,958.06</b>	<b>(100.00%)</b>	<b>(10,276.42)</b>

The corresponding figures of the previous year have not been given as disclosure is applicable with effect from April 1, 2014.

42. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. The figures for the current year are not comparable with those of the corresponding previous year on account of acquisition of The Nilgiris Dairy Farm Private Limited and various other subsidiaries and associates.

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

## Financial information with respect of Subsidiary Companies for the Year Ended 31st March 2015

(₹ In Lakhs except % of Share Holding)

Sr. No	Name of the Company	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Except Investment in Subsidiaries)	Turnover	Profit / (Loss) Before taxation	Provision for Taxation	Profit / (Loss) After Taxation	Proposed Dividend	% of Share Holding
1	Aadhaar Wholesale Trading and Distribution Limited	4,040.00	(2,156.58)	4,626.50	4,626.50	-	12,043.52	(1,216.31)	2.81	(1,219.12)	-	100%
2	Future Consumer Products Limited	245.00	(164.84)	108.12	108.12	-	55.91	2.27	0.71	1.56	-	90%
3	Future Food and Products Limited	113.00	(110.15)	84.75	84.75	0.43	-	(1.32)	(0.21)	(1.11)	-	100%
4	Star and Sitara Wellness Limited	180.90	(470.78)	66.02	66.02	-	438.21	(616.68)	59.88	(676.56)	-	100%
5	Express Retail Services Private Limited	5.00	(14.60)	26.95	26.95	-	-	(6.73)	(1.21)	(5.52)	-	100%
6	Amar Chitra Katha Private Limited (Further referred as ACK)	5.00	5,491.23	7,113.17	7,113.17	91.40	2,840.31	(706.96)	-	(706.96)	-	73.99%
7	IBH Books and Magazines Distributors Limited (Subsidiary of ACK)	50.00	(600.35)	2,550.13	2,550.13	-	3,771.49	(362.64)	-	(362.64)	-	100%
8	ACK Edutainment Limited (Subsidiary of ACK)	14.00	(10.19)	3.87	3.87	-	-	(0.14)	-	(0.14)	-	100%
9	ACK Media Direct Limited (Subsidiary of ACK)	6.00	(436.83)	305.39	305.39	-	1,002.01	(108.28)	-	(108.28)	-	100%
10	Karadi Tales Company Private Limited (Subsidiary of ACK)	119.60	93.44	447.23	447.23	-	134.32	6.67	-	6.67	-	51%
11	Ideas Box Entertainment Limited (Subsidiary of ACK)	90.00	(310.00)	385.00	385.00	-	178.75	(59.47)	-	(59.47)	-	100%
12	Future Personal Care and Hygiene Private Limited (Formerly known as ACK Eaglemooss Collectibles Publishing Private Limited)	1.00	(2.00)	-	-	-	-	(0.15)	-	(0.15)	-	100%
13	Aussee Oats Milling (Private) Limited (in Sri Lankan Rupees)*	1,074.73	(135.65)	6,043.48	6,043.48	-	0.95	(122.79)	-	(122.79)	-	50% + 1 Equity Share
14	The Nilgiri Dairy Farm Private Limited (Further referred as NDF)	4,900.27	(3,261.81)	7,164.20	7,164.20	-	18,096.38	(1,862.52)	-	(1,862.52)	-	99.96%
15	Appu Nutritions Private Limited (Subsidiary of NDF)	10.00	(64.08)	441.48	441.48	-	1,487.53	(4.21)	0.25	(4.46)	-	76%
16	Nilgiri's Mechanised Bakery Private Limited (Subsidiary of NDF)	9.00	(1,193.95)	417.17	417.17	0.74	1,768.34	(98.36)	0.02	(98.38)	-	76%
17	Nilgiris Franchise Private Limited (Subsidiary of NDF)	25.00	(217.19)	258.25	258.25	-	92.14	(69.15)	-	(69.15)	-	100%
18	Sublime Foods Private Limited	147.06	(5.13)	181.00	181.00	-	-	(4.17)	-	(4.17)	-	51%
19	Integrated Food Park Private Limited	2,900.00	4,451.35	16,321.52	16,321.52	-	44.08	(24.29)	-	(24.29)	-	73.89%

\* Converted into Indian Rupees at the exchange rate INR 1 = 0.4592 Sri Lankan Rupees

Note : 1. The reporting period for all the subsidiaries is 31st March 2015

2. Aussee Oats Milling (Private) Limited and Sublime Foods Private Limited, subsidiaries of the Company, are yet to commence operations.

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

Name of Associate	Sarjena Foods Private Limited
1. Latest audited Balance Sheet Date	As at 31st March 2015
2. Shares of Associate held by the Company as on 31st March 2015	324,675
Amount of Investment in Associate	₹ 500.00 lakhs
Extend of Holding %	21.26%
3. Description of how there is significant influence	Shareholders Agreement
4. Reason why the associate is not Consolidated	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 52.41 lakhs
6. Profit / (Loss) for the year ended 31st March 2015	
i. Considered in Consolidation	₹ (93.51) lakhs
ii. Not Considered in Consolidation	₹ (453.77) lakhs

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

**G.N.Bajpai**  
Chairman

**Kishore Biyani**  
Vice Chairman

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

**Manoj Saraf**  
Chief Financial Officer

Place : Mumbai  
Date : May 15, 2015

**Information in terms of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

Sr. No	Name	Age	Qualification	Date of Commencement of employment	Designation	Remuneration (in ₹)	Experience (in years)	Previous Employment
1	Arun Gupta	43	M.Com, MCSD, MCSE, Adobe Certified Expert	17-10-2011	President - Business Development & Investments	1,72,62,255	23	Equirus Capital-Investment Bank
2	Ashni Biyani*	30	Graduate in Textile Designing	15-11-2014	Whole Time Director	26,50,177	8	Future Corporate Resources Limited
3	Manoj Gagvani	48	C.S, L.L.B	23-6-2008	Company Secretary & Head- Legal	68,29,772	29	Pidilite Industries Limited
4	Manoj Saraf**	43	C.A	2-1-2015	Chief Financial Officer	23,62,150	18	Parag Milk Foods Pvt. Ltd
5	Narendra Baheti	47	B.Com	13-4-2005	Business Head – Agri Division	85,63,000	25	Self Employed
6	Rajendra Baheti	48	B.Com, C.A. Intermediate	13-4-2005	Head Operations – Agri Division	75,82,000	28	Self Employed

\* appointed with effect from 15<sup>th</sup> November,2014

\*\* appointed with effect from 2<sup>nd</sup> January,2015

Note:

- All appointments are contractual and can be terminated by notice on either side.
- None of the employees mentioned above are related to any Director of the Company save and except Ms. Ashni Biyani. Ms. Ashni Biyani is the daughter of Mr. Kishore Biyani.

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