FUTURE CONSUMER

for the Fast Moving Consumer Generation

FMCG 2.0

ANNUAL REPORT 2016-17

Future Consumer Limited


DESI ATTA
BAJRA ATTA
BAKER STREET
RAJGIRA ATTA
JOWAR ATTA
Nilgiris
BELGIAN CHOCOLATE MILK
OUR SMOOTH TONED
Malai Paneer
Tasty Treat
WASABI
BHUJIA
PERI PERI
Mustard Mayonnaise
KADAK

FOR THE FAST MOVING CONSUMER GENERATION

We are young and agile, we pursue multiplicity. We are passionate and love to collaborate. Just like our customers, we work with speed and imagination and lean heavily towards modern retail networks. More than half of all Indians are now born after 1990s and we are building the next generation FMCG Company for them.

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN
G.N. Bajpai

VICE CHAIRMAN
Kishore Biyani

WHOLE TIME DIRECTOR
Ashni Biyani

EXECUTIVE DIRECTOR
Narendra Baheti

DIRECTORS
Adhiraj Harish

Deepak Malik

Frederic de Mevius

Krishan Kant Rathi

Vibha Rishi

STATUTORY AUDITORS
M/s. Deloitte Haskins & Sells

BANKERS
IDBI Bank Limited

Kotak Mahindra Bank Limited

RBL Bank Limited

State Bank of India

Yes Bank Limited

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CHIEF EXECUTIVE OFFICER
Devendra Chawla
(effective 11th February, 2017)

CHIEF FINANCIAL OFFICER
Manoj Saraf

COMPANY SECRETARY & HEAD-LEGAL
Manoj Gagvani

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Fax : +91 22 4918 6060
Email ID : rnt.helpdesk@linkintime.co.in

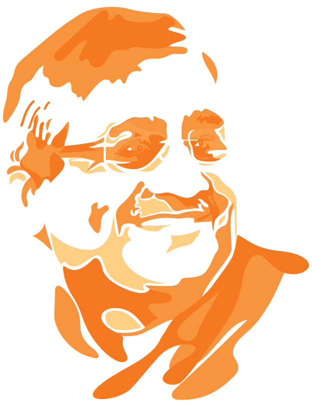
WEBSITE
www.futureconsumer.in

CORPORATE IDENTITY NUMBER
L52602MH1996PLC192090

CONTENTS

04	LETTER FROM THE VICE CHAIRMAN
07	PARTNERSHIPS
08	BRANDS
15	MANUFACTURING
16	DIRECTORS' REPORT
48	MANAGEMENT DISCUSSION AND ANALYSIS
53	BUSINESS RESPONSIBILITY REPORT
60	CORPORATE GOVERNANCE REPORT
75	AUDITORS' REPORT
80	BALANCE SHEET
81	STATEMENT OF PROFIT AND LOSS
82	STATEMENT OF CHANGES IN EQUITY
84	CASH FLOW STATEMENT
86	NOTES TO THE STANDALONE FINANCIAL STATEMENTS
136	AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS
140	CONSOLIDATED BALANCE SHEET
141	CONSOLIDATED STATEMENT OF PROFIT AND LOSS
142	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
144	CONSOLIDATED CASH FLOW STATEMENT
146	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
203	FINANCIAL INFORMATION ON SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

LETTER FROM THE VICE CHAIRMAN



Dear Stakeholders,

I am pleased to share with you the Annual Report of your Company for the financial year 2016-17. The Company posted revenues of ₹ 1,644.99 crore on a standalone basis, a growth of 42% over last year, on comparable basis. The consolidated revenues for the year under review was ₹ 2,115.84 crore. This is the third full year since your Company moved its focus purely on the food and FMCG sector. We are happy to share that during the year, the Company has turned profitable and posted a net profit of ₹ 7.78 crore.

This market leading growth in the FMCG sector is an outcome of using years of experience, insights and learnings gleaned from our experience in selling food and FMCG products at the Group's retail stores. We firmly believe that the FMCG sector is ready for a disruption. While consumers have evolved and are demanding a wider range of products and categories, the FMCG sector has largely remained the same. Most of the sector follows the traditional approach of creating one brand, for one product and a few variants that are to be sold through a multi-layered distribution model in a kirana store. Innovation is limited to what and how products can be sold in the small 300 square feet kirana store box. However, the consumer base in urban centres are getting younger and are aware of global tastes and trends. Today's food influencers, from food bloggers and gourmet chefs to avant-garde restaurants speak in a whole new language of food, passion and consumption.

Your Company is designed to cater to the fast moving consumer generation who shop at modern retail chains. Modern retail chains are growing at more than double the pace of general trade and your Company aims to be the driver of growth within the modern retail networks.

> **ALMOST ALL MODERN RETAIL CHAINS AND LEADING ONLINE DISTRIBUTION PLATFORMS NOW OFFER SOME OR OUR ENTIRE RANGE OF PRODUCTS.**

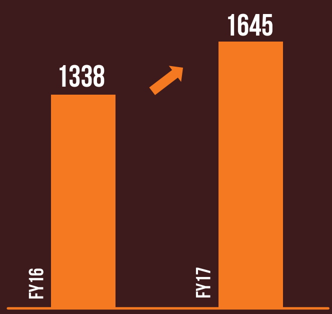
Our product range and assortment was vindicated through the year as more and more modern retail chains started stocking our products. Almost all modern retail chains and leading online distribution platforms now offer some or our entire range of products.

Innovations lie at the heart of the organization and we combine it with speed and agility to tap into new consumption habits. The potential for oats was being restricted to being a breakfast cereal. It is nutritious and filling and we believed it could be the third grain of India. We introduced a brand, "Kosh", backed by a national

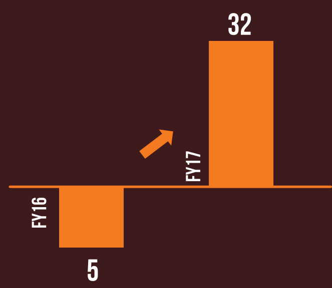
FY17 FINANCIAL SNAPSHOT

(₹ IN CRORE)

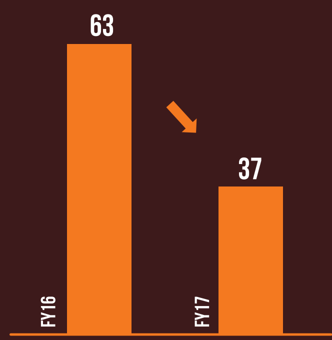
STANDALONE SUMMARY



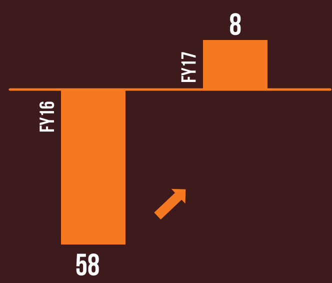
Top Line Growth



EBITDA Improvement on the Back of High Growth and Efficiency

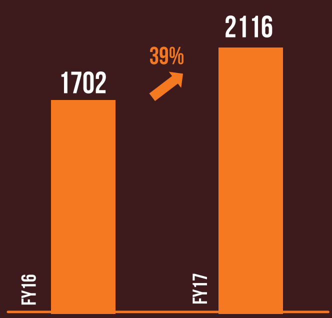


Interest Expense Declined by INR 26 crore

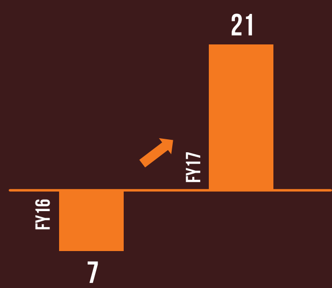


Reported Profit for the 1st Time

CONSOLIDATED SUMMARY



Top Line Growth



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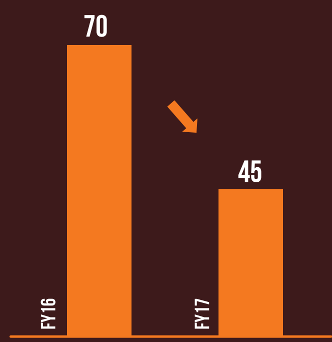

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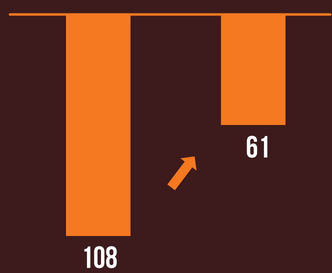


PAT loss narrowed by INR 467 Million

TOP 5 BRANDS BY REVENUE

- GOLDEN HARVEST
- NILGIRIS
- FRESH & PURE
- TASTY TREAT
- CLEAN MATE

FASTEST GROWING BRANDS

- KARMIQ
- SANGI'S KITCHEN
- DESI ATTA COMPANY

multi-language advertisement campaign and supported by our own oats processing facility. “Kosh” is now becoming a mainstream food ingredient and from instant, broken and oats and wheat flour, we are now about to extend the range to wide variety of sweet and savoury flavors.

> **CONSISTENT QUALITY, PRODUCT INNOVATION AND HIGH STANDARDS FOR ENVIRONMENTAL PROTECTION, HEALTH AND SAFETY CONTINUE TO BE AMONG THE TOP PRIORITIES YOUR COMPANY IS FOCUSING ON.**

The beverages market is changing at a rapid pace as carbonated drinks lose favour with customers. We built upon our “Sunkist” brand to introduce eight new fusion drinks including pinacolada, mojito, citrus twist and a lemon, cucumber and mint mix and brought in new excitement on supermarket shelves.

“Desi Atta Company” continues to push the boundaries on range of flours it offers. We studied fasting, feasting and snacking habits of different Indian communities to offer more than forty variants of flours to Indian consumers. These are now winning the heart of consumers.

Branded basmati rice has been a fast growing category in modern retail and we believe a similar potential rests in other rice variants. We are starting with Sona Masoori rice, popular in Southern India and have teamed up with market leader LT Foods to process, brand and sell the variant nationally. Elsewhere, we are finding unique spaces within existing categories that capture new consumption habits. Baker Street introduced biscotti, pita chips, bruschetta and bread sticks. Tasty Treat introduced new age namkeens including Wasabi bhujias. Veg Affaire introduced frozen fruits like blue berries, strawberries and mango slices. Karmiq brought in four new variants of green tea and Sangi’s Kitchen extended its range of dips and sauces to include four new flavored mayonnaise.

These new products are delivering customer delight and growth. Sangi’s Kitchen led the charts by growing by over five times, Karmiq by over three times and Tasty Treat by 1.3X compared to last year.

Growing through a modern retail-led distribution allows us to do sampling, promotions, shelf level communication and gather steady feedback from consumers. These in turn helps brands grow faster and more efficiently. We may reach fewer number of stores, but the number of upwardly mobile consumers the modern retail chains attract in urban centres can be compared favorably with general trade.

Your Company has a decentralized, agile design that fosters multiplicity and collaboration. We are bringing in some of the best partners to tap into segments that require specific knowledge and expertise. During the forthcoming year, we will be introducing products and brands from the stable of Hain Celestial, a leading organic, natural, and better-for-you products company that is among the largest suppliers of Whole-Foods. Through our joint venture with Hain, we are also planning for domestic manufacturing of a range of healthy foods at our food park in Tumkur.

Consistent quality, product innovation and high standards for environmental protection, health and safety continue to be among the top priorities your Company is focusing on. During the year, significant investments were made across manufacturing facilities and a full fledged product innovation lab has been set up. The Company is collaborating with world renowned organizations such as Dohler, Orana, Symega Savoury Technology and Givaudan in the food ingredient, flavours and supplement segments as well as some of the leading research and quality assurance labs.

The journey of creating the next generation FMCG company that responds to the pulse of a new India has just begun. We are thankful for your continued support and encouragement in making this journey so much more worthwhile.

Rewrite Rules, Retain Values

Kishore Biyani

39%
TOP LINE GROWTH

1ST
YEAR OF STANDALONE PAT PROFITABILITY

1ST
YEAR OF CONSOLIDATED EBITDA PROFITABILITY

PARTNERSHIPS

The Company has developed strong joint venture partnerships with leading domestic & multinational companies for its foray into specialized segments like organic and toddler food, personal care, oats-based products and to enter the highly competitive branded rice segment.

MIBELLE AG

Swiss-based Mibelle, part of Migros Group, amongst the largest consumer goods companies in Central Europe is our partner for personal care space. The brand 'Swiss Tempelle' has launched body wash and lotions and further extending the range. During the upcoming year, the joint venture also aims to start local production improving time to market, reducing launch cost and give flexibility in packaging.

HAIN CELESTIAL

Amongst the largest suppliers of Whole-Foods, Hain Celestial is a leading organic, natural, and better-for-you products company. Best known for Tilda rice in India, the joint venture will introduce brands and products comprising of Terra vegetable chips, Garden of Eatin Tortilla Chips, Dream rice and soya milk, Sensible Portions, health snacks for toddlers, along with a manufacturing base at India Food Park, Tumkur.

KOSH

The brand 'Kosh' has been launched to make oats the third grain of the Country. Kosh offers instant oats, broken oats, wheat and oats flour. It will soon launch other variants of oats in sweet (Mango, Banana Caramel) and savory (Lively Lemon, Chinese Chili Flavor, Chole Masala, Terrific Tomato) categories. The production happens at our joint venture facility in Sri Lanka.

LT FOODS

LT Foods is amongst the leaders in packaged rice, led by basmati rice brand, "Dawaat". A milling and processing plant in JV with LT Foods at India Food Park, Tumkur has been operationalized for Sona Masoori rice, a popular variant in Southern India, with an objective of developing the first national, branded and packaged rice brand beyond the basmati rice space.

GROCERIES

Modern Indian consumer still remains rooted to the Indian traditions, culture and eating habits. Various staples, grains, flours still remain core to Indian diet. However, with changing times, the consumer is now demanding healthier and premium options which also offer convenience. The Company has built a robust portfolio of brands in the groceries segment spanning across sub categories such as staples, flours, multi grain and specialty flours, edible oils etc. Key brands in the category include Golden Harvest, Golden Harvest Premium, Desi Atta, Fresh & Pure etc. Over the past two years, the Company has launched over 40 products under the brand Desi Atta covering single flour grains, multi flour grains and ready mixes. These are based on extensive insights on eating habits of various communities and special variants consumed during certain fasting and other rituals and festivals celebrated in India. The product and the range is unparalleled in the market and Desi Atta has gained a strong traction with customers across the Country. The Company has also introduced a premium range of staples, leveraging the expertise gained over a dozen years in sourcing of agri produce, to introduce Golden Harvest Prime for discerning customers. The products include, a special range of whole pulses, whole spices, split pulses, health rice, millets sourced from finest fields. The Company has, in partnership with LT Foods commenced a dedicated rice mill for Sona Masoori rice with the objective of making this popular South Indian rice variant a branded product like Basmati rice. It has also tied up with a dedicated Almonds production unit for nut cracking.

DAIRY

The Company has one of the widest portfolio in dairy under Nilgiris and Fresh and Pure. Nilgiris is one of the most favorite brands in Southern India with more than 110 years of heritage and expertise. The range includes, curd, cheese slices, cheese cubes, milk in pouches, UHT and tetrapacks, salted and unsalted butter, cream spreads in more than five variants, cottage cheese, various flavored cheese, buttermilk, shrikhand, mishti doi, fresh cream and more. Over the past two years, the Company has focused a lot on launching new age dairy products and revamping the packaging to make the portfolio more appealing. The Company also launched five variants of rich and creamy flavored milk and a number of yogurt variants under Nilgiris. During the last year, Nilgiris also initiated the first brand campaign for the brand built around the idea of 'Made in Nilgiris' and celebrating the richness and heritage of the brand. A print and outdoor campaign was rolled out in Bangalore, Chennai and Coimbatore, backed by a strong presence on social media platforms for the brand. While the brand campaign builds a connect with the long heritage and connection with nature, the product and packaging strategy revolved bringing in a new generation of young customers into the brand. Apart from it being available in Nilgiris and Big Bazaar, the brand has also been introduced in other modern retail formats including Star Bazaar, Hyper City and Spencer's etc.

BEVERAGES

Beverages represent a large opportunity for growth as demand shifts from carbonated drinks towards healthier options. Beverages are also a large part of the basket at neighbourhood chains. The beverages portfolio of Company also includes various high quality juices under Sunkist and Tasty Treat brand. Sunkist is a global brand born and operated by a farmer's collective in California, United States and your Company is the exclusive licensee of the brand in India. A delight to every consumer, Sunkist stands for moments full of freshness, taste and a life full of fun and youthful energy! The brand had so far grown by through a range of fruit juices, beverages and competed head-on with established brands like Tropicana and Real. In addition it also offers a range of jams and preserves. During the year, the Company introduced a new range of fusion drinks with flavors such as mojito, kiwi lemon, citrus twist, pinnacolada, berry punch, lemon cucumber mint, among others. The entire range was very well received in the market and has created a much-required buzz in the segment for consumers. The Company plans to further energize the category through the Sunkist brand by introducing new products that tap into Sunkist global portfolio and also responds to local tastes and trends.

BAKERY

The Company's bakery portfolio is constituted of two key brands, Baker Street and Nilgiris. Baker Street offers a range of baked, great tasting snacks. Baker Street portfolio includes recently launched innovative variants such as Breadsticks, Bruschetta, Melba Toast, Pita Chips, Croutons and Biscotti. These packaged bakery treats are not only a perfect meal accompaniment but simply delicious even by themselves. Baker Street recipes use quality ingredients and do not contain any preservatives or artificial flavors. All products are handmade with utmost love & passion promising 'Happiness in Every Bite'.

The bakery facility of Nilgiris churns a delicious range of cakes, cookies and confectionery items, including its famous chocolate cookies. During the year, the Company invested significantly at the Nilgiris bakery located outside of Bangalore, in upgrading the production facilities at the bakery in order to further add to the range of products that it can produce, as well as quality and scale. A wide range of Nilgiris bakery products are now also available across Hypercity, Star Bazaar, Big Basket, Amazon and general trade.

SNACK & MUNCH

Tasty Treat is the leading packaged snacking brand of the Company and enjoys a strong recall with customers. During the year, the brand brought in fresh excitement on the shelves by offering four new age flavors to the age old bhujias, a popular crispy snack available across India. The four flavors are Barbeque, Peri Peri, Schezwan and Wasabi. These namkeens or snacks have also been launched via the general trade distribution of Nissin India to reach a wide consumer base. The frozen portfolio saw its product range to extend to French fries and delicious flavors of frozen pizzas.

The Company recently launched Pooof! a brand targeted at young adults. "Pooof!" is an expression of something light, something that is present in a moment and gone in the next and something that does not linger but vanishes swiftly. Under this brand, the Company has introduced products such as wafflets (wafer biscuit cubes), which are light and flaky treats that leave the consumer craving for more.

Sangi's Kitchen is a unique brand that is built around the idea of offering new age dips and sauces that ease the efforts of the Indian chef at home. The brand has introduced a range of dips and sauces like thai sweet chilli sauce, tamarind date chutney, schezwan chutney and coriander mint chutney and has gained immense popularity with customers. During the year the portfolio was extended to unique and innovative range of Mayonnaise with Smoky Tikka, Mustard, Schezwan and Eggless. The entire production for Sangi's Kitchen takes place at a dedicated plant at the India Food Park in Tumkur and is distributed across India.

WORLD FOODS

World Foods segment is specifically targeted at the new age, experiential consuming generation and the Company is very excited about the interest shown by consumers. This category includes range of healthy products such as Kosh (oats based brand with flours and broken oats), Karmiq (imported dry fruits, health oils, and green tea), and Veg Affaire (frozen vegetables).

Kosh's offerings are uniquely aligned with Indian eating habits. The brand effortlessly blends with the center of plate in every Indian household be it roti, upma, barfi, khichdi, idli, chilla, kheer, samosa, payasam, murruku, bisi-bele bhaat and much more. Launched during the year, the brand was backed by a strong, nation wide print and television campaign. The Company believes that oats could well become the third grain of the Country and shouldn't be limited to only breakfast option. The brand organizes regular on-ground sampling of products and tie-ups with various food shows and chefs to introduce Kosh oats as a healthier and more filling flour in everyday cooking. The brand is widely distributed in Modern Trade and is establishing a strong general trade presence as well.

Veg Affaire is a brand for all those who crave freshness and purity in vegetarian food. While the urban lifestyle of today's consumer makes it difficult for them to access this bounty of nature in its purest form, Veg Affaire brings to them the convenience and deliciousness of vegetarian food, every day. The year under review saw the launch of various frozen vegetables such as Spinach and ready mixes such as Chinese Mixes, Carrot Peas Mix, and Mixed Bell Pepper Mixes etc.

Karmiq is created as a lifestyle brand that encourages consumers to take small but significant steps towards a deeper sense of health and happiness. The brand offers a range of olive and rice bran oils and granola bars. During the year, the Company launched Karmiq Green Tea in 4 different flavors as well as an exotic dry fruit range including Dried Cranberries, Apricots, Prunes & Dried Blueberries; sourced from the best locations across the globe.

HOME & PERSONAL CARE

The Company has a growing presence in the home and personal care space. At the premium end, the Company leads with the brand Swiss Tempelle, created through the joint venture partnership of Mibelle AG, a division of the Swiss Migros Group. Mibelle brings on board huge expertise and technical knowhow in research and product development for personal care space. During the year, the Company launched six variants of body wash and body lotions under the brand Swiss Tempelle, across Big Bazaar, Nilgiris, EasyDay and most modern retail chains outside the Group. The launch was accompanied with a strong communication and advertisement plan including in-store activation and social media. The products have been well received by customers and appreciated for the high quality.

For the forthcoming year, the Company plans to launch a beads range and men's range in the body wash segment. The body lotion category shall see launches of smaller packs and package premiumisation initiatives. In the forthcoming year, the JV also aims to start local production improving time to market, cost of launch as well as flexibility in packaging.

The Company's leading brand in the home care space CareMate, continued to grow at a rapid pace. A number of initiatives were taken to simplify the range and sharpen pricing. Smaller packs were introduced and more channels for distribution were opened up, leading to the handwash category growing by 53% and disposables category growing by 30%.

Pratha, a brand that offers incense sticks and various products associated with Hindu rituals, continued to add new products that fill in gaps in the organized market. The brand has also been investing in upgrading its packaging as well as offering various combo packs specific to different festivals and communities.

MANUFACTURING

The Company has made significant inroads in manufacturing activity during the year by implementing integrated production planning, strengthening its food safety and quality practices, commissioning new manufacturing plants and enabling a world class environment, health and safety management systems across its businesses.

The manufacturing function covers operations which are done by the Company directly and also works with the 3P manufacturers for is food and non-food demand fulfillment. Production and demand planning acts as a single point for mapping demand to physical manufacturing and then servicing all demand in time. The Company has worked on increasing manufacturing efficiency, wastage reduction and enhancing capacity utilization. The F&V Unit at the Food Park has become the newest unit to achieve ISO 22000 Food Safety Management System certifications while other units are now preparing for BRC FSMS certifications.

There has been a good deal of thrust on managing health and safety of the people working in our manufacturing plants. An Environment, Health and Safety policy has been signed off by the Board and implemented at all sites. Plant performance monitoring along with focus on conserving natural resources like water has been standardized. A 80,000 square feet installation of solar panels was undertaken at the food park which generates 1 MVA of electricity everyday meeting 25% of the food park needs. In 2017 – 18 this capacity is planned to be enhanced to 3 MVA.

> THERE HAS BEEN A GOOD DEAL OF THRUST ON MANAGING HEALTH AND SAFETY OF THE PEOPLE WORKING IN OUR MANUFACTURING PLANTS.

In line with introducing new products for the FMCG 2.0 consumers, new capacity has been added to manufacture products in the categories of Frozen (French Fries, Strawberries, Blueberries, Kitchen Mixes, Fruits, Coconut), Spreads (Mayonnaise), Dairy (Greek Yoghurt, Flavoured Milk), roasted and fried snacks, wafer biscuits, wheat flour, rice etc. The capacity installation and production ramp-up have been managed on schedule. New plants for specialty cookies, dairy snacks, paneer, fruit based beverages are in the pipeline for 2017-18.

New product development and continuous quality improvement is a key focus area for the Company. A full fledged Research and Development Lab spread over 11,000 square feet, which houses infrastructure for carrying out lab scale work on building a full range of processed foods across categories has been set up in the food park.

The Company has been engaging with world renowned organizations in the food ingredient, flavours and supplements segments during the process of development of exciting new products. Organisations like Dohler and Orana have been partnering with us as suppliers of world class fruit based juice concentrates, natural flavours and colours that go in developing and making the exciting range of Tasty Treat and Sunkist packaged fruit based beverages. The Company has been working closely with Dupont too in developing ingredients, technologies and products in the bakery, beverage & dairy space. The Company also works with organizations like Symega Savoury Technology and Givaudan for the development of various flavours, seasonings and spice extracts and blends that go in snack products like potato chips, namkeens and other snacks.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 21st Annual Report and the Audited Accounts of Future Consumer Limited (*formerly known as Future Consumer Enterprise Limited*) **["Company"]**, for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

The summarized financial performance (Standalone and Consolidated) of the Company for 2016-17 and 2015-16 is given below:

(₹ in Lakhs)

	Standalone		Consolidated	
	2016 - 17	**2015 - 16**	**2016 - 17**	**2015 - 16**
Total Income	1,67,943.97	1,36,647.85	2,14,088.17	1,72,939.82
Profit / (Loss) before Tax & Exceptional Items	795.25	(5,876.11)	(4,274.38)	(8,766.79)
Less: Exceptional Items	-	-	-	-
Profit / (Loss) before Tax	795.25	(5,876.11)	(4,274.38)	(8,766.79)
Profit / (Loss) After Tax	777.67	(5,849.41)	(4,363.32)	(8,746.26)
Profit / (Loss) After Share of Associates and Minority Interest	NA	NA	(6,100.55)	(10,768.22)

BUSINESS OPERATIONS

During the year under review, your Company has exhibited robust growth, especially under the backdrop of relatively weak growth exhibited by other industry peers. Your Company offers products across categories, such as basic foods, ready to eat meals, snacks, frozen and processed food products, beverages, personal care and home care under its strong own portfolio of brands. Your Company continues to focus on food and FMCG business and for developing its portfolio of brands under this category has entered into joint venture arrangements with leading market players locally as well as globally. During the year under review, your Company has entered into joint venture with a local unit of US organic food company Hain Celestial Group Inc. to introduce products under health and wellness category. Your Company has also launched a personal care brand "Swiss Tempelle" by entering into a joint venture arrangement with Mibelle A.G., a division of Migros Group, Switzerland. Our oats business under brand "Kosh" continues to redefine the way oats is consumed by the consumers bringing it to the Centre of Plate.

The Company also joined hands and has entered into joint venture arrangement with LT Foods Limited, a leading company in India undertaking the business of rice. The Company has through a joint venture entity set up a Rice Mill at India Food Park at Tumkur, Karnataka for manufacturing, marketing and distribution of Sona Masoori, a regional South Indian rice.

During the last fiscal 2015-16, your Company had acquired the business of wet wipes and hand sanitizer wipes from Grasim Industries Limited which are primarily marketed under the brand name "Kara". The business has shaped up well during the year under review and your Company has also extended the brand with the launch of nail polish wipes.

Your Company has also taken significant steps to expand its distribution network both within and outside the Future Group. The product launches are extremely well supported by focused marketing initiatives and enhancement of our sourcing and manufacturing abilities.

Your Company has recorded total income of ₹ 1,679.44 Crore and EBIDTA profit of ₹ 31.68 Crore for the financial year under review as against total income of ₹ 1,366.48 Crore and EBIDTA loss of ₹ 5.08 Crore in the previous financial year.

In view of inadequate profits during the financial year 2016-17, no appropriation is proposed to be made towards Reserves.

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

FUTURE OUTLOOK

Indian Economy is in a good shape and is expected to grow handsomely between ~7% to 8% over coming years, making it one of the fastest growing major economies in the world. Inflation is largely expected to remain within comfortable range owing to favorable monsoon and structural initiatives by Government. Timely implementation of various Government reforms such as GST, long term positive impact of demonetization, digitalization are expected to boost the economic growth.

India continues to benefit from the growing domestic demand from the young population, whose consumption is driving the expansion of the middle class. By 2025, India is expected to become the third largest consuming class Country. Even a conservative 6% to 7% GDP growth is expected to lead to consumption expenditure rising to $4 trillion by 2025. In nominal terms, India's consumption expenditure is estimated to grow at ~12% which is more than double the global growth rate of 5%. The growth is largely driven by rising prosperity, nuclear families and rapid urbanization witnessed in the Country. Nuclear families have been increasing in the Country over past few years. The proportion of nuclear families is expected to increase from 70% at present to 74% by 2025. Typically, nuclear families spend 20% to 30% more on per capita basis than joint families *[Source : BCG publication (March 2017)]*. India's urbanization is also estimated to spread across the Country rather than being concentrated in certain areas. This may lead to creation of consumption centres throughout the Country.

The Indian branded FMCG sector, is pegged at about $65 billion *[Source : CII-BCG white paper (December 2015)]* and has been growing at a robust pace. It is estimated that the sector will continue to grow by 13 - 14% in the next 5 - 10 years and is likely to become a $220-240 billion industry by 2025.

UNCLAIMED SHARES

In terms of the provisions of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **("SEBI Listing Regulations")** details about unclaimed shares in suspense account as on 31st March, 2017 are as under:

Description	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account as on 1st April, 2016	3	21,600
Aggregate number of shareholders who approached the Company for transfer from suspense account upto 31st March, 2017	1	3,000
Number of shareholders to whom shares were transferred from suspense account upto 31st March, 2017	1	3,000
Aggregate number of shareholders and outstanding shares in the suspense account as on 31st March, 2017	2	18,600

The Company has opened separate suspense accounts with National Securities Depository Limited and Central Depository Services (India) Limited and has credited the said unclaimed shares to these suspense accounts.

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

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 Limited, for every 31 shares held by them. Accordingly, 600 shares of FLFL, arising out of 18,600 unclaimed shares, are also lying in these suspense accounts, as on 31st March, 2017.

DIVIDEND

To conserve the funds for future business growth, your Directors have not recommended any dividend on equity shares in respect of the financial year 2016-17.

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

INCREASE IN SHARE CAPITAL

During the year under review, your Company has issued and allotted 50,50,000 equity shares of the Company to eligible employees on exercise of options granted under FVIL Employees Stock Option Scheme – 2011. The Company has also issued 100 equity shares each to Black River Food 2 Pte. Ltd. and International Finance Corporation, in terms of the preferential allotment(s) made by the Company.

Consequent to the aforesaid, the issued, subscribed and paid–up capital of the Company increased from 1,65,74,42,038 equity shares of ₹ 6/- each to 1,66,24,92,238 equity shares of ₹ 6/- each.

ISSUE OF CONVERTIBLE SECURITIES

During the year under review, your Company has issued and allotted 29,985 and 13,400 Compulsorily Convertible Debentures (**"CCDs"**) having face value of ₹ 1,00,000/- each to Black River Food 2 Pte. Ltd. and International Finance Corporation (Individually referred as **"Investor"** and collectively as **"Investors"**) respectively, on preferential allotment basis. The CCDs carry a coupon of 8.50% p.a. compounded on a quarterly basis. The CCDs shall automatically and compulsorily be converted into equity shares at a conversion price of ₹ 22.73 per equity share on the earlier of occurrence of following events – a) Investors electing to convert the CCDs into equity shares and b) the date that is 18 months from the date of issue of CCDs. The Investors are also entitled to such number of equity shares, equivalent to the amount of coupons remaining unpaid, if any, at a conversion price of ₹ 22.73 for each equity share.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As at 31st March, 2017, your Company had following Subsidiaries / Joint Ventures / Associate Companies:

Sr. No.	Name of the company	Category
1.	Future Food and Products Limited	Subsidiary
2.	Future Consumer Products Limited	Subsidiary
3.	Aadhaar Wholesale Trading and Distribution Limited	Subsidiary
4.	Amar Chitra Katha Private Limited ("ACKPL")	Subsidiary
5.	ACK Media Direct Limited	Subsidiary of ACKPL
6.	IBH Books & Magazines Distributors Limited	Subsidiary of ACKPL
7.	Ideas Box Entertainment Limited	Subsidiary of ACKPL
8.	FCEL Food Processors Limited	Subsidiary (With effect from 27th April, 2016)
9.	Star and Sitara Wellness Limited	Subsidiary
10.	Express Retail Services Private Limited	Subsidiary
11.	Future Food Processing Private Limited	Subsidiary
12.	The Nilgiri Dairy Farm Private Limited ("NDFPL")	Subsidiary
13.	Appu Nutritions Private Limited	Subsidiary of NDFPL
14.	Nilgiris Franchise Private Limited	Subsidiary of NDFPL
15.	Nilgiri's Mechanised Bakery Private Limited	Subsidiary of NDFPL
16.	Integrated Food Park Private Limited	Subsidiary
17.	Sublime Foods Private Limited ("Sublime")	Subsidiary
18.	Avante Snack Foods Private Limited	Subsidiary of Sublime (With effect from 1st September, 2016)
19.	Bloom Fruit and Vegetables Private Limited	Subsidiary
20.	Aussee Oats India Private Limited	Subsidiary
21.	MNS Foods Private Limited	Subsidiary
22.	Aussee Oats Milling (Private) Limited	Subsidiary
23.	FCEL Overseas FZCO	Subsidiary
24.	Genoa Rice Mills Private Limited	Joint Venture (With effect from 25th January, 2017)
25.	Mibelle Future Consumer Products A.G.	Joint Venture

During the year under review,

a) Genoa Rice Mills Private Limited (**"Genoa"**) became a subsidiary of the Company. Consequent to issue of shares to LT Foods Limited, joint venture partner, Genoa has become a joint venture of the Company with effect from 25th January, 2017.

b) Consequent to preferential allotment made by Sarjena Foods Private Limited (**"Sarjena"**) to its promoters, the shareholding of the Company in Sarjena has reduced from 21.26% to 19.59%. Accordingly, in terms of the provisions of the Companies Act, 2013, Sarjena has ceased to be an associate of the Company with effect from 3rd January, 2017.

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

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

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

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

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

FINANCIAL STATEMENTS

Pursuant to the Companies (Indian Accounting Standards) Rules, 2015 (**"IND AS"**) notified by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards with effect from 1st April, 2016.

Accordingly, the Standalone and Consolidated Financial Statements of the Company and its subsidiaries, for the year ended 31st March, 2017 and 31st March, 2016 (including transition date balance sheet as at 1st April, 2015) have been prepared in accordance with IND AS.

The reconciliation of transition from Indian GAAP to IND AS has been provided in Note No. 50 under Notes forming part of the Standalone Financial Statements.

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

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

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

RELATED PARTY TRANSACTIONS

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

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

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. During the year under review, the Company has not entered into any material related party transactions, as defined under the RPT Policy of the Company. Accordingly, the disclosure in respect of contracts or arrangements with related parties, as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

INTERNAL FINANCIAL CONTROLS

Your Company has put in place adequate policies and procedures to ensure that the system of internal financial control is commensurate with the size and nature of the Company's business. A regular audit and review processes ensure that the controls are reinforced on an ongoing basis. Such controls have been assessed during the year taking into consideration the essential components of internal financial controls. Based on the assessment carried out by the Company, the internal financial controls were adequate and effective and no reportable material weakness or significant deficiencies in the design or operation of internal financial controls were observed, during the year ended 31st March, 2017.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the Board of Directors of the Company **("Board")** had appointed Mr. Deepak Malik, a nominee of Black River Food 2 Pte. Ltd., as an Additional Director with effect from 26th April, 2016. Further, the Shareholders of the Company had at the Annual General Meeting held on 29th August, 2016, appointed Mr. Deepak Malik as a Director, liable to retire by rotation.

During the year under review, the Board had also appointed Mr. Narendra Baheti as an Additional Director of the Company with effect from 30th August, 2016. In terms of provisions of Section 161 of the Companies Act, 2013, Mr. Narendra Baheti shall hold office as such only upto the date of forthcoming Annual General Meeting **("AGM")**.

Pursuant to the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice from a Member, proposing candidature of Mr. Narendra Baheti for the office of Director at the forthcoming AGM.

Further, the Board had, subject to the approval of the Shareholders of the Company and such other consents and approvals that may be required, designated Mr. Narendra Baheti as an Executive Director of the Company for a period of three years with effect from 30th August, 2016 with payment of remuneration as determined by the Board and in accordance with the policy of the Company.

In terms of provisions of the Companies Act, 2013, Ms. Ashni Biyani retires from the Board of the Company by rotation at the forthcoming AGM and being eligible, has offered herself for re-appointment.

Further, the Board of Directors had, subject to approval of the Shareholders of the Company and such other consents and approvals that may be required, re-appointed Ms. Ashni Biyani as the Whole Time Director of the Company for a period of three years to come into effect from 15th November, 2017, with payment of remuneration as determined by the Board and in accordance with the policy of the Company.

The Notice convening forthcoming AGM includes the proposal for appointment / re-appointment of aforesaid Directors. A brief resume of the Directors seeking appointment /re-appointment at the forthcoming AGM and other details as required to be disclosed in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) forms part of the Notice calling the AGM. None of the Directors are disqualified for appointment / re-appointment under Section 164 of the Companies Act, 2013. Ms. Ashni Biyani is related to Mr. Kishore Biyani, being daughter of Mr. Kishore Biyani. Mr. Narendra Baheti is not related to any other Director of the Company.

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

a) Mr. G N Bajpai

b) Ms. Vibha Rishi

c) Mr. Adhiraj Harish

During the year under review, Mr. Devendra Chawla was appointed as the Chief Executive Officer of the Company with effect from 11th February, 2017 and Mr. Arun Agarwal has ceased to be Manager of the Company with effect from 4th February, 2017.

MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors met 6 (Six) times during the financial year 2016-17. The details of composition of the Board and its Committees, their meetings held during the year under review and the attendance of the Directors / Committee Members at the respective meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

During the year under review, the 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.

PERFORMANCE EVALUATION OF BOARD

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

The performance evaluation process for functioning of Board and its Committees was based on discussions amongst the Board Members, Committee Members and responses shared by each Member. The parameters for evaluating performance of Board *inter alia* comprised of key areas such as Board composition, competency of Directors, diversity, frequency of Board and Committee meetings, information sharing and disclosures made to the Board and its Committees. The Board found that there was considerable value and richness in the discussions and deliberations.

Individual Directors were evaluated in the context of the role played by each Director as a member at the respective meetings, in pursuit of the purpose and goals, participation at the meetings, independent views and judgement, initiative, ownership of value building.

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

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORT

A report in terms of Regulation 34(2)(f) of the SEBI Listing Regulations, on the business responsibility initiatives taken by the Company is presented separately and forms part of this Annual Report.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

NOMINATION AND REMUNERATION POLICY

In terms of requirements prescribed under Section 178(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 II**.

CORPORATE RESPONSIBILITY STATEMENT

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

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

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

As a diversified enterprise, your Company continues to focus on a system-based approach to business risk management. The Company has a Risk Management Committee to frame, implement, and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. Your Company has a comprehensive risk assessment framework and well laid out policy to manage the risks, along with internal control systems that are commensurate with the nature of its business and the size and complexity of its operations which are regularly tested by Statutory as well as Internal Auditors. Any significant audit observation is discussed and follow up actions thereon are reported to the Committees.

AUDITORS AND AUDITORS' REPORT

In terms of provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted therein. M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming AGM of the Company. M/s. Deloitte Haskins & Sells, Chartered Accountants having completed the maximum term of ten years as Statutory Auditors, shall not be entitled for re-appointment as Statutory Auditors of the Company.

The Board has recommended the appointment of M/s. S R B C & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company in place of M/s. Deloitte Haskins & Sells, Chartered Accountants, for a period of five years, from the conclusion of the forthcoming AGM of the Company till the conclusion of the twenty-sixth AGM for approval of shareholders of the Company. M/s. S R B C & Co. LLP, Chartered Accountants, have granted their consent for appointment as Statutory Auditors and also confirmed their eligibility for being appointed as Statutory Auditors of the Company in terms of requirements prescribed under the Companies Act, 2013.

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

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Company has appointed M/s. Sanjay Dholakia & Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2016 - 17 in terms of the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report is annexed to this Report as **Annexure IV.** The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PUBLIC DEPOSITS

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

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF EMPLOYEES

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

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

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

PARTICULARS OF EMPLOYEE STOCK OPTION PLAN

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

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

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

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

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

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

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

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

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

A) Conservation of Energy

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

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

a. Use of Energy Efficient Lighting systems like LED in place of HPMV or HPSV lamps/tube lights;

b. All new machines with interlocks to avoid idle running of the same;

c. Turbo ventilator in buildings to avoid heat and reduce load on AHU/Exhaust fans;

d. Installation of timer switches for yard light control;

e. Using high energy efficient IE3 rated Motors in all new plants commissioned;

f. Used VFD in process machines in F&V unit;

g. Steam condensation recovery project to reduce on electricity consumption in boiler;

h. Use of transparent roof sheets wherever possible to make use of natural lighting;

i. Rationalizing Cold chain at Nilgiri's Bakery unit to reduce cold room energy consumption;

j. Removed 33 kg LPG cylinders and replaced with 450 kg Quantas in one manufacturing unit resulting in 1 ton of LPG saving per annum;

k. Switching off machines / equipment when not in use and switching off lights in areas not having adequate activity by regrouping/repositioning the activity so that there will not be any wastage of energy;

l. Centralised controls for coolers and shop lighting;

m. Use of power capacitors to improve the power factor;

(ii) <u>The steps taken for utilizing alternate sources of energy;</u>

a. India Food Park, situated at Tumkur, facilitated through external investment on BOOT model, enables India Food Park reduce its carbon footprints by equivalent of 1500 carbon emission reduction certificate. 1 MW Solar Electricity generation plant is commissioned at India Food Park, Tumkur.

b. 2 MW Solar Electricity generation plant is under commissioning stage at India Food Park, Tumkur. With its completion, India Food Park is likely to use 80 % of Electricity from Solar Power.

c. Majority of our Boilers are Briquette fired boilers.

(iii) <u>The capital investment on energy conservation equipment;</u>

Few new initiatives taken by the Company are within design phase of new units. The investment in already completed activities is approx. ₹ 20 lakhs.

B) Technology absorption

In the manufacturing process, Form Fill Seal Machines are installed for packaging which provides greater speed and versatility and are cost effective. The aforesaid initiatives have resulted in economies in costs.

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

Foreign Exchange Earnings: Nil

Foreign Exchange Outgo:

Particulars	(₹ in Lakhs)
Travelling Expenses	10.01
Brand Royalty	65.89
Marketing	12.21
Professional Fees	76.14
Sitting Fees	1.00
Total	**165.25**

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 otherwise impact the going concern status of your Company and its future operations.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit or loss of the Company for that period;

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

d) the Directors have prepared the annual accounts for the financial year ended 31st March, 2017, on a going concern basis;

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

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

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

G. N. Bajpai
Chairman

Date: 26th May, 2017
Place: Mumbai

DIVIDEND DISTRIBUTION POLICY

Background:

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

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

Company's Philosophy:

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

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

Declaration of Dividend:

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

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

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

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

Per share basis:

The dividend will be declared on per share basis only.

Circumstances under which the Shareholders may or may not expect dividend:

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

Financial parameters and Internal/External factors considered while declaring dividend:

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

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

Internal factors:

- Operations and Earnings of the Company;
- General financial condition;
- Short term and long term capital requirements;

- Resources required to fund acquisitions and / or new businesses;
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Liquidity position;
- Contractual obligations;
- Restrictive covenants under financing arrangements with lenders.

External:

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

Usage of retained earnings:

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

Parameters that are adopted with regard to various classes of shares:

Currently, the Company has only one class of shares. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer to the investors of each class.

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

NOMINATION AND REMUNERATION POLICY

1. Purpose of this Policy:

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

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

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

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

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

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

2. Definitions:

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

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

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

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

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

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

3. Composition of the Committee:

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

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

4.1 Appointment criteria and qualification:

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

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

4.2 Term:

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

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

4.3 Evaluation:

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

4.4 Removal:

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

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

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

6. Remuneration to Non-executive / Independent Director:

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

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

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

{Pursuant to clause (o) of sub-section 134 of the Companies Act, 2013 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 Limited ("**FCL**" or "**Company**"), believes that its business is built around strong social relevance of inclusive growth by supporting the common man in meeting their financial needs. The Company equally believes that creation of large societal capital is as important as wealth creation for our stakeholders. As a responsible organization, the Company is committed towards the above objective and is keen on developing a sustainable business model to ensure and activate our future growth drivers. The Company has been contributing to the societal wealth creation for the last several years irrespective of any regulatory compulsions as a realization of its above belief. In line with the regulatory expectations, the Company has put in place a formal policy as a guide towards its social commitment going forward. The Corporate Social Responsibility Policy **("CSR Policy")** has been recommended by CSR Committee and approved by the Board of Directors of the Company. The CSR Policy is available on the website of the Company - http://futureconsumer.in/policies-and-code.html

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

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

3. **Average net profit of the Company for last three financial years:** For the last three financial years, the Company has incurred Average Net Loss of ₹ 4,648.23 lakhs

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

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

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

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

   *Give details of implementing agency

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

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

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

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

Ashni Biyani
Whole Time Director and Chairperson – CSR Committee

Annexure IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

To,
The Members,
FUTURE CONSUMER LIMITED
Mumbai.

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the applicable provisions of the following acts, rules, regulations and guidelines to the extent applicable (as amended /re-enacted from time to time):

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

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

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

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

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

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

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto May 14, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective May 15, 2015);

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

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

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

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

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

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

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

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

   i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective from July 1, 2015;

   ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective from 1st December, 2015 alongwith the Listing Agreements entered into by the Company with BSE Limited and The National Stock Exchange of India Limited.

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

I further report that

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

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

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

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

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

For **SANJAY DHOLAKIA & ASSOCIATES**

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

Date: 26th May, 2017
Place: Mumbai

ANNEXURE I

To,
The Members,
FUTURE CONSUMER LIMITED
Mumbai.

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

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

For **SANJAY DHOLAKIA & ASSOCIATES**

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

Date: 26th May, 2017
Place: Mumbai

Annexure V

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Aadhaar Wholesale Trading and Distribution Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U52110MH2006PLC160440	Subsidiary	100	2(87)
2	Future Consumer Products Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U51900MH2007PLC174027	Subsidiary	90	2(87)
3	Future Food and Products Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U15410MH2008PLC179919	Subsidiary	100	2(87)
4	Amar Chitra Katha Private Limited Sumer Plaza, 2nd Floor, Marol Maroshi Road, Andheri (East), Mumbai - 400 059.	U51396MH1980PTC023421	Subsidiary	73.99	2(87)
5	Star and Sitara Wellness Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U74900MH2011PLC212995	Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
6	Express Retail Services Private Limited 34, DLF Industrial Area, Main Najafgrah Road, Kirti Nagar, New Delhi - 110 015.	U51909DL2004PTC130729	Subsidiary	100	2(87)
7	Integrated Food Park Private Limited 18/1, Pasadena Building, 3rd Floor, Ashoka Pillar Road, 10th Main, 1st Cross, Jayanagar, Bangalore - 560 011.	U74900KA2007PTC071171	Subsidiary	73.89	2(87)
8	The Nilgiri Dairy Farm Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U85110MH1970PTC265706	Subsidiary	100	2(87)
9	Future Food Processing Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U15122MH2011PTC215430	Subsidiary	100	2(87)
10	Sublime Foods Private Limited 18/1, Pasadena Building, 3rd Floor, Ashoka Pillar Road, 10th Main, 1st Block, Jayanagar, Bangalore - 560 011	U15310KA2012PTC101087	Subsidiary	51	2(87)
11	Avante Snack Foods Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060	U15100MH2015PTC265479	Step-down Subsidiary	-	2(87)
12	Bloom Fruit and Vegetables Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U74120MH2016PTC272100	Subsidiary	100	2(87)
13	Aussee Oats India Private Limited 162 C Mittal Tower, C Wing, Nariman Point, Mumbai - 400 021	U15122MH2011PTC223036	Subsidiary	50+One Equity Share	2(87)
14	MNS Foods Private Limited Joseph Chemmanur Hall, 1st Cross, 1st Stage, Indiranagar, Bangalore - 560038	U15400KA2015PTC101423	Subsidiary	50.01	2(87)
15	FCEL Food Processors Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U15100MH2008PLC187450	Subsidiary	100	2(87)
16	ACK Media Direct Limited Sumer Plaza, 2nd Floor, Marol Maroshi Road, Andheri (East), Mumbai - 400 059.	U93000MH2004PLC264305	Step-down Subsidiary	-	2(87)
17	IBH Books & Magazines Distributors Limited Sumer Plaza, 2nd Floor, Marol Maroshi Road, Andheri (East), Mumbai - 400 059.	U99999MH1980PLC023420	Step-down Subsidiary	-	2(87)
18	Ideas Box Entertainment Limited Sumer Plaza, 2nd Floor, Marol Maroshi Road, Andheri (East), Mumbai - 400 059.	U92100MH2008PLC187045	Step-down Subsidiary	-	2(87)
19	Nilgiris Franchise Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U65910MH1996PTC265704	Step-down Subsidiary	-	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
20	Nilgiri's Mechanised Bakery Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U85110MH1988PTC265435	Step-down Subsidiary	15.27	2(87)
21	Appu Nutritions Private Limited The Nilgiri Dairy Farm Private Limited Joseph Chemmanur Hall, 1st Cross, 1st Stage, Indiranagar, Bangalore - 560038	U01541KA1985PTC006784	Step-down Subsidiary	24	2(87)
22	Aussee Oats Milling (Private) Limited 28, BOI EPZ, Mirigama, Sri Lanka	-	Subsidiary	50+One Ordinary Share	2(87)
23	FCEL Overseas FZCO	-	Subsidiary	-	2(87)
24	Mibelle Future Consumer Products AG Bolimattstrasse 1, CH-5033 Buchs, Switzerland	-	Associate/ Joint Venture	50	2(6)
25	Genoa Rice Mills Private Limited Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai - 400 060.	U15100MH2015PTC264954	Associate/ Joint Venture	50	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31st March, 2016]				No. of Shares held at the end of the year [As on 31st March, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c) State Government	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	72,20,45,543	0	72,20,45,543	43.56	79,56,69,557[$$]	0	79,56,69,557[$$]	47.86	4.30
e) Banks / Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
i) Relatives of Promoters	1,66,788	0	1,66,788	0.01	1,66,788	0	1,66,788	0.01	0.00
Sub-Total (A)(1)	72,22,12,331	0	72,22,12,331	43.57	79,58,36,345	0	79,58,36,345	47.87	4.30
(2) Foreign									
a) Non-Resident Indians-Individual	0	0	0	0.00	0	0	0	0.00	0.00
b) Others-Individual	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Financial Institution	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A) (2)	72,22,12,331	0	72,22,12,331	43.57	79,58,36,345	0	79,58,36,345	47.87	4.30
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	12,784	0	12,784	0.00	1,45,02,000	0	1,45,02,000	0.87	0.87

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31st March, 2016]				No. of Shares held at the end of the year [As on 31st March, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Banks / Financial Institution	5,76,367	0	5,76,367	0.03	9,30,649	0	9,30,649	0.06	0.03
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign Institutional Investors	15,40,71,340	0	15,40,71,340	9.30	15,20,43,000	0	15,20,43,000	9.15	-0.15
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
a) Foreign Portfolio Investor (Corporate)	14,79,31,280	0	14,79,31,280	8.93	16,00,54,426	0	16,00,54,426	9.63	0.70
b) Foreign Company	0	0	0	0.00	100	0	100	0.00	0.00
Sub-total (B)(1):-	30,25,91,771	0	30,25,91,771	18.26	32,75,30,175	0	32,75,30,175	19.70	1.44
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	37,72,77,071**	0	37,72,77,071**	22.76	27,67,89,454@	0	27,67,89,454@	16.65	-6.11
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7,21,57,367	24,270	7,21,81,637	4.35	8,29,23,711	24,270	8,29,47,981	4.99	0.63
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	12,70,54,132	1,00,000	12,71,54,132	7.67	13,24,83,724	1,00,000	13,25,83,724	7.97	0.30
c) Others (specify)									
i) Non Resident Indians (Repatriable)	92,94,395	0	92,94,395	0.56	1,35,78,969	0	1,35,78,969	0.82	0.26
ii) Non Resident Indians (Non Repatriable)	54,03,036	0	54,03,036	0.33	67,44,793	0	67,44,793	0.41	0.08
iii) Clearing Members	2,18,32,225	0	2,18,32,225	1.32	61,05,975$$	0	61,05,975$$	0.37	-0.95
iv) Directors/Relatives	32,75,105	0	32,75,105	0.20	39,55,105	0	39,55,105	0.24	0.04
v) Hindu Undivided Family	1,62,10,335	10,000	1,62,20,335	0.98	1,15,01,936	10,000	1,15,11,936	0.69	-0.29
Vi) Office Bearers	0	0	0	0.00	47,77,781	0	47,77,781	0.29	0.29
Vii) Trusts	0	0	0	0.00	1,30,000	0	1,30,000	0.01	0.01
Sub-total (B)(2):-	63,25,03,666	1,34,270	63,26,37,936	38.17	53,89,91,448	1,34,270	53,91,25,718	32.43	-5.74
Total Public Shareholding (B)=(B)(1)+ (B)(2)	93,50,95,437	1,34,270	93,52,29,707	56.43	86,65,21,623	1,34,270	86,66,55,893	52.13	-4.30
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	1,65,73,07,768	1,34,270	1,65,74,42,038	100.00	1,66,23,57,968	1,34,270	1,66,24,92,238	100.00	0.00

Note: During the financial year 2016-17, the issued, subscribed and paid-up share capital of the Company increased from 1,65,74,42,038 equity shares of Rs. 6/- each to 1,66,24,92,238 equity shares of Rs. 6/- each, consequent to allotment of equity shares.

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

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

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

ii) **Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (Details as per benpos as on 31st March, 2016)			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares*	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares*	
1	Future Enterprises Limited *(formerly known as Future Retail Limited)*	15,00,00,000	9.05	0.00	15,00,00,000	9.02	0.00	-0.03
2	PIL Industries Limited	13,23,04,747	7.98	3.11	54,26,902	0.33	100.00	-7.65
3	Future Capital Investment Private Limited	8,41,06,029	5.07	4.06	63,13,42,055	37.98	28.61	32.91
4	Future Corporate Resources Limited	8,07,40,257	4.87	4.87	89,00,100	0.54	100.00	-4.33
5	Gargi Business Ventures Private Limited *(formerly Gargi Developers Private Limited)*	12,88,78,666	7.78	5.89	100	0.00	0.00	-7.78
6	Central Departmental Stores Private Limited	9,58,38,700	5.78	5.31	100	0.00	0.00	-5.78
7	RYKA Commercial Ventures Private Limited	3,33,72,341	2.01	0.00	100	0.00	0.00	-2.01
8	Manz Retail Private Limited	0	0.00	0.00	100	0.00	0.00	0.00
9	ESES Commercials Private Limited	0	0.00	0.00	100	0.00	0.00	0.00
10	Consumer Goods Trust$	0	0.00	0.00	0	0.00	0.00	0.00
11	Kishore Biyani	0	0.00	0.00	0	0.00	0.00	0.00
12	Avni Kishorekumar Biyani	99,619	0.01	0.00	99,619	0.01	0.00	0.00
13	Ashni Kishore Biyani	67,169	0.00	0.00	67,169	0.00	0.00	0.00
14	Weavette Business Ventures Limited *(formerly known as Future Ideas Realtors India Limited)*	1,68,04,803	1.01	1.01	0	0.00	0.00	-1.01
	TOTAL	**72,22,12,331**	**43.57**	**55.68**	**795,836,345**	**47.87**	**24.50**	**4.30**

* *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.*

Note 1 - The details of shareholding of Promoter / Promoter Group entities as on 31st March, 2017 as mentioned herein, is after making adjustments to the beneficiary position received from the Registrar and Share Transfer Agent ("R & T Agent") to give effect to shares acquired by, and inter-se transfers undertaken amongst, the Promoter/Promoter Group entities on 30th and 31st March, 2017 as per disclosures submitted under applicable provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011. The effect of above mentioned adjustment is :

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

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

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

Note 2 - Future Knowledge Services Limited ("FKSL"), Promoter of the Company, has not been included above, since FKSL has been amalgamated with Future Brands Limited, pursuant to the Scheme of Amalgamation of FKSL and Future Learning and Development Limited with Future Brands Limited and their respective shareholders and creditors, as approved by the Hon'ble High Court at Bombay vide Order dated 9th March, 2017

$ *Holds majority shares of Future Capital Investment Private Limited*

iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year (Details as per benpos as on 31st March, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Future Capital Investment Private Limited**				
	At the beginning of the year	8,41,06,029	5.07	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	5,00,00,000 (Acquisition of Shares on 28.03.2017)	3.01	13,41,06,029	8.07
		2,36,24,014 (Acquisition of Shares on 30.03.2017)	1.42	15,77,30,043	9.49
		47,36,12,012 (Buy - Inter-se transfer on 30.03.2017 and 31.03.2017)	28.49	63,13,42,055	37.98
	At the end of the year	63,13,42,055	37.98	-	-
2.	**Manz Retail Private Limited**				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	100 (Buy - Inter-se transfer on 30.03.2017 and 31.03.2017)	0.00	100	0.00
	At the end of the year	100	0.00	-	-
3.	**Gargi Business Ventures Private Limited**				
	At the beginning of the year	12,88,78,666	7.78	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	100 (Buy - Inter-se transfer on 30.03.2017 and 31.03.2017)	0.00	12,88,78,766	7.75
		12,88,78,666 (Sale - Inter-se transfer on 30.03.2017 and 31.03.2017)	7.75	100	0.00
	At the end of the year	100	0.00	-	-
4.	**Central Departmental Stores Private Limited**				
	At the beginning of the year	9,58,38,700	5.78	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	100 (Buy - Inter-se transfer on 30.03.2017 and 31.03.2017)	0.00	9,58,38,800	5.76
		9,58,38,700 (Sale - Inter-se transfer on 30.03.2017 and 31.03.2017)	5.76	100	0.00
	At the end of the year	100	0.00	-	-
5.	**Future Corporate Resources Limited**				
	At the beginning of the year	8,07,40,257	4.87	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	100 (Buy - Inter-se transfer on 30.03.2017 and 31.03.2017)	0.00	8,07,40,357	4.86
		7,18,40,257 (Sale - Inter-se transfer on 30.03.2017 and 31.03.2017)	4.32	89,00,100	0.54
	At the end of the year	89,00,100	0.54	-	-

Sr. No.	Particulars	Shareholding at the beginning of the year (Details as per benpos as on 31st March, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6.	**PIL Industries Limited**				
	At the beginning of the year	13,23,04,747	7.98	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	12,68,77,845 (Sale - Inter-se transfer on 30.03.2017 and 31.03.2017)	7.63	54,26,902	0.33
	At the end of the year	54,26,902	0.33	-	-
7.	**Ryka Commercial Ventures Private Limited**				
	At the beginning of the year	3,33,72,341	2.01	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	100 (Buy - Inter-se transfer on 30.03.2017 and 31.03.2017)	0.00	3,33,72,441	2.01
		3,33,72,341 (Sale - Inter-se transfer on 30.03.2017 and 31.03.2017)	2.01	100	0.00
	At the end of the year	100	0.00	-	-
8.	**Weavette Business Ventures Limited**				
	At the beginning of the year	1,68,04,803	1.01	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	1,68,04,803 (Sale - Inter-se transfer on 30.03.2017 and 31.03.2017)	1.01	0	0.00
	At the end of the year	0	0.00	-	-
9.	**ESES Commercials Private Limited**				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease	100 (Buy - Inter-se transfer on 30.03.2017 and 31.03.2017)	0.00	100	0.00
	At the end of the year	100	0.00	-	-

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

Sr. No.		Shareholding at the beginning of the year (Details as per benpos as on 31st March, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Arisaig Partners (Asia) Pte Ltd. A/c Arisaig India Fund Limited**				
	At the beginning of the year	15,20,43,000	9.17	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-
	At the end of the year	15,20,43,000	9.15	-	-
2	**Verlinvest SA**				
	At the beginning of the year	14,05,13,969	8.48	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-
	At the end of the year	14,05,13,969	8.45	-	-

Sr. No.		Shareholding at the beginning of the year (Details as per benpos as on 31st March, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	**Bennett, Coleman and Company Limited**				
	At the beginning of the year	10,50,82,200	6.34	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	47,05,609 (Sale of Shares on 10.02.2017)	0.28	10,03,76,591	6.04
	At the end of the year	10,03,76,591	6.04	-	-
4	**Mohini Resources Private Limited**				
	At the beginning of the year	7,20,28,254	4.35	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	52,50,000 (Acquisition of Shares on 31.03.2017)	0.32	7,72,78,254	4.65
	At the end of the year	7,72,78,254	4.65	-	-
5	**Santosh Desai**				
	At the beginning of the year	1,79,14,099	1.08	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	15,73,930 (Sale of Shares on 28.10.2016)	0.09	1,63,40,169	0.99
	At the end of the year	1,63,40,169	0.98	-	-
6	**Vistra ITCL (India) Limited***				
	At the beginning of the year	1,15,32,988	0.70	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	15,00,000 (Acquisition of Shares on 27.05.2016)	0.09	1,30,32,988	0.79
		8,25,000 (Sale of Shares on 30.06.2016)	0.05	1,22,07,988	0.74
		1,69,000 (Sale of Shares on 08.07.2016)	0.01	1,20,38,988	0.73
		3,04,000 (Sale of Shares on 15.07.2016)	0.02	1,17,34,988	0.71
		1,02,000 (Sale of Shares on 29.07.2016)	0.01	1,16,32,988	0.70
		1,30,000 (Sale of Shares on 05.08.2016)	0.01	1,15,02,988	0.69
		88,000 (Sale of Shares on 12.08.2016)	0.01	1,14,14,988	0.69
		1,50,000 (Sale of Shares on 26.08.2016)	0.01	1,12,64,988	0.68
		1,16,000 (Sale of Shares on 16.09.2016)	0.01	1,11,48,988	0.67
		55,000 (Sale of Shares on 30.09.2016)	0.00	1,10,93,988	0.67
		15,53,000 (Acquisition of Shares on 07.10.2016)	0.09	1,26,46,988	0.76
		70,000 (Sale of Shares on 14.10.2016)	0.00	1,25,76,988	0.76
		11,29,012 (Acquisition of Shares on 21.10.2016)	0.07	1,37,06,000	0.83
		20,000 (Sale of Shares on 28.10.2016)	0.00	1,36,86,000	0.83
		10,000 (Sale of Shares on 04.11.2016)	0.00	1,36,76,000	0.82
		65,000 (Sale of Shares on 18.11.2016)	0.00	1,36,11,000	0.82
		13,92,634 (Acquisition of Shares on 25.11.2016)	0.08	1,50,03,634	0.90
		5,00,000 (Acquisition of Shares on 02.12.2016)	0.03	1,55,03,634	0.94
		10,000 (Sale of Shares on 09.12.2016)	0.00	1,54,93,634	0.93
		1,05,000 (Sale of Shares on 16.12.2016)	0.01	1,53,88,634	0.93
		20,000 (Sale of Shares on 23.12.2016)	0.00	1,53,68,634	0.93
		35,000 (Sale of Shares on 20.01.2017)	0.00	1,53,33,634	0.92
		75,000 (Sale of Shares on 24.02.2017)	0.00	1,52,58,634	0.92
		10,000 (Sale of Shares on 03.03.2017)	0.00	1,52,48,634	0.92
		10,000 (Sale of Shares on 10.03.2017)	0.00	1,52,38,634	0.92
		5,000 (Sale of Shares on 17.03.2017)	0.00	1,52,33,634	0.92
		2,000 (Sale of Shares on 24.03.2017)	0.00	1,52,31,634	0.92
		10,000 (Sale of Shares on 31.03.2017)	0.00	1,52,21,634	0.92
	At the end of the year	1,52,21,634	0.92	-	-

Sr. No.		Shareholding at the beginning of the year (Details as per benpos as on 31st March, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	**Tata Trustee Co. Ltd. A/c Tata Mutual Fund A/c Tata Mid Cap Growth Fund**				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	1,20,48,474 (Acquisition of Shares on 28.10.2016)	0.73	1,20,48,474	0.73
		14,46,526 (Acquisition of Shares on 04.11.2016)	0.09	1,34,95,000	0.81
		4,00,000 (Acquisition of Shares on 25.11.2016)	0.02	1,38,95,000	0.84
		25,000 (Acquisition of Shares on 09.12.2016)	0.00	1,39,20,000	0.84
		2,15,000 (Acquisition of Shares on 16.12.2016)	0.01	1,41,35,000	0.85
		1,50,000 (Acquisition of Shares on 23.12.2016)	0.01	1,42,85,000	0.86
		65,000 (Acquisition of Shares on 13.01.2017)	0.00	1,43,50,000	0.86
		1,80,000 (Acquisition of Shares on 03.02.2017)	0.01	1,45,30,000	0.87
		23,000 (Sale of Shares on 17.03.2017)	0.00	1,45,07,000	0.87
		5,000 (Sale of Shares on 24.03.2017)	0.00	1,45,02,000	0.87
	At the end of the year	1,45,02,000	0.87	-	-
8	**JM Financial Services Limited**				
	At the beginning of the year	3,02,567	0.02	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	50 (Sale of Shares on 01.04.2016)	0.00	3,02,517	0.02
		58,990 (Sale of Shares on 08.04.2016)	0.00	2,43,527	0.01
		46,164 (Sale of Shares on 15.04.2016)	0.00	1,97,363	0.01
		43,333 (Acquisition of Shares on 22.04.2016)	0.00	2,40,696	0.01
		21,008 (Sale of Shares on 29.04.2016)	0.00	2,19,688	0.01
		41,177 (Sale of Shares on 06.05.2016)	0.00	1,78,511	0.01
		6,091 (Sale of Shares on 13.05.2016)	0.00	1,72,420	0.01
		22,541 (Acquisition of Shares on 20.05.2016)	0.00	1,94,961	0.01
		24,862 (Sale of Shares on 27.05.2016)	0.00	1,70,099	0.01
		24,136 (Acquisition of Shares on 03.06.2016)	0.00	1,94,235	0.01
		20,425 (Sale of Shares on 10.06.2016)	0.00	1,73,810	0.01
		1,22,799 (Acquisition of Shares on 17.06.2016)	0.01	2,96,609	0.02
		1,69,733 (Sale of Shares on 24.06.2016)	0.01	1,26,876	0.01
		1,12,102 (Acquisition of Shares on 30.06.2016)	0.01	2,38,978	0.01
		68,248 (Acquisition of Shares on 01.07.2016)	0.00	3,07,226	0.02
		37,568 (Acquisition of Shares on 08.07.2016)	0.00	3,44,794	0.02
		1,80,914 (Sale of Shares on 15.07.2016)	0.01	1,63,880	0.01
		5,055 (Sale of Shares on 22.07.2016)	0.00	1,58,825	0.01
		34,025 (Acquisition of Shares on 29.07.2016)	0.00	1,92,850	0.01
		14,570 (Acquisition of Shares on 05.08.2016)	0.00	2,07,420	0.01
		46,313 (Sale of Shares on 12.08.2016)	0.00	1,61,107	0.01
		1,593 (Acquisition of Shares on 19.08.2016)	0.00	1,62,700	0.01
		26,358 (Acquisition of Shares on 26.08.2016)	0.00	1,89,058	0.01
		21,625 (Sale of Shares on 02.09.2016)	0.00	1,67,433	0.01
		1,059 (Sale of Shares on 09.09.2016)	0.00	1,66,374	0.01
		2,088 (Sale of Shares on 16.09.2016)	0.00	1,64,286	0.01
		95,501 (Acquisition of Shares on 23.09.2016)	0.01	2,59,787	0.02
		2,51,904 (Acquisition of Shares on 30.09.2016)	0.02	5,11,691	0.03

Sr. No.		Shareholding at the beginning of the year (Details as per benpos as on 31st March, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		2,89,093 (Sale of Shares on 07.10.2016)	0.02	2,22,598	0.01
		23,088 (Sale of Shares on 14.10.2016)	0.00	1,99,510	0.01
		2,466 (Acquisition of Shares on 21.10.2016)	0.00	2,01,976	0.01
		88,020 (Acquisition of Shares on 28.10.2016)	0.01	2,89,996	0.02
		41,387 (Sale of Shares on 04.11.2016)	0.00	2,48,609	0.01
		10,209 (Sale of Shares on 11.11.2016)	0.00	2,38,400	0.01
		30,374 (Sale of Shares on 18.11.2016)	0.00	2,08,026	0.01
		9,181 (Sale of Shares on 25.11.2016)	0.00	1,98,845	0.01
		2,036 (Acquisition of Shares on 02.12.2016)	0.00	2,00,881	0.01
		8,388 (Sale of Shares on 09.12.2016)	0.00	1,92,493	0.01
		1,000 (Sale of Shares on 16.12.2016)	0.00	1,91,493	0.01
		24,091 (Acquisition of Shares on 23.12.2016)	0.00	2,15,584	0.01
		35,894 (Acquisition of Shares on 30.12.2016)	0.00	2,51,478	0.02
		100 (Acquisition of Shares on 31.12.2016)	0.00	2,51,578	0.02
		38,031 (Sale of Shares on 06.01.2017)	0.00	2,13,547	0.01
		26,411 (Sale of Shares on 13.01.2017)	0.00	1,87,136	0.01
		127 (Acquisition of Shares on 20.01.2017)	0.00	1,87,263	0.01
		17,783 (Acquisition of Shares on 27.01.2017)	0.00	2,05,046	0.01
		16,437 (Sale of Shares on 03.02.2017)	0.00	1,88,609	0.01
		42,65,462 (Acquisition of Shares on 10.02.2017)	0.26	44,54,071	0.27
		17,52,007 (Sale of Shares on 17.02.2017)	0.11	27,02,064	0.16
		18,98,578 (Sale of Shares on 24.02.2017)	0.11	8,03,486	0.05
		2,21,016 (Acquisition of Shares on 03.03.2017)	0.01	10,24,502	0.06
		6,16,540 (Sale of Shares on 10.03.2017)	0.04	4,07,962	0.02
		1,74,306 (Sale of Shares on 17.03.2017)	0.01	2,33,656	0.01
		22,509 (Sale of Shares on 24.03.2017)	0.00	2,11,147	0.01
		1,33,36,561 (Acquisition of Shares on 31.03.2017)	0.80	1,35,47,708	0.81
	At the end of the year	1,35,47,708	0.81	-	-
9	**Samurai Securities Private Limited**				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	1,50,000 (Acquisition of shares on 17.06.2016)	0.01	1,50,000	0.01
		50,000 (Sale of Shares on 01.07.2016)	0.00	1,00,000	0.01
		80,000 (Sale of Shares on 27.01.2017)	0.00	20,000	0.00
		15,000 (Sale of Shares on 10.02.2017)	0.00	5,000	0.00
		1,33,95,000 (Acquisition of shares on 31.03.2017)	0.81	1,34,00,000	0.81
	At the end of the year	1,34,00,000	0.81	-	-
10	**Aman Overseas Private Limited**				
	At the beginning of the year	1,43,57,514	0.87	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	10,00,000 (Sale of Shares on 10.02.2017)	0.06	1,33,57,514	0.80
	At the end of the year	1,33,57,514	0.80	-	-

** The shares were transferred by Vistra ITCL (India) Limited consequent to exercise of stock options by the option grantees under Future Consumer Enterprise Limited Employee Stock Option Plan – 2014*

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

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

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year (1st April, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**G N Bajpai**				
	At the beginning of the year	2,50,000	0.02	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-
	At the end of the year	2,50,000	0.02	-	-
2.	**Ashni Biyani**				
	At the beginning of the year	67,169	0.00	-	
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-
	At the end of the year	67,169	0.00	-	-
3.	**K K Rathi**				
	At the beginning of the year	30,25,105	0.18	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	-	-	-	-
	At the end of the year	30,25,105	0.18	-	-
4.	**Narendra Baheti**				
	At the beginning of the year	85,350	0.01	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	6,00,000 (Allotment of shares under ESOP on 28.12.2016)	0.04	6,85,350	0.04
		5,350 (Sale of shares on 24.03.2017)	0.00	6,80,000	0.04
	At the end of the year	6,80,000	0.04	-	-
5.	**Devendra Chawla**				
	At the beginning of the year	12,50,000	0.08	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	9,00,000 (Allotment of shares under ESOP on 28.12.2016)	0.05	21,50,000	0.13
		4,00,000 (Acquisition of shares under ESOP on 07.06.2016)	0.02	25,50,000	0.15
	At the end of the year	25,50,000	0.15	-	-
6.	**Manoj Gagvani**				
	At the beginning of the year	1,75,000	0.01	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	1,30,000 (Acquisition of shares under ESOP on 07.06.2016)	0.01	3,05,000	0.02
		3,00,000 (Allotment of shares under ESOP on 28.12.2016)	0.02	6,05,000	0.04
		2,000 (Sale of shares on 09.03.2017)	0.00	6,03,000	0.04
	At the end of the year	6,03,000	0.04	-	-

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year (1st April, 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	**Manoj Saraf**				
	At the beginning of the year	0	0.00	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease	1,10,000 (Acquisition of shares under ESOP on 07.06.2016)	0.01	1,10,000	0.01
	At the end of the year	1,10,000	0.01	-	-

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

(₹ In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	44,614.99	-	-	44,614.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	293.63	-	-	293.63
Total (i+ii+iii)	44,908.62	-	-	44,908.62
Change in Indebtedness during the financial year				
* Addition	10,625.13	-	-	10,625.13
* Reduction	15,823.33	-	-	15,823.33
Net Change	(5,198.20)	-	-	(5,198.20)
Indebtedness at the end of the financial year				
i) Principal Amount	39,517.42	-	-	39,517.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	193.01	-	-	193.01
Total (i+ii+iii)	**39,710.42**	**-**	**-**	**39,710.42**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(₹ In lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ashni Biyani (Whole Time Director)	Narendra Baheti (Executive Director w.e.f. 30th August, 2016)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	83.63	63.13	146.76
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	1.39	81.00*	82.39
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**85.02**	**144.13**	**229.15**
	Ceiling as per the Act	The remuneration paid to Whole Time Director and Executive Director is within the ceiling prescribed under the Companies Act, 2013		

* perquisite value on stock options exercised during the year.

B. Remuneration to other directors

(₹ In lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	**G. N. Bajpai**	**Vibha Rishi**	**Adhiraj Harish**	
	Fee for attending Board / Committee / Independent Directors meetings	5.25	3.75	4.25	13.25
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	**5.25**	**3.75**	**4.25**	**13.25**
2	Other Non-Executive Directors	**Kishore Biyani**	**K K Rathi**	**Frederic de Mevius**	
	Fee for attending Board / Committee meetings	4.25	4.00	1.00	9.25
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	**4.25**	**4.00**	**1.00**	**9.25**

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

(₹ In lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Manoj Saraf (Chief Financial Officer)	**Manoj Gagvani (Company Secretary & Head – Legal)**	**Devendra Chawla (Chief Executive Officer w.e.f. 11th February, 2017)**	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	123.97	84.20	30.15	238.32
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	8.11*	49.94*	0.05	58.10
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**132.08**	**134.14**	**30.20**	**296.42**

* includes perquisite value of ₹ 7.72 lakhs and ₹ 49.62 lakhs on stock options exercised during the year by Manoj Saraf and Manoj Gagvani respectively.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

(i) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Director, Company Secretary and Manager during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17

Sr. No.	Name of Director/KMP and designation	Remuneration of Director / KMP for Financial Year 2016-17 (₹ in lakhs)	% increase in Remuneration for Financial Year 2016-17	Ratio of remuneration of each Director to median remuneration of employees
1.	Ashni Biyani Whole Time Director	85.02	23%	38.07
2	Arun Agarwal Manager (ceased to be Manager w.e.f. 4th February, 2017)	39.83	16%	17.83
3	Devendra Chawla Chief Executive Officer (appointed w.e.f. 11th February, 2017)	30.20	Not Applicable	13.52
4	Manoj Gagvani Company Secretary and Head-Legal	134.14	76%	60.06
5	Manoj Saraf Chief Financial Officer	132.08	35%	59.15
6	Narendra Baheti Executive Director (appointed w.e.f. 30th August, 2016)	144.13	Not Applicable	64.54

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

In the financial year 2016-17, there was an increase of 18% in the median remuneration of employees.

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

There were 1,422 permanent employees on the rolls of Company as on 31st March, 2017.

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

The average percentage increase made in the salaries of employees other than the managerial personnel for the financial year i.e. 2016-17 was 13% whereas the increase in the managerial remuneration for the same financial year was 21%.

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

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

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

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

Disclosures relating to Employee Stock Option Scheme(s) in respect of Options granted till 31st March, 2017

Sr. No	Particulars	FVIL ESOP-2011	FCEL ESOP-2014
A	Disclosures in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 36 in Notes to Standalone Financial Statements	
B	Diluted Earnings Per Share (EPS) on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 – Earnings Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	0.04	
C	**Details related to ESOS**		
(i)	A description of each ESOS that existed at any time during the year including the general terms and conditions of each ESOS		
(a)	Date of Shareholders' Approval	10th August, 2010 and 16th January, 2012	12th January, 2015 and 12th May, 2015
(b)	Total Number of Options approved under ESOS	5,00,00,000	Primary Route : 3,19,50,000; Secondary Route : 7,98,00,000
(c)	Vesting Requirements	At the end of one year from the date of Grant: 30% of options granted At the end of two years from the date of Grant: 30% of options granted At the end of three years from the date of Grant: 40% of options granted	At the end of one year from the date of Grant: 20% of options granted At the end of two years from the date of Grant: 30% of options granted At the end of three years from the date of Grant: 50% of options granted
(d)	Exercise price or Pricing formula	₹ 6	Primary Route : The exercise price per Option shall not be less than the face value of Equity Shares and shall not exceed market price of the Equity Share of the Company as on date of grant of Options, as may be decided by Nomination and Remuneration / Compensation Committee. Secondary Route : The exercise price per Option shall not exceed market price of the Equity Share of the Company as on date of grant of Options or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher, as may be decided by Nomination and Remuneration / Compensation Committee.
(e)	Maximum term of Options granted	Three Years from the date of Vesting	Three Years from the date of Vesting
(f)	Source of Shares (primary, secondary or combination)	Primary	Primary and Secondary
(g)	Variation of terms of Options	Nil	Nil
(ii)	Method used to account for ESOS - Intrinsic or fair value	Fair Value	Fair Value

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

(iv)	Option Movement during the year (for each ESOS)			
		FVIL ESOP-2011 (Primary Route)	**FCEL ESOP-2014 (Secondary Market Route)**	**FCEL ESOP-2014 (Primary Route)**
a)	Number of Options outstanding at the beginning of the Period	15,700,000	15,950,000	Nil
b)	Number of Options granted during the year	Nil	Nil	10,000,000
c)	Number of Options forfeited / lapsed during the year	Nil	1,036,000	500,000
d)	Number of Options vested during the year.	4,500,000	3,190,000	Nil
e)	Number of Options exercised during the year	5,050,000	2,626,000	Nil
f)	Number of shares arising as a result of exercise of Options	5,050,000	2,626,000	Not Applicable
g)	Money realized by exercise of Options	30,300,000	34,558,160	Not Applicable
h)	Loan repaid by the Trust during the year from exercise price received	Not Applicable	₹ 344.92 Lakhs	Not Applicable
i)	Number of options outstanding at the end of the year	10,650,000	12,288,000	9,500,000
j)	Number of Options exercisable at the end of the year.	150,000	564,000	Nil

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

Sr. No	Particulars	FVIL ESOP-2011	FCEL ESOP-2014
vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:		
(a)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Refer Note No. 36 in Notes to Standalone Financial Statements	
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	The fair value of each Option is estimated using the Black Scholes Option Pricing model.	
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options and is based on the daily volatility of the Company's stock price on NSE. The Company has incorporated the early exercise of Options by calculating expected life on past exercise behaviour.	
(d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	There are no market conditions attached to the grant and vest.	

Details related to Trust:

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

(i) General information on all schemes

Sr. No.	Particulars	Details
1	Name of the Trust	Future Consumer Enterprise Employees Welfare Trust
2	Details of the Trustee(s)	Vistra ITCL (India) Limited (*formerly known as IL & FS Trust Company Limited*)
3	Amount of loan disbursed by Company / any company in the group, during the year	₹ 1,295.27 Lakhs
4	Amount of loan outstanding (repayable to Company / any company in the group) as at the end of the year	₹ 2,982.55 Lakhs
5	Amount of loan, if any, taken from any other source for which Company / any company in the group has provided any security or guarantee.	Nil
6	Any other contribution made to the Trust during the year	Nil

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

(a)	Number of shares held at the beginning of the year;	1,15,32,988
(b)	Number of shares acquired during the year through:	
	(i) primary issuance	Nil
	(ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	63,09,646 equity shares constituting 0.38% of the paid up equity share capital of the Company as on 31st March, 2016. Weighted average cost of acquisition per share ₹ 20.53 per share

(c)	Number of shares transferred to the employees / sold along with the purpose thereof	26,21,000 equity shares pursuant to exercise of options granted to the employees
(d)	Number of shares held at the end of the year	1,52,21,634 equity shares

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

Sr. No	Particulars	Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
a)	Held at the beginning of the year	1,15,32,988	0.70%
b)	Acquired during the year	63,09,646	0.38 %
c)	Sold during the year	Nil	NA
d)	Transferred to the employees during the year	26,21,000	0.16 %
e)	Held at the end of the year	1,52,21,634	0.92 %

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

Sr. No.	Name of the Employee	Designation	No. of Options granted
			FCEL ESOP-2014 (Primary Route)
A	**Key Managerial Personnel / Senior Management Personnel**		
1	Narendra Baheti*	Executive Director	50,00,000
2	Rahul Kansal	Head - Strategy and Marketing	10,00,000
3	Saurabhkumar Lal	CEO - Manufacturing & Supply Chain	10,00,000
4	Amit Kumar Agarwal	Chief - Commercial	3,15,000
5	Jacob Peter	Chief - People Office	**5,00,000

*Appointed as an Executive Director w.e.f 30th August, 2016

**Options cancelled w.e.f. 17th March, 2017

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, Threats and Internal adequacy
- 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

While the global economies continued to witness slow growth during the year under review, the Indian economy on a macro basis stayed fairly robust. India has been one of the faster growing large economies in the World with a currency that performed better in comparison to other emerging currencies in the market. During the year under review, the economic growth of India however was partially impacted due to weak investment environment and demonetization. Despite the short term effect of demonetization, the economy now seems to be well back on the growth trajectory. The impact due to demonetization was short lived and modest and was particularly visible in sectors involving higher proportion of cash transactions. As per the World Bank, demonetization shall assist in improving financial inclusion and increasing transparency leading to a positive long term impact in the Country. Economic growth is expected to further accelerate to 7.2% in financial year 2017-18 reaching 7.7% in 2019-20. A favorable monsoon after successive years of below normal rains and a strong urban consumption provided the necessary stimulus to the economy in 2016-17. Favorable monsoon has also helped to keep the inflation under check. Consumer Price Index, although in an upward trend, stood at 3.81% in March 2017 vs 4.83% a year ago. Inflation is expected to stabilize supported by favorable monsoon and ongoing Government initiatives. Rapid increase in fuel price, increased protectionist sentiment amongst major economies, any pro longed impact of demonetization on informal sector remain key risks to the economy. On the other hand various Government initiatives such as GST implementation, financial inclusion and other reforms provide a significant upside potential to the economic growth. India is at an inflection point with various new opportunities unfolding such as massive young workforce, rapid urbanization, political and economic stability and key structural reforms.

BUSINESS AND PERFORMANCE OVERVIEW

Future Consumer Limited (**"Company"**) continues to focus on the "Fast Moving Consumer Generation", tapping into the consumption needs and desires of this new age consumer.

The Company has established its presence as an integrated food company with operations ranging from sourcing, manufacturing, branding and distribution. The Company continues to strengthen its position as an integrated food and FMCG company and has built a strong portfolio of Food and FMCG brands relevant for today's urban and ever evolving young consumer. This portfolio of brands is well supported by two key pillars viz. strong distribution network for supplies to over 52,000 stores and expertise in the fields of sourcing and manufacturing.

It has always been endeavor of the Company to develop and build products customized to the needs of the Indian consumer rather than offering run of the mill products. Each of the product is developed after a detailed product research and development process supported by rich consumer insights that Future Group has generated over the past two decades. In the financial year 2016-17, the Company has launched products in several value-added and high margin categories, which are able to command higher price point. The Company launched its Oats brand "Kosh", which is uniquely positioned and aligned with Indian eating habits instead of projecting oats as a packaged breakfast / snacking food. The product range includes 100% Oats Atta, Wheat Atta with Oats, Instant Oats and Broken Oats. Under the brand "Tasty Treat", the Company started a unique trend with the launch of Indo Western fusion snacks which include four variants of new age namkeens (snacks)– Barbeque, Peri Peri, Schezwan and Wasabi. Tasty Treat's frozen portfolio saw its product range to extend to french fries and delicious flavors of frozen pizza. The Company has also revamped Nilgiris' dairy portfolio which now includes five variants of rich and creamy flavored milk and yogurt. The Company has also launched exciting range of fusion drinks under the brand "Sunkist" which includes Lemon Cucumber Mint, Mojito and Orange Lemon Lime flavors.

In the Home and Personal Care space, the Company has successfully launched new brands as well as undertaken extension of its existing brands. The Company introduced a new personal care brand "Swiss Tempelle", co-created with Switzerland's full-service customer brand manufacturer organization Mibelle AG. "Swiss Tempelle" is an exotic fusion of beauty ingredients from India and Switzerland for the quality conscious consumers. The brand has launched products in two categories - Body Wash and Body Lotion. The brand offerings include a collection of three shower gels and three body lotions. The products are available in 800+ Modern Trade outlets across the Country and has already garnered a healthy market share in modern trade. The products are currently manufactured in Mibelle's state-of-the-art manufacturing facilities in Switzerland. The coming fiscal will be the year of building the Swiss Tempelle product portfolio. Stellar products are proposed to be launched across multiple categories of shower gel, face wash, hand wash and hair care.

The wet wipes brand “Kara” has grown to a 23 crore+ brand in less than 2 years from 12 crore through operational excellence and product line extensions.

The Company has re-engineered the packaging of “Kara” products to suit the heightened image of purity, efficacy and to supplement the “Beauty on the go" brand proposition. To ensure freshness of wipes in larger packs and to create a resonance on the imagery quotient, the Company has launched the lid applicator packs for “Kara” wet wipes. “Kara” enhanced numeric distribution and weighted distribution across general trade and modern trade to over 20,000 outlets from 10,000+ outlets over last year.

During the year under review, the sensational acetone free “Kara” nail polish removal wipes were launched in four variants. These products are acetone free and has active ingredients of Olive oil, enriched with skin nourishing Vitamin E to remove nail polish, against the traditional alcohol based nail polish remover liquid. These range of products created ripples in the market and gave the Company double digit contribution in its overall sales. The brand “Kara" associated with Femina Miss India, Varun Dhawan’s style buddy campus campaign, Zoom Holi party and did massive sampling activities across 1 lakh+ consumers on Nail Polish Remover through online partner Nykaa.com and across trade through consumer promotion.

In the current fiscal, the Company plans to release Kara’s TVC campaign, a 360 degree marketing program - media burst, print, radio, digital & social platform, consumer contact program and visual merchandising. During the current fiscal, the Company also plans to make new launches such as facial masks and eye make-up removal wipes.

During the year under review, the brand “Clean Mate”, Company’s largest brand in the Home and Personal care segment, tapped into new format stores like Easy Day. Sales momentum for the brand was maintained, as secondary sales grew from ₹55 crore to ₹67 crore. The monthly sales doubled from ₹40 lakhs to ₹80 lakhs. The category of floor cleaners registered a high growth of 40% over the last year. Listing in other formats like Star Bazaar and Bookers together contributed more than ₹1 crore sales to the brand. The Company also made a tie up with Saint Gobain’s subsidiary firm Grindwell Norton for providing 13,000 scrubbers free of cost for Clean Mate’s Utensil Gel launch. Several margin improvement and risk mitigation initiatives were undertaken through avenues of alternate vendor development.

In the current financial year, the brand “Clean Mate” will be launched in PayTM, Amazon, Rajasthan Fair Price Shops and other retail channels. The brand will also be going through a rejuvenation in the coming year. With a new brand logo and new packaging design, the brand “Clean Mate” is all set to enter more stores and consumer households in the coming years.

The brand “Care Mate” represents warmth and care, and it plays the role of a protector and facilitator of freshness and hygiene in a consumer’s life. The brand owns the personal hygiene space through products in relevant categories such as liquid hand wash, hand sanitizer, foils and a wide range of tissues and wipes. During the year under review, the brand “Care Mate” saw the launch of smaller packs targeted at providing convenience to consumers and generating new trials. Distribution also saw an upswing, with the brand entering into more channels. Key categories under this brand registered a healthy growth with hand wash category growth at 53% and disposable category growth at 30%. The key focus areas for the brand “Care Mate” for the coming year will be to increase distribution through more channels, re-vamp packaging for some of the key categories, launch of innovative products and to build awareness and consumer pull for the brand.

During the year under review, the Company has undertaken focused initiatives to enhance brand equity of various brands under its portfolio. The Company has efficiently utilized various digital and traditional marketing channels to efficiently connect with its target consumer base. The Company ran television commercials for specific brands aimed at a much wider audience base, such as Tasty Treat (*“Bhujiya Ghoom Aayi Duniya”*) and Kosh (*“Roti ke Pet Mein Kya Hai?”*) on leading television channels. The Company also introduced *“Zubaan Pe Ek Naya Tak Dhina Din”* campaign in movie halls which introduced and celebrated the entire product portfolio of the Company. Social media platforms and internet were also leveraged for various new age offerings such as “Kosh”, “Desi Atta”, “Kara”, “Swiss Tempelle” etc. In store marketing, newspaper and outdoor marketing were used to effectively reach its target audience to play an important role in overall marketing strategy of the Company.

During the fiscal year 2016-17, the Company significantly enhanced its distribution network across various channels. The Company’s distribution network now spans across over 52,000 stores across various formats and channels. The Company’s products are now available across leading modern trade channels and in over 45,000 general trade stores. The Company’s distribution network now also includes an access to over 5,750 Rajasthan Fair Price Shops. Recently, the Company entered into a tie up with Indo Nissin to distribute its new age snacks through latter’s distribution network. The Company has potentially gained an access to nearly 2 lakh touch points with this arrangement. The Company’s strategy of general trade distribution *via* institutional tie ups has led to quick and cost efficient access without incurring significant upfront expenditure. The Company continues to focus on expanding its distribution network.

India Food Park is strengthening the Company’s existing line of established brands in the commodity and value-added space through better sourcing, warehousing, sorting, manufacturing and packaging. Various new age products such as wafer biscuits, dips and condiments, frozen snacks and vegetables are manufactured at the India Food Park. These best in class facilities have enabled the Company to foray into newer food categories such as branded fruits and vegetables, chutneys / sauces, frozen and processed food products.

Subsidiaries, Joint Ventures and Associate Companies play an important role to complete the overall offerings of the Company. These companies largely support the Company *via* offering manufacturing capabilities, infrastructure, strong brands and distribution network. MNS Foods Private Limited has started the production of wafflets under the brand “POOOF!” from its facility. The manufacturing facility has started operating at nearly 78% utilization in three shifts. Another subsidiary at Sri Lanka viz. Aussee Oats Milling (Private) Limited operates the facility for manufacturing of oats and oats based products and has been operating at ~10% utilization with significant capacity available to support the future demand as brand gains the traction. The commercial operations for Rice Mill facilities, operated by a joint venture company Genoa Rice Mills Private Limited has been started from February 2017.

During the year under review, the Company made a preferential issue to raise US$ 45 million from Black River Food 2 Pte. Ltd. and US$ 20 million from International Finance Corporation via issuance of Compulsorily Convertible Debentures. In fiscal year 2015-16 the Company also raised ₹ 67 crore from its promoter group entity by way of issuance of convertible warrants.

The Company has recorded an income from operations of ₹ 2115.84 crore and EBITDA profit of ₹ 20.69 crore in the year under review as against an income from operations of ₹ 1,702.07 crore and EBITDA loss of ₹ 7.44 crore in the previous year.

Performance of Subsidiary, Joint Venture and Associate companies:

Subsidiary Companies:

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

   Aadhaar, a wholly owned subsidiary of the Company, is in the business of rural and semi-urban Wholesale and Distribution of fast moving consumer products and general merchandise. It is actively pursuing wholesale distribution and franchisee models in this segment. Aadhaar also has an access to ~5,750 Fair Price Shops in Rajasthan. With normal monsoon in 2016 followed by similar expectation in 2017 Government shops are expected to revive the growth in rural markets. With capital inflows expected in backend infrastructure, linkages with rural markets are expected to be stronger. For the fiscal 2016-17, Aadhaar has registered income of ₹310.73 crore.

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

   With origin in 1905, Niligiris is a leading food and grocery franchised retail chain in South India operating over 170 franchise stores. Nilgiris has franchisee operated 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 India with consumers spanning successive generations. Nilgiris has registered consolidated income of ₹209.58 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:

   a) Appu Nutritions Private Limited

   b) Nilgiri's Mechanised Bakery Private Limited

   c) Nilgiris Franchise Private Limited

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

   IFPPL, a subsidiary of the Company, has in partnership with the Ministry of Food Processing Industries, Government of India, set-up a state-of-the-art India food park facilitates which provides end-to-end food processing along the value chain (grading, sorting, pulping, packaging & distribution) from the farm to the market. Equipped with world-class food processing units comprising of 70,000 tonne storage capacity, cold storage unit and in-house pulping, dehydration and frying and roasting line, IQF, milling, flouring, spice and dal units, this massive park is spread across 110 acre land at Tumkur region in Karnataka. The food park is a home for several food processing firms where IFPPL enables them to work through a single window system. The Company holds 73.89% stake in IFPPL.

   IFPPL has registered total income of ₹ 9.52 crore and EBITDA profit of ₹ 3.79 crore for the fiscal 2016-17.

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

   Aussee Oats operates a state-of-the-art "oats based" breakfast cereals manufacturing facility (EOU - Export Oriented Unit) in Sri Lanka through a Joint Venture initiative with SVA India Limited and the Company. The Company holds 50% plus one ordinary share of Aussee Oats. Aussee Oats predominantly focuses on manufacturing and sale of a range of breakfast cereals such as mueslis, oats, cornflakes, wheat flakes and many more variants. The finished products are targeted to be sold by Aussee Oats in various countries such as India, Sri Lanka, Pakistan, Nepal, Bangladesh, Bhutan etc.

   Aussee Oats has registered total income of ₹ 12.35 crore for the fiscal 2016-17 (converted into Indian Rupees at the exchange rate of USD 1= ₹ 66.81).

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

   Sublime Foods is engaged in the business of manufacturing convenient food products such as sauces, chutneys, condiments and dressings. The manufacturing unit has been set up by Sublime Foods at India Food Park Tumkur, which mainly produces Oriental and Western sauces such as sweet & chilli, chilli garlic, sriracha, schezwan, mayonnaise, Indian ginger garlic paste, Tamarind (imli) chutney and Italian classic arrabiatta and alfredo. It has capabilities to produce other variety of such food products such as jams, jellies, confectionery fillings, different types of cheese and few dairy products. The Company owns 51% stake in Sublime Foods.

   Sublime has registered total income of ₹ 3.85 crore for the fiscal 2016-17.

   Avante Snack Foods Private Limited **("Avante Foods")**, a subsidiary of Sublime Foods is engaged in the business of manufacturing, processing, branding, packaging, warehousing and dealing in items in snack food category, fried chips of various fruits and vegetables, nuts and seeds based snacks, dehydrated fruits and vegetables snacks, extruded snacks made from rice and other grains and other food products. During the fiscal 2016-17, Avante Foods has commenced it's operations of manufacturing foods products from facility set up at India Food Park, Tumkur.

6. **MNS Foods Private Limited ("MNS Foods")**

MNS Foods, a subsidiary of the Company is engaged in the business of manufacturing and trading of all kinds of wafer biscuits, chocolate enrobed wafer biscuits, confectionaries, bakery, cookies, pastries, cereals foods, canned foods, lemon drops, extruded foods, tinned fruits, preserved foods, nutrients, vegetables, fruits, jams, pickles, sausages, diet foods, toffees, chocolates and packaging activities. During the fiscal 2016-17, MNS Foods has commenced its operations for manufacturing of wafer biscuits and wafflets from its manufacturing facilities set up at India Food Park, Tumkur. The Company holds 50.01% stake in MNS Foods.

MNS Foods has registered total income of ₹ 1.61 crore for the fiscal 2016-17.

7. **Bloom Fruit and Vegetables Private Limited** (**"Bloom"**)

Bloom, a wholly owned subsidiary of the Company, is predominantly engaged in the business of dealing in all types of dehydrated, processed, unprocessed, frozen and preserved fruits and vegetables and other type of food products.

Bloom has registered total income of ₹ 107.90 crore and EBITDA profit of ₹ 0.54 crore for the fiscal 2016-17.

8. **Amar Chitra Katha Private Limited ("ACK")**

ACK is a subsidiary of the Company, which is predominant for holding oldest content brands.

Within its ambit ACK owns the flagship brands 'Amar Chitra Katha' and 'Tinkle'. 'It has basket of 400+ titles and over 100 proprietary characters. It is an established leader in the under 15 age group with diverse product offerings in various formats that are compatible to new media platforms. ACK also operates India Book House (IBH), the largest distributor of books and magazines in India.

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

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

a) ACK Media Direct Limited

b) IBH Books & Magazines Distributors Limited

c) Ideas Box Entertainment Limited

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

FFPL and FFPPL have been set-up with objects to focus on establishment of food processing units. These entities are in the process of setting up necessary infrastructural facilities and are expected to go into main stream on its completion.

10. **Future Consumer Products Limited ("FCPL")**

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

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

11. **Express Retail Services Private Limited ("Express Retail")**

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

12. **Star and Sitara Wellness Limited ("Star & Sitara")**

Star & Sitara has discontinued its business by closing all its stores and had no operations during the year under review.

13. **FCEL Overseas FZCO ("FCEL Overseas")**

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

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

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

Aussee Oats India has registered total income of ₹ 8.98 crore for the fiscal 2016-17.

15. **FCEL Food Processors Limited ("FCEL Food Processors")**

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

Joint Venture Companies:

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

The Company has entered into a joint venture arrangement with Mibelle A. G., a division of Migros Group, Switzerland, by forming a 50:50 joint venture company under the name Mibelle Future Consumer Products AG at Switzerland. Mibelle is engaged in the business of manufacturing, marketing, distributing, exporting and dealing into personal care products under the brand 'Swiss Tempelle'. The brand was launched during the year under review.

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

   Genoa is a 50: 50 joint venture with LT Foods Limited, a leading company undertaking the business of manufacturing and distribution of rice. Genoa is engaged in the business of manufacturing, marketing and distribution of Sona Masoori, a regional South Indian rice and has set up its Rice Mill at India Food Park, Tumkur.

COMPETITIVE LANDSCAPE

The Food and FMCG market has been characterized by the presence of both national, regional and small domestic players. Home and Personal care segment of FMCG market has seen creation of multiple brands over the years, however food and large part of FMCG market remains largely unbranded and fragmented.

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

RISKS, THREATS AND INTERNAL ADEQUACY

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

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

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

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

HUMAN RESOURCES

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

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

As on 31st March, 2017, there were 1,422 permanent employees in the Company.

REVIEW OF CONSOLIDATED FINANCIAL PERFORMANCE

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

Turnover

The Company has recorded consolidated turnover of ₹ 2,115.84 crore in the fiscal 2016-17 as against ₹ 1,702.07 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% and 85% of our turnover for fiscal 2016-17 and fiscal 2015-16 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 5% and 6% of our turnover for fiscal 2016-17 and fiscal 2015-16 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 9% and 10% of our turnover for fiscal 2016-17 and fiscal 2015-16 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% and 4% of our turnover for fiscal 2016-17 and fiscal 2015-16 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 2% of our turnover for fiscal 2016-17 and fiscal 2015-16.

BUSINESS RESPONSIBILITY REPORT

Overview

Future Consumer Limited *(formerly known as Future Consumer Enterprise Limited)* **("FCL"/"Company")**, India's first sourcing-to-supermarket food and FMCG Company, forming part of Future Group, is built on the virtue of sharing. Starting from the seeding of food at the farm to its consumption from the plate, FCL acts as a catalyst for each of its stakeholders. From sourcing, processing, retailing to final act of consumption – FCL strikes a widespread cord between the lives of the farmer, a factory labourer, a worker on the shop floor and the housewife.

Corporate Social Responsibility, inclusive growth and sustainability are at the core of FCL's strategy and business practices.

The Directors of FCL hereby present the Business Responsibility Report **("BRR")** of the Company for the financial year ended on 31st March, 2017, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L52602MH1996PLC192090
2	Name of the Company	Future Consumer Limited *(formerly known as Future Consumer Enterprise Limited)*
3	Registered address	Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060
4	Website	www.futureconsumer.in
5	E-mail id	investor.care@futureconsumer.in
6	Financial Year reported	2016-17
7	Sectors/key products/services	1. Food - Branded Packaged Food Business (Groceries, Dairy, Beverages, Bakery, Snacks and Munch and other World Foods) 2. Home Care Products 3. Personal Hygiene Care Products
8	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations (Provide details of major 5)	The Company operates in international markets through its subsidiaries.
	(b) Number of National Locations	FCL carries out business activities all over India with major manufacturing locations at Karnataka, Maharashtra and Haryana.
9	Markets served by the Company - Local/State/ National/International	FCL serves both national and international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	₹ 99,749.53 Lakhs
2	Total Turnover (INR)	₹ 1,64,498.55 Lakhs (standalone)
3	Total profit after taxes (INR)	₹ 777.67 Lakhs (standalone)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	With regard to the year under review, the Company was not required to spend any amount on CSR activities, since the criteria of average net profits of the Company during the three immediately preceding financial years, to be calculated under Section 198 of the Companies Act, 2013 was not achieved.
5	List of activities in which expenditure in 4 above has been incurred	Not Applicable

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

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

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

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

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

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

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

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

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

3. **Governance related to BR:**

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors of the Company and its Committees generally assess the various business responsibility initiatives undertaken by the Company, on an annual basis.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the BRR for the year 2016-17 forms part of the Annual Report, which is published annually. It is available on the website of the Company at – http://www.futureconsumer.in/annual-reports.html

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

FCL is committed to adhering with the highest standards of ethical, moral and legal conduct of business operations. The Code of Conduct **("CoC")** which details the employees conduct with all stakeholders including its customers and suppliers is broadly communicated.

To maintain these standards, FCL encourages its employees and other stakeholders who may have concerns about suspected misconduct, unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or policy to come forward and express their concerns without fear of punishment or unfair treatment through the Vigil Mechanism.

FCL's Directors and Senior Management are required to abide by a separate CoC. Their affirmation to the CoC is communicated to all stakeholders by the Company, through a declaration in the Annual Report.

As a customer centric organisation, FCL creates awareness amongst its stakeholders including employees to adhere to its policies and practices, thus improving its customer offerings and experiences. FCL discloses necessary information required by statutory laws in a transparent manner.

The Corporate Governance structure of FCL encompasses Audit, Nomination & Remuneration Compensation, Stakeholders' Relationship & Share Transfer, CSR and Risk Management Committees adhering with complete transparency and accountability in all aspects of business.

The policies and procedures of FCL encourage its business partners to comply with applicable regulations and follow ethical practices in their conduct.

5 (five) investor complaints received in 2016-17 have been satisfactorily resolved by the Company and its Registrar and Share Transfer Agents (**"RTA"**).

The Company has an Internal Complaints Committee (**"ICC"**) to redress complaints received regarding sexual harassment. No complaint was received in 2016-17 by ICC.

Under the Whistle Blower Policy of the Company, there were no complaints received in 2016-17.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

FCL ensures that the manufacturing processes and technologies required to produce its products are resource efficient and sustainable. FCL's standard operating practices, product information and labelling are designed to ensure that everyone connected with products life cycle viz. producers, value chain members, customers and recyclers are aware of their responsibilities. It has a continuous improvement system in place that helps address product stewardship principles.

The state-of-the-art food park, an initiative of FCL i.e. India Food Park set up in partnership with the Ministry of Food Processing Industries, Government of India (GOI) facilitates end-to-end food processing along the value chain (grading, sorting, pulping, packaging & distribution) from the farm to the market.

Few product ranges or packaging that incorporate environmental and / or social concerns are :

- "The Sangi's Kitchen" range of chutneys, pastes, sauces, mayonnaise and its derivatives, "Tasty Treat" jams and sauces use glass jars with metallic caps which are 100% eco-friendly and recyclable.
- FCL is also in the process of launching an organic range of products like pulses, staples under the "Mother Earth" brand.

In the processing of the certain range of products, the latest ROBOQBO technology has been employed - a food processing system, to fit an exclusive heat recovery and water reduction system that ensure top efficiency and safety. ROBOQBO's integrated steam system also recovers and reuses condensation, allowing for water and energy savings, viz. 50% reductions in energy cost compared to the standard open and double jacketed kettles used typically in these processes elsewhere. FCL also ensures that ingredients used are freshly procured locally from producers so that the added water load is reduced further.

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

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

Sustainable sourcing

FCL's procurement guidelines specify quality for each type of product sourced. The task force set up by FCL is in the process of developing further procedures to ensure sustainable. Majority of the procurements follow the principles of sustainable sourcing. FCL in the process of its procurement, generally enters into long-term sourcing arrangements with its vendors taking into consideration various factors such as price fluctuations, seasonal produce, geographical conditions, demand pattern, Government policies etc. In its endeavor of ensuring sustainable sourcing, FCL also adheres to quality maintenance.

Each food ingredient follows full quality compliance processes including vendor audits, FSSAI compliance and batch level traceability. Products are distributed across delivery centres to cater to modern and traditional retail requirements. A dedicated team of qualified and expert professionals having varied level of experience lead various functions.

For procurements, small producer co-operatives, SMEs and other suppliers are preferred. The vicinity of Tumkur region where the India Food Park is located is surrounding the districts of Kolar, Shimoga which are rich in millets, oilseeds, vegetables and fruits. The food park is beneficial for farmers as it avoids the hassle of reaching out to multiple vendors and instead facilitates selling the crops to single point of contact.

FCL initiated a capacity development programme with farmers in village Sagroli, District Nanded, Maharashtra State during the reporting period. The initial programme was growing pulses like moong beans, urad dal and soya bean. Post a good crop and market demand the farmers were enthusiastic about growing higher value crops. FCL provided white chickpea seeds (Kabuli Chana) on deferred payment basis with the commitment to buy the full crop.

Product Labelling

FCL ensures to provide consumers with appropriate labelling and signages in accordance with the Food Safety and Standards (Packaging and Labelling) Regulations, 2011 notified by the Food Safety and Standards Authority of India (FSSAI) and the Legal Metrology Act, 2009.

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

Recycling

Food products that expire or are rejected or degrade in handling or storage (processed or fresh) are recycled in-house and converted to compost, which is put to use in-house or given to farmers for cultivation purposes. The quantum of products that undergo such process is not significant in comparison to the total volume of production.

Principle 3: Businesses should promote the well-being of all employees

The manpower at FCL as on 31st March, 2017 was 1,422.

Total Employee Strength	No. of female employees	No. of Temporary/ contractual/ casual	No. of Disabled Employees
1,422	191	10*	Nil

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

Employees Well-being

FCL takes cognizance of the work-life balance of its employees through building a pro-inclusion mind-set amongst all the stakeholders. This is achieved through training, communication and building a positive environment.

FCL recognises women talent at its workplace. Policies such as maternity leave as well as paternity leave have been incorporated as governed by Indian laws. Insurance policies such as Mediclaim as well as Life security plans form part of HR policies.

A streamlined process is followed ensuring that equal opportunity is employed irrespective of caste, creed, colour or gender biases during the recruitment process and in employment, which is consistent with applicable employment legislations.

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

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

Employee growth, training and development and overall well-being

Employees are provided a flexi time window at the start of and conclusion of the core working period of 8 hours, which enable the employees to balance both their personal life and work activities.

FCL retains employees through diverse trainings concerning overall development of the respective employees through customised growth plans. Along with this, an employee assistance plan is intended to help employees deal with personal and professional problems that might otherwise adversely impact work performance, heath and overall well-being.

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

A job skill analysis is conducted to ensure employees are well equipped in terms of functional as well as skill based competencies required for the job. Through Individual Development Plans, customised training needs are identified and imparted to all eligible employees. Trainings include design thinking, digital learning and dialogue design.

The Company's diverse people initiatives are aimed to attract, motivate and empower our employees in following ways:

- GENISIS: FCL's Management Trainee Program aims to develop trainees into future leaders at the Company through on-the-job training, project work and functional implementation.
- Shishya: An initiative that provides an opportunity to develop and enhance skills and knowledge through various educational and learning programs.
- Seekho: An initiative aimed at encouraging employees who are consistent performers to fast-track their career growth by completing their higher education (MBA) in the retail domain.
- Vidyarambh: 'The festival of learning at our stores' is aimed at building a culture of a knowledge-led organisation.
- Suprabhat: A residential program that has Processes & Games, Guided Meditation, Power Breathing Techniques, Understanding Bias Barriers & Nature of the Mind. Combined with timeless wisdom and innovative, contemporary management techniques, the program helps employees explore their inner-self in collaboration with the Art of Living Foundation.
- LEAP: Our Leadership Excellence Advancement Program identifies and develops and individual's leadership potential.

The under mentioned employees were given safety and skill up-gradation training in the reporting period:

- Permanent Employees: 32.84% (467)
- Permanent Women Employees : 2.39% (34)

Collective Bargaining

FCL's employees have not constituted or do not form a part of any collective bargaining mechanism. FCL instead ensures all grievances of the employees are addressed through an established grievance mechanism and create a culture that empowers an employee to communicate and resolve issues amicably.

Health and Safety

FCL believes in caring for people who work for the organisation, visit its facilities, live near its establishments, and is committed to fulfil its duty of care with due diligence. FCL recognises its responsibilities to ensure safety and health of all its stakeholders in and around its establishments which includes its own manufacturing sites and its subsidiaries, and their offices. The policy extends to all its subsidiaries and Joint Ventures.

FCL has defined its safety principles and constituted a safety committee and safety representatives which extensively covers operations at the Food Park. Safety committee meets to monitor risk assessment, systems for reporting and monitoring various Safety and Environment parameters that are defined. Units report injury incidents, if any, to the senior management, which are appropriately reviewed and necessary further action is taken. Various guidelines are being developed for third party or contractors working on site for issues like safety management, working at height and road safety and a safety manual for the food park operations has been prepared on the lines of OHSAS 18001. The India Food Park and Nilgiris units celebrated Safety Week with various trainings and poster competitions.

Category of Employees	Health Related Training conducted	Safety Training conducted
Permanent Employees	3	14
Contractual Employees	2	10 + on-going project based contractor's safety meeting

There were no complaints relating to child labour, forced labour, involuntary labour, sexual harassment reported to Company in the last financial year.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

FCL aims to serve as a catalyst that stimulates the use of inclusiveness as a powerful development tool. It aims to create and sustain an environment conducive to the domestic growth of India by partnering with various stakeholders including the vulnerable and marginalised and playing a proactive role in India's development process.

FCL focuses on three key enablers for inclusive growth: employability, innovation and entrepreneurship. While employability helps create a qualified and skilled workforce, innovation and entrepreneurship helps drive growth and generate employment.

FCL's key stakeholders include its employees, statutory bodies, customers, consumers, shareholders, suppliers/ vendors, shareholders, and local communities. It defines the purpose and scope of engagement, understands their concerns, and commits to engaging with them.

Shareholders

FCL has an established mechanism for Investor service and grievance handling through its Registrar & Share Transfer Agent and the compliance officer appointed by it. The Board of Directors of FCL has constituted a “Stakeholders’ Relationship and Share Transfer Committee” comprising of its Directors which periodically ensures that all queries, complaints and grievances reported through the investor grievance redressal mechanism are addressed and resolved on timely and effective basis.

Employees

FCL engages with its employees to motivate them, boost morale, provide platforms for them to develop and express their creativity, passion and commitment to the task at hand. A positive environment and a pro-inclusion mind-set ensures that differently abled or minority members are not discriminated against and that all concerns are addressed as per guidelines.

- Happiness Index Program: A priority initiative aimed towards building a culture of employee-level conversations to achieve happiness through sensitivity and empowerment.
- Idea Board: Unlike a "suggestion box", the Idea Board is an open forum that offers a platform for employees to voice their ideas openly.

Statutory bodies

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

Suppliers/Vendors

Recognizing the potential to address economic inequality/ disparity and accomplish other objectives contributing to inclusive growth, FCL collaborates with different communities and small farmers producer co-operatives in the rural pockets of the Country on an ongoing basis through supplier capacity building on good farming practices and sourcing.

FCL aims to foster a symbiotic relationship with the local entrepreneurs across communities to create increased self-employment opportunities. It engages with suppliers through a framework which provide practical knowledge and inputs for community-driven operations.

Customers/Consumers

FCL promotes its products to all consumers, and engages with them during in-store product promotions and product launches to gain an insight on product performance and appeal. FCL engages with its customers actively in the post purchase feedback cycle, and necessary improvements are made on a continuing basis. Besides this, product packaging provides email details and helpline numbers where the customers/ consumers can write in or report their feedback or grievances, if any. (*For more details, kindly refer to notes under Principle 9*)

Communities

FCL has identified the disadvantaged, vulnerable and marginalized stakeholders and has taken special efforts to engage with the disadvantaged, and marginalised stakeholders. *(For more details, kindly refer to notes under Principle 2 and Principle 8)*

Principle 5: Businesses should respect and promote human rights

FCL recognizes and respect the human rights of concerned stakeholders within and beyond the workplace. FCL’s human rights policy currently extends across all its entities. The intent of this policy has been conveyed to all relevant stakeholders. Wherever deviations are brought to the notice of the management, it makes every effort to resolve the same.

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

The Company ensures that all individuals impacted by the business have access to grievance mechanism. No such complaints in this regard were received during the period under review.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

FCL believes in caring for environment and society in which it works and recognises its responsibility towards ensuring environmental care in all its operations, providing products that delights its customers making a positive impact on the environment. The environment policy as adopted for its manufacturing units has been communicated to and encompasses all relevant stakeholders.

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

Energy Efficiency

FCL monitors its GHG emissions and related KPIs as part of its EMS monitoring system. Energy consumption in GJ/Ton is being monitored since January, 2017 for manufacturing units at Bangalore and Tumkur. Various energy efficiency initiatives have been undertaken by the Company to reduce its carbon footprint:

- Installation of a 1 MW solar plant has been installed which enables the Food Park to reduce its carbon footprint by an equivalent of 1500 tCO2e/p.a.
- 2 MW Solar Electricity generation plant is under commissioning stage at Food Park, Karnataka. FCL’s Carbon emissions will be offset by a further 3000 tCO2e/ p.a.
- Rainwater harvesting is being done in 110 Acre India Food Park in Tumkur, Karnataka.
- Majority of boilers installed are briquette/wood fired boilers and only one boiler (1 ton capacity) is electrical.
- All the manufacturing units are implementing LED lighting.
- Energy audits have been undertaken at our dairy plants and have identified the following actions that have been addressed in the reporting period:
    - Arresting of steam leakages
    - Hot insulation has also been completed to prevent heat losses.

- 34 energy saving ideas are identified to be implemented during 2017-18 at the dairy plants, similar exercise is being planned for all other units across FCL.

The primary energy sources are Biomass (Briquette/Wood), LPG/HSD:

Area	Target 2017 in KWH/MT	Actual achievement May 2017 in KWH/MT
Energy	1.14 GJ/Ton	*0.94 GJ/Ton
Wood	To replace 100 % wood by briquette	In process, will be eliminated by October, 2017
LPG		All these primary and Secondary resource of energy are taken under Energy target for FCL.
HSD		
Briquette		
Electricity (Secondary Source of Energy)		

*Above Energy data is for FCL units and its Subsidiaries at the India Food Park, Tumkur.

Note: FCL as a company has started monitoring Primary and Secondary Source of energy together in terms of "GJ/Ton of production" since January, 2017.

Water:

- A hydrogeology study has been completed at the dairy unit which is a major water consuming unit.
- Spring loaded taps have been installed.
- RO reject is being used for floor washing.
- ETP treated water is being used for gardening across FCL sites.
- Hoses are provided with spray guns to reduce consumption in vessel cleaning process.

Waste:

- Reusing Corrugated Boxes in Dairy plants for inter department transfer of set curd finished goods.
- Reduction in instances of quality rejection which results in waste reduction.
- Regular review of inventory level in laboratories to avoid usage of chemicals that have crossed expiry dates.

Air Emissions and Industrial Waste Water:

- Ambient air monitoring is being undertaken at the India Food Park and Nilgiri units**.** DG and boilers stacks is being monitored as per CPCB guidelines. No deviations have been observed in the reporting period.
- Industrial waste water viz. treated effluent from the Effluent Treatment Plant is analysed by CPCB/NABL/MOEF approved third party laboratories and no deviations observed till date.

The emissions / wastes generated are well within limits prescribed under consents of SPCB/CPCB. These are also reported to SPCB as per the process prescribed.

There are no show cause or legal notices received during the year from the CPCB or SPCB at any of the Company's operations, which are pending.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

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

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

Principle 8: Businesses should support inclusive growth and equitable development

Inclusive growth and sustainability are at the core of strategy and business practices at FCL. This reflects in the FCL's commitment to the community, environment and to every stakeholder in building a stronger foundation for long-term sustainable growth.

Pursuant to the requirements prescribed under in Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by the Ministry of Corporate Affairs, the Company has framed its Corporate Social Responsibility Policy.

In view of average net losses incurred by the Company over the past few years, it has not made prescribed contribution to specific social development projects.

During the reporting period, FCL has engaged with a reputed NGO - Sanskriti Samvardhan Mandal in Sagroli village of Nanded district to create a platform for interaction with farmers. This led to capacity building of farmers and creation of alternative markets viz. direct procurement of pulses grown.

(*For more details, please refer to the Annual Report on CSR activities annexed to the Directors' Report for the financial year 2016-17.*)

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

As a customer centric organisation, FCL proactively conducts customer feedback analysis and works to constantly evolve to higher and better customer centricity.

In our endeavour to maintain our relationship with our stakeholders, all feedback received during the reporting period were addressed. There were no consumer cases pending at the end of the reporting period.

FCL always endeavours that its advertising and communications do not mislead or confuse the consumers or violate any of the principles regulating such matters. It ensures that it follows product labelling guidelines in addition to provision of information regarding a product's environmental or social responsibility. *(For more details, please refer notes under Principle 2)*.

There were no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

CORPORATE GOVERNANCE REPORT

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

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company firmly believes and has consistently practiced good corporate governance. Transparency and accountability are the two basic facets of corporate governance. The Company's philosophy on Corporate Governance is reflected in its continued commitment to ensure fairness, transparency, accountability and integrity across all its business operations. The Company constantly strives towards betterment of these aspects and thereby generating long term value and trust for its stakeholders.

The Company has established procedures and systems to ensure regular dissemination of information to the Board of Directors of the Company (**"Board"**) to ensure effective oversight of the Company's business activities. Your Company, through its Board, endeavours to strike and deliver the highest corporate governance standards for the benefit of its stakeholders. The Board is responsible for and committed to sound principles of corporate governance for the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of its stakeholders by critically evaluating the Company's strategic decisions, business operations, management policies and its effectiveness. The Company believes that empowerment, combined with accountability, provides an impetus to performance and improves effectiveness, thereby enhancing stakeholder's value.

As a part of the Company's vision towards competitive, profitable and responsible growth, it keeps the Company's governance practices under continuous review in order to align them to best practices across the globe.

BOARD OF DIRECTORS

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

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

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

During the financial year 2016 -17, six meetings of the Board of Directors were held on the following dates:

26th April, 2016, 19th May, 2016, 12th August, 2016, 14th November, 2016, 12th January, 2017 and 11th February, 2017.

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

The details of Directorship and Membership/Chairmanship of the Committees of the Board held by the Directors as on 31st March, 2017 and their attendance at the meetings (including meetings attended through electronic mode) during the year are as follows:

Name of the Director	Category	No. of Board Meetings held during the financial year 2016-17	No. of Board Meetings attended by the Director during the financial year 2016-17	Attendance at the last AGM	No. of Directorships in other public limited companies#	No. of Committee positions held including the Company*	
						Chairman of the Committee	Member
Mr. G. N. Bajpai	Chairman, Independent Director & Non Executive Director	6	6	No	7	2	7
Mr.Kishore Biyani	Promoter, Vice-Chairman & Non-Executive Director	6	5	Yes	8	1	2
Ms. Vibha Rishi	Independent Director & Non-Executive Director	6	4	No	8	1	5

Name of the Director	Category	No. of Board Meetings held during the financial year 2016-17	No. of Board Meetings attended by the Director during the financial year 2016-17	Attendance at the last AGM	No. of Directorships in other public limited companies#	No. of Committee positions held including the Company*	
						Chairman of the Committee	Member
Mr. Frederic de Mevius	Non-Executive Director	6	2	No	0	0	0
Mr. K K Rathi	Non-Executive Director	6	5	Yes	4	1	5
Ms. Ashni Biyani	Whole Time Director	6	6	Yes	6	0	1
Mr. Adhiraj Harish	Independent Director & Non-Executive Director	6	4	Yes	3	0	5
Mr. Deepak Malik**	Non-Executive Director & Nominee Director	6	4	No	1	0	0
Mr. Narendra Baheti^	Executive Director	6	3	N.A.	2	0	1

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

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

** Appointed as an Additional Director with effect from 26th April, 2016, as nominee of Black River Food 2 Pte. Ltd. (equity investor)

^ Appointed as an Additional Director with effect from 30th August, 2016

As on 31st March, 2017, the number of directorship / committee membership / chairmanship of all the Directors is within the respective limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

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

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

The details of the familiarization programme of Independent Directors is placed on the website of the Company – http://futureconsumer.in/policies-and-code.html.

MEETING OF INDEPENDENT DIRECTORS

As stipulated under the Code for Independent Directors under the Companies Act, 2013 and SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 22nd February, 2017.

The meeting was attended by all the Independent Directors, either physically or through electronic mode.

AUDIT COMMITTEE

Terms of Reference

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

a. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
b. Recommending to the Board the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company;
c. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
d. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
e. Review and monitor the auditor's independence and performance and effectiveness of audit process;

f. To approve transactions and subsequent modification(s) to the transactions of the Company with related parties;
g. To scrutinize inter-corporate loans and investments of the Company;
h. Valuation of undertaking or assets of the Company, wherever it is necessary;
i. Evaluation of internal financial controls and risk management systems;
j. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the provisions of Companies Act, 2013 and Rules thereto and that of the Listing Agreement.

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

Composition and Attendance at Meetings

As on 31st March, 2017, the composition of the Audit Committee has been as under:

a) Mr. G.N. Bajpai
b) Ms. Vibha Rishi
c) Mr. K K Rathi
d) Mr. Adhiraj Harish

During the financial year 2016-17, four meetings of Audit Committee were held on the following dates: 19th May, 2016, 12th August, 2016, 14th November, 2016 and 11th February, 2017.

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

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

*Appointed as Member with effect from 10th August, 2016

Mr. G.N. Bajpai, Chairman of the Audit Committee had conveyed his inability to attend the 20th Annual General Meeting held on 29th August, 2016 due to his illness and nominated a member of the Audit Committee to represent him, who was present at the said Annual General Meeting.

NOMINATION AND REMUNERATION /COMPENSATION COMMITTEE

Terms of Reference

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

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

Composition and Attendance at Meetings

As on 31st March, 2017, the composition of Nomination and Remuneration /Compensation Committee has been as under:

a) Mr. Adhiraj Harish
b) Mr. G.N.Bajpai
c) Mr. Kishore Biyani
d) Mr. Deepak Malik
e) Ms. Vibha Rishi

During the financial year 2016-17, four meetings of Nomination and Remuneration /Compensation Committee were held on the following dates:

26th April, 2016, 19th May, 2016, 12th August, 2016 and 11th February, 2017.

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

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. Adhiraj Harish	Chairman	Independent & Non-Executive Director	3
Mr. G. N. Bajpai	Member	Independent & Non-Executive Director	4
Mr. Kishore Biyani	Member	Promoter, Vice-Chairman & Non-Executive Director	3
Mr. Deepak Malik*	Member	Non-Executive Director & Nominee Director	2
Ms. Vibha Rishi#	Member	Independent & Non-Executive Director	2

*Appointed as Member with effect from 26th April, 2016

Appointed as Member with effect from 19th May, 2016

Performance Evaluation of Board

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

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

REMUNERATION OF DIRECTORS

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

Details of remuneration paid to the Directors during the Financial Year 2016-17:

Name of the Director	Sitting Fees* (₹)	Remuneration (₹)	Total (₹)	No of Stock Options outstanding as on 31st March, 2017
Mr. Kishore Biyani	4,25,000	Nil	4,25,000	Nil
Mr. G. N. Bajpai	5,25,000	Nil	5,25,000	Nil
Ms. Vibha Rishi	3,75,000	Nil	3,75,000	Nil
Mr. Frederic de Mevius	1,00,000	Nil	1,00,000	Nil
Ms. Ashni Biyani	Nil	85,02,249	85,02,249	Nil
Mr. K K Rathi	4,00,000	Nil	4,00,000	Nil
Mr. Adhiraj Harish	4,25,000	Nil	4,25,000	Nil
Mr. Deepak Malik^	Nil	Nil	Nil	Nil
Mr. Narendra Baheti#	Nil	1,44,12,512**	1,44,12,512**	64,00,000

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

^ Appointed as Additional Director with effect from 26th April, 2016

Appointed as Additional Director with effect from 30th August, 2016

** Includes perquisite value of ₹ 81.00 lakhs on stock options exercised during the year

Non-Executive Directors

The Non-Executive Directors of the Company are not paid any remuneration except by way of sitting fees for attending meetings of Board of Directors and its Committee(s). The Non-Executive Independent Directors of the Company are paid sitting fees for attending the Meeting(s) of Independent Directors. The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the financial year 2016-17.

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

Sr. No.	Name of the Director	No. of equity shares held as on 31st March, 2017 (Own or held by / for other persons on a beneficial basis)
1	Mr. G. N. Bajpai	2,50,000
2	Mr. K K Rathi	30,25,105

Whole Time Director

In terms of the resolution passed by the Shareholders of the Company at an Extra Ordinary General Meeting held on 12th January, 2015, Ms. Ashni Biyani, Whole Time Director of the Company, is being paid remuneration by way of salary (plus permissible contribution to provident fund, other funds and payment of gratuity, which are not included in computation of the ceiling on perquisites) plus other allowances and reimbursements payable as per Company policy.

Ms. Ashni Biyani has received remuneration of ₹ 85.02 lakhs during the financial year 2016-17. In terms of the Agreement entered into by the Company with Ms. Ashni Biyani, notice period is six months and severance fees is equal to monthly remuneration payable for six months.

STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE

Terms of Reference

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

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

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

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

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

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

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

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

Composition and Attendance at Meetings

As on 31st March, 2017, the composition of Stakeholders' Relationship and Share Transfer Committee has been as under:

a) Mr. Kishore Biyani

b) Mr. Adhiraj Harish

During the financial year 2016-17, two meetings of Stakeholders' Relationship and Share Transfer Committee were held on the following dates:

17th November, 2016 and 31st March, 2017.

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, Vice-Chairman & Non-Executive Director	2
Mr. Adhiraj Harish	Member	Independent & Non-Executive Director	2

During the year under review, 5 (Five) complaints/ correspondences were received by the Company and Link Intime India Private Limited, Registrar and Share Transfer Agent. The shareholder's complaints / correspondences were resolved and there were no pending complaints or unattended correspondences as on 31st March, 2017.

Name, Designation and Address of Compliance Officer

Mr. Manoj Gagvani - Company Secretary & Head-Legal

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

RISK MANAGEMENT COMMITTEE

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

Composition and Attendance at Meetings

As on 31st March, 2017, the composition of Risk Management Committee has been as under:

a) Mr. K K Rathi

b) Ms. Ashni Biyani

c) Mr. Manoj Saraf

During the financial year 2016-17, two meetings of the Risk Management Committee were held on following dates: 19th May, 2016 and 14th November, 2016.

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Composition and Attendance at Meetings

As on 31st March, 2017, the composition of Corporate Social Responsibility Committee has been as under:

a) Ms. Ashni Biyani

b) Mr. Kishore Biyani

c) Ms. Vibha Rishi

During the financial year 2016-17, one meeting of the Corporate Social Responsibility Committee was held on 19th May, 2016.

Attendance of the Directors at the Corporate Social Responsibility Committee Meeting held during the financial year is as under:

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Ms. Ashni Biyani	Chairperson	Whole Time Director	1
Mr. Kishore Biyani	Member	Promoter, Vice-Chairman & Non-Executive Director	1
Ms. Vibha Rishi	Member	Independent & Non-Executive Director	1

COMMITTEE OF DIRECTORS

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

Composition and Attendance at the Meetings

As on 31st March, 2017, the composition of Committee of Directors has been as under:

a) Mr. Kishore Biyani

b) Mr. G. N. Bajpai

c) Ms. Ashni Biyani

During the financial year 2016-17, one meeting of the Committee of Directors was held on 2nd July, 2016.

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

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Mr. Kishore Biyani	Chairman	Promoter, Vice-Chairman & Non-Executive Director	1
Mr. G. N. Bajpai	Member	Chairman, Independent Director & Non-Executive Director	0
Ms. Ashni Biyani	Member	Whole Time Director	1

GENERAL BODY MEETINGS

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

Year	Day, Date and Time	Venue
2013-14	Tuesday, 26th August, 2014 at 11.00 a.m.	Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2014-15	Wednesday, 26th August, 2015 at 3.00 p.m.	Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2015-16	Monday, 29th August, 2016 at 2.30 p.m.	Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021

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

AGM	AGM Date	Special Resolutions passed
18th	26th August, 2014	Appointment of Mr. Arun Kumar Agarwal as Manager of the Company
19th	26th August, 2015	None
20th	29th August, 2016	None

Extra Ordinary General Meeting

During the financial year 2016-17, one Extra Ordinary General Meeting (**"EGM"**) of the Members of the Company was held on 17th June, 2016.

Special Resolution(s) passed at the EGM held on 17th June, 2016

1. Issue of Compulsorily Convertible Debentures and Equity Shares to International Finance Corporation on a preferential basis.

POSTAL BALLOT

Special Resolution(s) passed through Postal Ballot:

During the financial year 2016-17, four Special Resolution(s) were approved by the Shareholders of the Company through postal ballot process.

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

The details of the Postal Ballot conducted during the financial year 2016-17, results of which were announced on 30th September, 2016 and 17th February, 2017, are provided herein below. No special resolution(s) are proposed to be passed by postal ballot at the 21st Annual General Meeting.

A) Postal Ballot Notice dated 12th August, 2016, result whereof was announced on 30th September, 2016

SPECIAL RESOLUTION: Change in name of the Company.

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	72,22,12,331	72,22,12,331	100.00	72,22,12,331	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	Total	**72,22,12,331**	**72,22,12,331**	**100.00**	**72,22,12,331**	**0**	**100.00**	**0.00**
Public – Institutions	E-Voting	30,75,71,989	16,14,47,611	52.49	16,14,47,611	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	Total	**30,75,71,989**	**16,14,47,611**	**52.49**	**16,14,47,611**	**0**	**100.00**	**0.00**
Public - Non Institutions	E-Voting	62,76,57,918	15,32,71,029	24.42	15,32,35,374	24,271	99.98	0.02
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		38,67,501	0.62	38,67,501	0	100.00	0.00
	Total	**62,76,57,918**	**15,71,38,530**	**25.04**	**15,71,02,875**	**24,271**	**99.98**	**0.02**
Total		**1,65,74,42,238**	**1,04,07,98,472**	**62.80**	**1,04,07,62,817**	**24,271**	**99.99**	**0.01**

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

SPECIAL RESOLUTION: Alteration of Main Objects of the Memorandum of Association of the Company.

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	72,22,12,331	72,22,12,331	100.00	72,22,12,331	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	Total	**72,22,12,331**	**72,22,12,331**	**100.00**	**72,22,12,331**	**0**	**100.00**	**0.00**
Public – Institutions	E-Voting	30,75,71,989	16,14,47,611	52.49	16,14,47,611	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	Total	**30,75,71,989**	**16,14,47,611**	**52.49**	**16,14,47,611**	**0**	**100.00**	**0.00**
Public - Non Institutions	E-Voting	62,76,57,918	15,32,71,029	24.42	15,32,19,368	38,461	99.97	0.03
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		38,67,501	0.62	38,67,501	0	100.00	0.00
	Total	**62,76,57,918**	**15,71,38,530**	**25.04**	**15,70,86,869**	**38,461**	**99.97**	**0.02**
Total		**1,65,74,42,238**	**1,04,07,98,472**	**62.80**	**1,04,07,46,811**	**38,461**	**99.99**	**0.01**

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

B) Postal Ballot Notice dated 12th January, 2017, result whereof was announced on 17th February, 2017

SPECIAL RESOLUTION: Issue of Non-Convertible Debentures.

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	722,212,331	722,112,712	99.99	722,112,712	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		99,619	0.01	99,619	0	0.00	0.00
	Total	**722,212,331**	**722,212,331**	**100.00**	**722,212,331**	**0**	**100.00**	**0.00**
Public – Institutions	E-Voting	325,734,526	171,190,082	52.56	167,516,291	3,673,791	97.85	2.15
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	Total	**325,734,526**	**171,190,082**	**52.56**	**167,516,291**	**3,673,791**	**97.85**	**2.15**
Public - Non Institutions	E-Voting	614,545,381	78,589,414	12.79	78,523,666	65,748	99.92	0.08
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		3,744,760	0.61	3,735,160	9,600	99.74	0.26
	Total	**614,545,381**	**82,334,174**	**13.40**	**82,258,826**	**75,348**	**99.91**	**0.09**
Total		**1,662,492,238**	**975,736,587**	**58.69**	**971,987,448**	**3,749,139**	**99.62**	**0.38**

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

SPECIAL RESOLUTION: Alteration of Objects Clause of the Memorandum of Association of the Company.

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	722,212,331	722,112,712	99.99	722,112,712	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		99,619	0.01	99,619	0	0.00	0.00
	Total	**722,212,331**	**722,212,331**	**100.00**	**722,212,331**	**0**	**100.00**	**0.00**
Public – Institutions	E-Voting	325,734,526	171,190,082	52.56	171,190,082	0	100.00	0.00
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		0	0.00	0	0	0.00	0.00
	Total	**325,734,526**	**171,190,082**	**52.56**	**171,190,082**	**0**	**100.00**	**0.00**
Public - Non Institutions	E-Voting	614,545,381	78,595,296	12.79	78,487,483	107,813	99.86	0.14
	Poll		NA	NA	NA	NA	NA	NA
	Postal Ballot (if applicable)		3,747,985	0.61	3,737,210	10,775	99.71	0.29
	Total	**614,545,381**	**82,343,281**	**13.40**	**82,224,693**	**118,588**	**99.86**	**0.14**
Total		**1,662,492,238**	**975,745,694**	**58.69**	**975,627,106**	**118,588**	**99.99**	**0.01**

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

DISCLOSURES

Whistle Blower Policy

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

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

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

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

Related Party Transactions

Policy for dealing with related party transactions **("RPT Policy")** is placed on the website of the Company - http://futureconsumer.in/ policies-and-code.html

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

Policy on Material Subsidiary

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

Statutory Compliance, Penalties and Strictures

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

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

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

The Company is exposed to foreign exchange risk arising from import of goods and services. The Company manages the foreign exchange risk with appropriate hedging activities. The aim of the Company's approach to manage currency risk is to leave the Company with the no material residual risk. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31st March, 2017 are disclosed in Note No. 35.5 under notes to the Standalone Financial Statements.

Code of Conduct

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

The Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2016-17. A declaration to this effect in terms of Regulation 26 of the SEBI Listing Regulations, forms part of the Annual Report.

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

Management Discussion and Analysis Report

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

Means of Communication and Shareholder Information

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

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

General Shareholder Information

Annual General Meeting

Date and Time	29th August, 2017, 11.30 a.m.
Venue	Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai - 400 021
Financial Year	The financial year of the Company is from April 1 to March 31 of the following year.
First Quarter Results	By second week of August, 2017
Second Quarter Results	By second week of November, 2017
Third Quarter Results	By second week of February, 2018
Fourth Quarter / Annual Results	By end of May, 2018
Date of Book Closure	Wednesday, 23rd August, 2017 to Tuesday, 29th August, 2017 (both days inclusive)
Dividend Payment Date	Not Applicable

Corporate Identity Number (CIN):L52602MH1996PLC192090

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

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

Stock Code:

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

Listing Fees

Listing fees for both the Stock Exchange(s) for the year 2016-17 has been paid.

Debentures

The Company has issued and allotted 1000 Secured, Rated, Redeemable, Non-Convertible, Taxable Debentures of ₹ 10.00 lakh each (**"NCDs 1"**) on 17th March, 2015. 400 Series A NCDs 1 have been redeemed on 17th March, 2017 and 600 Series B NCDs 1 are redeemable on 17th March, 2018. The NCDs 1 are listed on the Wholesale Debt Market (WDM) of BSE Limited.

Further, the Company has issued and allotted 5000 Senior, Rated, Listed, Redeemable, Secured, Non-Convertible Debentures (**"NCDs 2"**) in the form of Separately Transferable Redeemable Principal Parts (**"STRPP"**), having face value of ₹ 1,00,000/- each on 16th March, 2017. Series I and Series II NCDs 2 are redeemable in three installments in the ratio of 30:30:40 on 16th September, 2018, 16th March, 2019 and 16th March, 2020 respectively in STRPP. The NCDs 2 are listed on WDM of BSE Limited.

Security Code and ISIN for NCDs 1 and NCDs 2:

NCDs	Security Code	ISIN
600 Series B NCDs	951913	INE220J07022
750 Series I NCDs STRPP 1	955947	INE220J07030
750 Series I NCDs STRPP 2	955948	INE220J07048
1000 Series I NCDs STRPP 3	955949	INE220J07055
750 Series II NCDs STRPP 1	955950	INE220J07063
750 Series II NCDs STRPP 2	955951	INE220J07071
1000 Series II NCDs STRPP 3	955953	INE220J07089

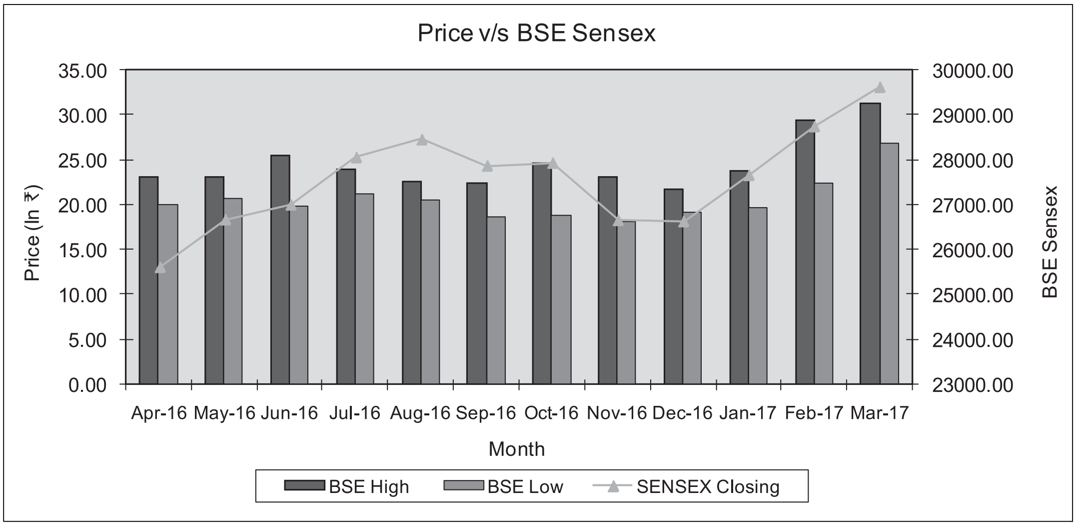
Debenture Trustee

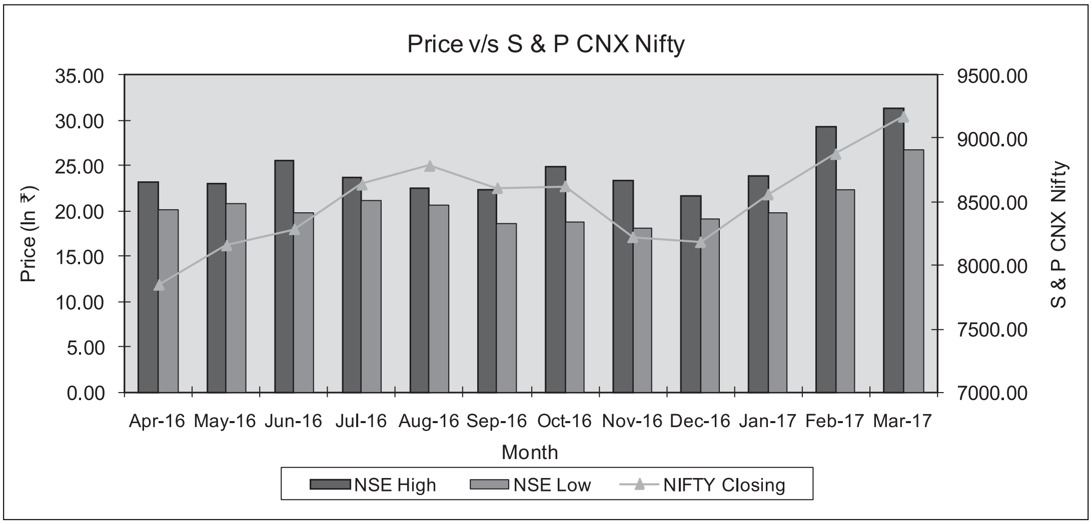
Vistra ITCL (India) Limited
(Formerly IL & FS Trust Company Limited)
The IL & FS Financial Centre,
Plot No. C-22, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Tel.: + 91 22 2659 3535
Fax.: + 91 22 2653 3297

Market Price Data during Financial year 2016-17:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2016	23.05	20.00	23.20	20.15
May, 2016	23.00	20.70	23.05	20.75
June, 2016	25.40	19.80	25.50	19.75
July, 2016	23.85	21.15	23.70	21.15
August, 2016	22.50	20.55	22.50	20.55
September, 2016	22.30	18.55	22.35	18.55
October, 2016	24.60	18.85	24.85	18.85
November, 2016	23.10	18.10	23.25	18.05
December, 2016	21.60	19.05	21.60	19.10
January, 2017	23.75	19.70	23.80	19.70
February, 2017	29.30	22.30	29.25	22.35
March, 2017	31.25	26.75	31.25	26.75

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





Registrar and Share Transfer Agents

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

Share Transfer System

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

Distribution of Shareholding as on 31st March, 2017

Share holding (Number of Shares)	Number of Shareholders	% to total	No. of Shares	% to total
1 - 500	31,399	48.24	69,70,180	0.42
501 - 1000	12,640	19.42	1,06,43,744	0.64
1001 - 2000	7,585	11.65	1,20,39,450	0.72
2001 - 3000	3,077	4.73	81,94,985	0.49
3001 - 4000	1,352	2.08	49,98,327	0.30
4001 - 5000	1,978	3.04	95,59,590	0.58
5001 - 10000	3,037	4.67	2,42,41,991	1.46
10001 and above	4,017	6.17	1,58,58,43,971	95.39
Total	**65,085**	**100.00**	**1,66,24,92,238**	**100.00**

Categories of Shareholding as on 31st March, 2017

Category	No. of Shares	Shareholding %
Promoters and their relatives / Promoter Group Companies*	79,58,36,345	47.87
Clearing Members*	61,05,975	0.37
Indian Companies	26,15,67,820	15.73
Foreign Company	100	0.00
Financial Institutions	7,01,441	0.04
Foreign Institutional Investor	15,20,43,000	9.15
Hindu Undivided Family	1,15,11,936	0.69
Mutual Funds	1,45,02,000	0.87
Non Nationalised Banks	2,29,208	0.01
Non Residents Indians	1,35,78,969	0.82
Non Residents Indians (Non Repatriable)	67,44,793	0.41
Office Bearers	47,77,781	0.29
Indian Public	21,55,31,705	12.96
Trusts	1,30,000	0.01
Directors	37,05,105	0.22
Independent Director	2,50,000	0.01
Foreign Portfolio Investors (Individual)	88,000	0.01
Foreign Portfolio Investors (Corporate)	15,99,66,426	9.62
Employee Benefit Trust - under SEBI (Share Based Employee Benefits) Regulations, 2014	1,52,21,634	0.92
Total	**1,66,24,92,238**	**100.00**

** 2,36,24,014 equity shares acquired by Promoter / Promoter Group entities and not reflecting in the beneficiary position received from the Registrar and Share Transfer Agents have been reduced from the category 'Clearing Members' and added under the category 'Promoters and their relatives / Promoter Group Companies'.*

Dematerialization of Shares and Liquidity

As on 31st March, 2017, a total of 1,66,23,57,968 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 or any Convertible Instruments : 6700 warrants of ₹ 1,00,000/- each issued and allotted to Srishti Mall Management Company Private Limited, a promoter group entity, are convertible into 2,94,76,463 equity shares of ₹ 6/- each at a conversion price of ₹ 22.73 per equity share. 29,985 Compulsorily Convertible Debentures of ₹ 1,00,000/- each allotted by the Company to Black River Food 2 Pte. Ltd, are convertible into 13,19,18,169 Equity Shares of ₹ 6/- each. Further 13,400 Compulsorily Convertible Debentures of ₹ 1,00,000/- each allotted by the Company to International Finance Corporation, are convertible into 5,89,52,925 Equity Shares of ₹ 6/- each.

Plant Location :

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

Address for Correspondence:

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

Company

Future Consumer Limited

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

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

Designated Email ID: investor.care@futureconsumer.in

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

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

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

1. **The Board**

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

2. **Shareholders' Rights**

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

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

   There are no modified opinion(s) on the financial statements for the financial year 2016-17. Standard practices and procedures are followed to ensure unmodified financial statements.

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

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

5. **Reporting of Internal Auditor**

   The Internal Auditor reports to the Audit Committee.

DECLARATION

I, Devendra Chawla, Chief Executive Officer of Future Consumer Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2017.

For **Future Consumer Limited**

Place: Mumbai
Date: 26th May, 2017

Devendra Chawla
Chief Executive Officer

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

REF: KGV/05/17/043

TO THE MEMBERS OF
FUTURE CONSUMER LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter reference no. KGV/2016-17/078 dated September 12, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Future Consumer Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Ketan Vora
Partner
(Membership No. 100459)

MUMBAI, May 26, 2017

STANDALONE
AND
CONSOLIDATED
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of FUTURE CONSUMER LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **FUTURE CONSUMER LIMITED** (formerly known as Future Consumer Enterprise Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.

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

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

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements, in accordance with the generally accepted accounting practice

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.

iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Ketan Vora
(Partner)
(Membership No. 100459)

MUMBAI, May 26, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **FUTURE CONSUMER LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Ketan Vora
(Partner)
(Membership No. 100459)

MUMBAI, May 26, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Future Consumer Limited for the year ended 31st March, 2017)

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

(b) The fixed assets of the Company were physically verified by the management in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. The process of reconciling the book records with the physical verification records is completed, other than in a few cases and discrepancies have been properly dealt with in the books of account. Where such reconciliations are pending, discrepancies if any, will be adjusted on completion of such reconciliations.

(c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ conveyance deed/court orders approving schemes of amalgamations provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to the companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the balance sheet date.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the company has not accepted any deposit during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value added tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2009-10	2.62
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2010-11	33.83
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeal	2011-12	1,429.50
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Deputy Commissioner of Sales Tax	2010-11	6.18
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax Appeal	2010-11	8.91
Madhya Pradesh Value Added Tax Amendment Act 2010	Value Added Tax	Deputy Commissioner of Commercial tax (Appeals)	2010-11	4.35

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax Appeal	2011-12	19.22
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales tax	2011-12	10.81
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Deputy Commissioner of Sales Tax	2012-13	6.71
West Bengal Value Added Tax Act, 2003	Value Added Tax	Joint Commissioner of Commercial tax	2012-13	2.41
Madhya Pradesh Value Added Tax Amendment Act, 2010	Value Added Tax	Additional Commissioner of Commercial tax (Appeals)	2013-14	1.56
Madhya Pradesh Value Added Tax Amendment Act, 2010	Value Added Tax	Deputy Commissioner of Commercial tax (Appeals)	2014-15	2.62
The Central Excise Act, 1944	Excise duty	Custom, Excise & Service Tax Appellate Tribunal	2013-14	1.00

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of public offer/further public offer.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of Para 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares and compulsory convertible debentures during the year under review.

In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

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

Ketan Vora
Partner
(Membership No. 100459)

MUMBAI, May 26, 2017

BALANCE SHEET AS AT 31ST MARCH 2017

(₹ In Lakhs)

Particulars	Note	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
ASSETS				
(1) Non Current Assets				
(a) Property, plant and equipment	5	4,943.73	4,277.97	2,893.64
(b) Capital Work-in-progress	44	5,702.47	2,244.57	31.24
(c) Goodwill	5	3,566.32	3,566.32	3,566.32
(d) Other Intangible Assets	5	14,470.49	15,536.31	15,414.25
(e) Intangible Assets under development		2,732.13	-	-
(f) Financial Assets				
(i) Investments	6	63,602.90	56,835.84	55,843.88
(ii) Loans	7	1,704.04	1,084.32	551.71
(iii) Other financial assets	8	521.44	1,118.84	642.54
(g) Deferred Tax Assets (net)	9	-	-	-
(h) Other non-current assets	10	855.46	2,012.88	2,027.76
Total non-current assets		**98,098.98**	**86,677.05**	**80,971.34**
(2) Current Assets				
(a) Inventories	11	14,152.05	9,074.23	8,112.73
(b) Financial Assets				
(i) Investments	12	-	2,000.00	10,000.00
(ii) Trade Receivables	13	27,650.93	14,341.17	12,493.38
(iii) Cash and Cash Equivalents	14	2,723.71	1,443.99	2,473.79
(iv) Bank Balances other than (iii) above	14	68.17	-	570.15
(v) Loans	7	22,437.97	9,792.20	10,224.80
(vi) Other financial assets	8	1,626.24	1,942.35	13,263.02
(c) Other current assets	10	2,010.37	1,159.41	1,252.64
Total current assets		**70,669.44**	**39,753.35**	**58,390.51**
TOTAL ASSETS		**168,768.42**	**126,430.40**	**139,361.85**
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	15	98,836.24	98,754.54	99,428.64
(b) Other Equity	16	14,831.25	(25,565.62)	(21,440.42)
Total Equity		**113,667.49**	**73,188.92**	**77,988.22**
LIABILITIES				
(2) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	11,534.04	22,179.72	25,502.70
(ii) Other financial liabilities	18	31.93	9.26	-
(b) Provisions	19	572.42	374.61	373.45
Total non-current liabilities		**12,138.39**	**22,563.59**	**25,876.15**
(3) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	15,701.55	16,676.16	27,457.56
(ii) Trade Payables	21	12,712.44	6,959.02	6,549.58
(iii) Other financial liabilities	18	13,027.47	6,381.31	801.46
(b) Other current liabilities	22	940.70	478.47	437.48
(c) Provisions	19	580.38	182.93	251.40
Total Current liabilities		**42,962.54**	**30,677.89**	**35,497.48**
TOTAL EQUITY AND LIABILITIES		**168,768.42**	**126,430.40**	**139,361.85**
See accompanying Notes to the financial statements	1-50			

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

G.N.Bajpai
Chairman

Ashni Biyani
Wholetime Director

Manoj Gagvani
Company Secretary & Head - Legal

Manoj Saraf
Chief Financial Officer

Place : Mumbai
Date : 26th May 2017
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Lakhs except per share data)

Particulars			Note	For the year ended 31st March 2017	For the year ended 31st March 2016
1.	**Revenue**				
	(a)	Revenue from operations	23	164,498.55	133,800.53
	(b)	Other income	24	3,445.42	2,847.32
Total Revenue				**167,943.97**	**136,647.85**
2.	**Expenses**				
	(a)	Cost of materials consumed	25	3,703.97	3,351.03
	(b)	Purchases of stock-in-trade (traded goods)		144,344.96	113,715.44
	(c)	Changes in inventories of finished goods and stock-in-trade	26	(4,978.66)	(841.48)
	(d)	Employee benefits expense	27	6,672.35	6,486.43
	(e)	Finance costs	28	3,698.86	6,287.55
	(f)	Depreciation and Amortisation expense	5	1,724.43	1,524.60
	(g)	Other expenses	29	11,982.81	12,000.39
Total expenses				**167,148.72**	**142,523.96**
3.	**Profit / (Loss) before tax (1-2)**			**795.25**	**(5,876.11)**
4.	**Tax expense**				
	Current tax		9	-	-
	Deferred tax		9	17.58	(26.70)
	Net tax expense / (benefit)			**17.58**	**(26.70)**
5.	**Profit / (Loss) for the period (3-4)**			**777.67**	**(5,849.41)**
6.	**Other Comprehensive Income**				
A	(i)	Items that will not be reclassified to profit or loss			
		- Remeasurement of the defined benefit plans		(56.90)	86.40
	(ii)	Income tax relating to items that will not be reclassified to profit or loss		17.58	(26.70)
				(39.32)	**59.70**
7.	**Total Comprehensive Income for the period (5+6)**			**738.35**	**(5,789.71)**
Basic and Diluted Earnings per Share (Face Value ₹ 6/- each)			32	**0.04**	**(0.35)**
See accompanying Notes to the financial statements			1 - 50		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

G.N.Bajpai
Chairman

Ashni Biyani
Wholetime Director

Manoj Gagvani
Company Secretary & Head - Legal

Manoj Saraf
Chief Financial Officer

Place : Mumbai
Date : 26th May 2017
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017

a) Equity Share Capital

(₹ In Lakhs)

Particulars	Amount
Balance as at 1st April 2015	**99,428.64**
Changes in Equity Share capital during the Year :	
- Issue of Equity shares under employee share option plan (ESOP) (Refer Note 36)	17.88
- Shares purchased (net) by ESOP trust treated as treasury shares	(691.98)
Balance as at 31st March 2016	**98,754.54**
Changes in Equity Share capital during the Year :	
- Equity shares issued and allotted during the year (Refer Note 46)	0.01
- Issue of Equity shares under employee share option plan (ESOP) (Refer Note 36)	303.00
- Shares purchased (net) by ESOP trust treated as treasury shares	(221.31)
Balance as at 31st March 2017	**98,836.24**

b) Other Equity

(₹ In Lakhs)

Particulars	Equity Component of compound financial instruments	Reserves & Surplus							Money received against share warrants	Total
		Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Statutory Reserve under section 45(IC) of RBI Act, 1934	Capital redemption reserve	Retained Earnings		
Balance at 1st April 2015	**-**	**-**	**3,094.90**	**0.59**	**11.39**	**1,363.06**	**5.20**	**(25,915.56)**	**-**	**(21,440.42)**
Loss for the year	-	-	-	-	-	-	-	(5,849.41)	-	**(5,849.41)**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	59.70	-	**59.70**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,789.71)**	**-**	**(5,789.71)**
Recognition of share-based payments	-	-	-	-	1,011.42	-	-	-	-	**1,011.42**
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	-	(1,336.85)	-	**(1,336.85)**
Transfer to securities premium on exercise of ESOP	-	-	5.98	-	(5.98)	-	-	-	-	**-**
Transfer to retained earning on cancellation of registration as an NBFC	-	-	-	-	-	(1,363.06)	-	1,363.06	-	**-**
Issue of Share Warrants	-	-	-	-	-	-	-	-	1,675.00	**1,675.00**
Business Combination (Refer Note 47)	-	314.94	-	-	-	-	-	-	-	**314.94**
Balance at 31st March 2016	**-**	**314.94**	**3,100.88**	**0.59**	**1,016.83**	**-**	**5.20**	**(31,679.06)**	**1,675.00**	**(25,565.62)**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Lakhs)

Particulars	Equity Component of compound financial instruments	Reserves & Surplus							Money received against share warrants	Total
		Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Statutory Reserve under section 45(IC) of RBI Act, 1934	Capital redemption reserve	Retained Earnings		
Profit for the year	-	-	-	-	-	-	-	777.67	-	**777.67**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(39.32)	-	**(39.32)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**738.35**	**-**	**738.35**
Recognition of share-based payments	-	-	-	-	2,367.45	-	-	-	-	**2,367.45**
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	-	(729.98)	-	**(729.98)**
Transfer to securities premium on exercise of ESOP	-	-	966.38	-	(966.38)	-	-	-	-	**-**
Transfer to retained earning on exercise of ESOP	-	-	-	-	(163.77)	-	-	163.77	-	**-**
Issue of compulsory convertible debentures (Refer Note 46)	38,021.02	-	-	-	-	-	-	-	-	**38,021.02**
Issue of Shares	-	-	0.03	-	-	-	-	-	-	**0.03**
Balance at 31st March 2017	**38,021.02**	**314.94**	**4,067.29**	**0.59**	**2,254.13**	**-**	**5.20**	**(31,506.92)**	**1,675.00**	**14,831.25**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place : Mumbai
Date : 26th May 2017

For and on behalf of the Board of Directors

G.N.Bajpai
Chairman

Ashni Biyani
Wholetime Director

Manoj Gagvani
Company Secretary & Head - Legal

Manoj Saraf
Chief Financial Officer

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Lakhs)

	Particulars	For the year ended 31st March 2017		For the year ended 31st March 2016	
A.	**Cash Flow From Operating Activities**				
	Profit/(Loss) for the year		777.67		(5,849.41)
	Adjustments for:				
	Income tax expense recognised in profit or loss	17.58		(26.70)	
	Finance costs recognised in profit or loss	3,698.86		6,287.55	
	Interest income recognised in profit or loss	(2,756.76)		(2,443.85)	
	Interest on income tax refund	(293.80)		-	
	Provision no longer required written back	(100.00)		(120.30)	
	Loss on disposal of property, plant and equipment	44.34		194.94	
	Provision for Standard assets written back	-		(27.36)	
	Net (gain)/loss arising on financial assets mandatorily measured at fair value through profit or loss	(118.34)		(177.36)	
	Impairment loss recognised on trade receivables or reversal thereof	4.00		-	
	Depreciation and amortisation of non-current assets	1,724.43		1,524.60	
	Expense recognised in respect of equity-settled share-based payments	935.70		510.73	
	Financial guarantee contracts	(50.85)	3,105.16	(40.81)	5,681.44
			3,882.83		**(167.97)**
	Movements in working capital:				
	(Increase)/decrease in trade and other receivables	(11,738.24)		9,434.00	
	(Increase)/ decrease in inventories	(5,077.82)		(834.91)	
	(Increase)/decrease in other assets	(837.30)		66.62	
	Increase/ (Decrease) in trade payables	5,753.40		143.53	
	Increase/ (Decrease) in provisions	538.36		46.44	
	Increase/(Decrease) in other liabilities	855.31	(10,506.29)	403.63	9,259.31
	Cash flow from / (used in) operations		**(6,623.46)**		**9,091.34**
	Income taxes refund / (paid)		1,367.22		(203.79)
	Net cash flow from / (used in) operating activities		**(5,256.24)**		**8,887.55**
B.	**Cash Flow From Investing Activities**				
	Payments to acquire financial assets		(346.05)		(292.18)
	Proceeds on sale of financial assets		2,000.00		8,015.66
	Inter Corporate deposit (given) / refunded (Net)		(18,131.90)		(100.01)
	Interest received		2,026.59		2,660.77
	Payments for property, plant and equipment		(4,562.89)		(3,644.92)
	Proceeds from disposal of property, plant and equipment		97.47		(79.73)
	Payments for intangible assets		(2,752.00)		(0.56)
	Net cash outflow on acquisition of Business Unit		-		(1,003.00)
	Net cash flow from / (used in) investing activities		**(21,668.78)**		**5,556.03**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Lakhs)

Particulars		For the year ended 31st March 2017	For the year ended 31st March 2016
C.	**Cash Flow From Financing Activities**		
	Proceeds from issue of equity instruments of the Company	303.05	17.88
	Proceeds from issue of share warrants	-	1,675.00
	Purchase of treasury shares	(1,296.22)	(2,028.83)
	Proceeds on exercise of ESOP out of treasury shares	344.92	-
	Proceeds from issue of convertible debentures (Net of expenses)	43,154.47	-
	Proceeds from long term borrowings (Net of expenses)	10,359.87	1,112.77
	Repayment of long term borrowings	(20,445.36)	(154.32)
	Repayment of short term borrowings (net)	(974.61)	(10,781.40)
	Interest paid	(3,241.38)	(5,314.48)
	Net cash flow from / (used in) financing activities	**28,204.74**	**(15,473.38)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1,279.72**	**(1,029.80)**
	Cash and cash equivalents at the beginning of the year	1,443.99	2,473.79
	Cash and cash equivalents at the end of the year (Refer Note 14)	**2,723.71**	**1,443.99**

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

G.N.Bajpai
Chairman

Ashni Biyani
Wholetime Director

Manoj Gagvani
Company Secretary & Head - Legal

Manoj Saraf
Chief Financial Officer

Place : Mumbai
Date : 26th May 2017
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

1. **General Information about the Company**

Future Consumer Limited ("the Company") is a Company incorporated in India on 10th July 1996, under the name "Subhikshith Finance and Investments Limited". The name of the Company was changed to "Future Ventures India Private Limited" with effect from 9th August 2007 and it became a Public Limited Company with effect from 7th September 2007 as "Future Ventures India Limited". The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited since 10th May 2011. The name of the Company was changed to "Future Consumer Enterprise Limited" w.e.f. 30th September 2013 and then to "Future Consumer Limited" effective from 13th October 2016. The Company is engaged in the business of sourcing, manufacturing, branding, marketing and distribution of fast moving consumer goods ("FMCG"), Food and Processed Food Products in Urban and Rural India. Earlier, the Company was regulated by the Reserve Bank of India (the "RBI") as a non-deposit taking Non-Banking Financial Company ("NBFC"). The RBI in terms of application made by the Company has vide its order passed on 21st July 2015 cancelled the Certificate of Registration granted to the Company. Consequently, the Company ceased to be an NBFC.

2. **Revised Indian Accounting Standard ("Ind AS") issued but not effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 102, 'Share-based payment' ("Ind AS 102") and Ind AS 7, 'Statement of cash flows' ("Ind AS 7"). The amendments are applicable to the Company from 1st April 2017.

Amendments to Ind AS 102 Classification and measurement of Share-based Payment Transactions

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.
3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:
   (i) the original liability is derecognised;
   (ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
   (iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit and loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1st April 2017. The directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the financial statements as the Company does not have any cash-settled share-based payment arrangements or any withholding tax arrangement with tax authorities in relation to share-based payments.

Amendments to Ind AS 7 Disclosure Initiative in statement of cash flows

The amendments require an entity to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual reporting periods beginning on or after 1st April 2017. The directors of the Company do not anticipate that the application of the amendments will have a material impact on the financial statements.

3. **Significant Accounting Policies**

3.1 Statement of compliance

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

Upto the year ended 31st March 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other applicable laws. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April 2015. Refer Note 4 for the details of first-time adoption exemptions availed by the Company.

3.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3 Business combinations

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

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

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

In case of a bargain purchase, before recognizing a gain in respect thereof, the Company determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

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

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

3.4 Goodwill and impairment of goodwill

Goodwill arising on acquisition of a business is carried at cost as established at date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash generating units (or group's of cash-generating units, "CGU") that are expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as the proportion of the total time expected to complete the service that has elapsed at the end of reporting period.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Dividend and Interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the shareholders and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.6 Leasing

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

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

The Company as lessor

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

The Company as lessee

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

3.7 Foreign currencies

The management of the Company has determined Indian rupee ("INR") as the functional currency of the Company. In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in statement of profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences for long term foreign currency monetary items existing as on previous year, the exchange difference arising on settlement / restatement of long term foreign currency monetary items are capitalised as part of depreciable fixed assets to which the monetary items relates and depreciated over the remaining useful life of such assets.

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

The Company may incur borrowing costs during an extended period in which it suspends the activities necessary to prepare an asset for its intended use or sale. Such costs are costs of holding partially completed assets and do not qualify for capitalisation. However, an entity does not normally suspend capitalising borrowing costs during a period when it carries out substantial technical and administrative work. The Company also does not suspend capitalising borrowing costs when a temporary delay is a necessary part of the process of getting an asset ready for its intended use or sale.

The Company shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.9 Employee benefits

Post-employment benefits

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

The Company presents the first two components of defined benefit costs in statement of profit or loss in the line item “Employee benefits expense”. Curtailment gains and losses are accounted for as past service costs

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

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

Short-term and other long-term employee benefits

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

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

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

3.10 Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share adjusts the figure used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3.11 Share-based payment arrangements

Share-based payment transactions of the Company

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

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

Share-based payment transactions among group entities

The cost of equity-settled transactions pertaining to group entities is recognised as debit to investment in those group companies, together with a corresponding increase in equity (Employee stock option reserve) over the vesting period. The cumulative amount recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest. Company does not recover the cost of employee stock options from its subsidiaries.

3.12 Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against those deductible temporary differences which can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.13 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, for rental to others or for administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation on tangible fixed assets has been provided on straight line method as per the useful life prescribed in Schedule II of the Company's Act, 2013, except in case of leasehold improvements and moulds.

Estimated useful lives of the assets are as follows:

Asset	Useful Life	Asset	Useful Life
Buildings	60 years	Computers	3 years
Plant and equipment	15 years	Furniture and fixtures	10 years
Leasehold improvements	lease term	Office equipment	5 years
Moulds	2 years	Vehicles	10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Company has elected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

3.14 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset	Useful Life	Asset	Useful Life
Trademark	5 years	Brand	10 years
Software	3 years	Brand Usage Rights	25 years

Deemed cost on transition to Ind AS

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.15 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

3.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

3.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.18 Financial instruments

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

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

3.19 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in statement of profit or loss for fair value through other comprehensive income (“FVTOCI”) debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to statement of profit or loss.

All other financial assets are subsequently measured at fair value.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement of profit or loss and is included in the “Other Income” line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income for investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to statement of profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit or loss.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

3.20 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound instruments

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

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

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

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

However, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense are included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

When guarantee in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as cost of investment.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' / 'Other expenses'.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.21 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit or loss immediately. Company does not designate the derivative instrument as a hedging instrument.

3.22 Operating segment

The management views the Company's operation as a single segment engaged in business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

4A. Key sources of estimation uncertainty and critical accounting judgements

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

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

Key sources of estimation uncertainty

a) Useful lives of property, plant and equipment

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

b) Impairment of property, plant and equipment

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

c) Impairment of investments in subsidiaries, joint ventures and associate and impairment of goodwill

Determining whether the goodwill or investments in subsidiaries, joint ventures and associate are impaired requires an estimate in the value in use. In considering the value in use, the Management have anticipated the future cash flows, discount rates and other factors of the underlying businesses/ companies. Any subsequent changes to the cash flows could impact the carrying value of investments/ goodwill.

d) Provisions, liabilities and contingencies

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

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

e) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4B. First time adoption – mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening standalone balance sheet as per Ind AS as of 1st April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before 20th November 2014. All the business combinations occurred on or after 20th November 2014 are accounted in accordance with Ind AS 103. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements for business combinations occurred before 20th November 2014.
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree for business combinations occurred before 20th November 2014.
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS for business combination occurred before 20th November 2014.
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures.

Share Based Transactions

Company has not applied requirement of Ind AS 102 share based payment to equity instruments that vested before the date of transition i.e. 1st April 2015.

Deemed cost for property, plant and equipment, investment property, and intangible assets

While measuring the property, plant and equipment in accordance with Ind AS, the Company has elected to measure certain items of property, plant and equipment at the date of transition to Ind AS at its fair value and used that fair value as its deemed cost at transition date.

The Company has elected to continue with the carrying value of all of its investment properties and intangible assets recognised as at transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Investment in Subsidiaries, Joint Ventures and Associates

The Company has elected to continue with the carrying value of its investments in subsidiaries, joint ventures and associates recognised as of 1st April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date except for an investment in a joint venture which is measured at fair value as at transition date and use that fair value as its deemed cost as of transition date.

Long Term Foreign Currency Monetary Items

The Company has opted for exemption under Ind AS 101 for existing long term foreign currency non-monetary items where the Company is continuing the policy adopted for treatment of exchange differences arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset for items recognized on or before 31st March 2016. (Refer Note 3.7)

5. Property, plant and equipment, Goodwill and Other Intangible Assets

(₹ In Lakhs)

Description of Assets	Gross Block (At cost / deemed cost)				Depreciation / Amortisation				Net Block
	As at 1st April 2016	Additions	Deletions	As at 31st March 2017	As at 1st April 2016	For the Period	Deletions	As at 31st March 2017	As at 31st March 2017
A. Property, plant and equipment									
Freehold Land	423.83	-	-	**423.83**	-	-	-	**-**	**423.83**
Building	383.43	1.04	-	**384.47**	6.17	6.30	-	**12.47**	**372.00**
Office Equipments	226.17	67.49	0.49	**293.17**	87.15	46.19	0.42	**132.92**	**160.25**
Computers	345.28	84.42	7.91	**421.79**	248.04	52.56	7.91	**292.69**	**129.10**
Furniture & Fixtures	1,422.54	95.60	0.90	**1,517.24**	328.65	149.50	0.36	**477.79**	**1,039.45**
Vehicles	95.11	18.03	12.66	**100.48**	48.62	11.95	9.44	**51.13**	**49.35**
Plant & Machinery	2,345.71	1,131.40	147.12	**3,329.99**	348.25	335.64	18.68	**665.21**	**2,664.78**
Leasehold improvements	189.34	48.32	10.49	**227.17**	86.56	37.40	1.76	**122.20**	**104.97**
Total	**5,431.41**	**1,446.30**	**179.57**	**6,698.14**	**1,153.44**	**639.54**	**38.57**	**1,754.41**	**4,943.73**
B. Other Intangible Assets									
Brands, Brand Usage Rights and TradeMarks	16,614.49	-	-	**16,614.49**	1,084.95	1,084.14	-	**2,169.09**	**14,445.40**
Software	9.32	19.87	1.65	**27.54**	2.55	0.75	0.85	**2.45**	**25.09**
Total	**16,623.81**	**19.87**	**1.65**	**16,642.03**	**1,087.50**	**1,084.89**	**0.85**	**2,171.54**	**14,470.49**
C. Goodwill (Refer note 45)	**3,566.32**	**-**	**-**	**3,566.32**	**-**	**-**	**-**	**-**	**3,566.32**
Total	**3,566.32**	**-**	**-**	**3,566.32**	**-**	**-**	**-**	**-**	**3,566.32**

5. Property, plant and equipment, Goodwill and Other Intangible Assets (Previous Year)

(₹ In Lakhs)

Description of Assets	Gross Block (At cost / deemed cost)					Depreciation / Amortisation				Net Block	
	As at 1st April 2015	Acquisition through Business Combination	Additions	Deletions	As at 31st March 2016	As at 1st April 2015	For the Period	Deletions	As at 31st March 2016	As at 31st March 2016	As at 1st April 2015
A. Property, plant and equipment											
Freehold Land	423.83	-	-	-	**423.83**	-	-	-	**-**	**423.83**	**423.83**
Building	376.69	-	6.74	-	**383.43**	-	6.17	-	**6.17**	**377.26**	**376.69**
Office Equipments	124.93	0.05	110.12	8.93	**226.17**	46.41	49.15	8.41	**87.15**	**139.02**	**78.52**
Computers	279.18	4.97	85.42	24.29	**345.28**	219.55	51.57	23.08	**248.04**	**97.24**	**59.63**
Furniture & Fixtures	947.95	0.45	504.22	30.08	**1,422.54**	194.93	148.34	14.62	**328.65**	**1,093.89**	**753.02**
Vehicles	105.92	0.67	2.25	13.73	**95.11**	50.10	11.50	12.98	**48.62**	**46.49**	**55.82**
Plant & Machinery	1,253.97	157.93	1,010.21	76.40	**2,345.71**	215.76	141.99	9.50	**348.25**	**1,997.46**	**1,038.21**
Leasehold improvements	196.13	-	53.60	60.39	**189.34**	88.21	28.38	30.03	**86.56**	**102.78**	**107.92**
Total	**3,708.60**	**164.07**	**1,772.56**	**213.82**	**5,431.41**	**814.96**	**437.10**	**98.62**	**1,153.44**	**4,277.97**	**2,893.64**
B. Other Intangible Assets											
Brands, Brand Usage Rights and TradeMarks	15,405.49	1,209.00	-	-	**16,614.49**	-	1,084.95	-	**1,084.95**	**15,529.54**	**15,405.49**
Software	8.76	-	0.56	-	**9.32**	-	2.55	-	**2.55**	**6.77**	**8.76**
Total	**15,414.25**	**1,209.00**	**0.56**	**-**	**16,623.81**	**-**	**1,087.50**	**-**	**1,087.50**	**15,536.31**	**15,414.25**
C. Goodwill (Refer note 45)	**3,566.32**	**-**	**-**	**-**	**3,566.32**	**-**	**-**	**-**	**-**	**3,566.32**	**3,566.32**
Total	**3,566.32**	**-**	**-**	**-**	**3,566.32**	**-**	**-**	**-**	**-**	**3,566.32**	**3,566.32**

6. Non Current Investments
Unquoted

Particulars	Number of Units			Amount (₹ In Lakhs)		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investment in Equity Shares						
i) Subsidiaries (At cost / deemed cost)						
Aadhaar Wholesale Trading and Distribution Limited	43,400,000	40,400,000	40,400,000	21,072.41	19,532.62	19,514.01
Future Consumer Products Limited	900,000	900,000	900,000	2,000.00	2,000.00	2,000.00
Future Food and Products Limited	31,300,000	11,300,000	11,300,000	2,226.47	679.70	223.67
Star and Sitara Wellness Limited	1,809,000	1,809,000	1,809,000	-	-	-
Express Retail Services Private Limited	50,000	50,000	50,000	5.79	5.79	5.79
Future Food Processing Private Limited (formerly known as Future Personal Care and Hygiene Products Private Limited)	2,010,000	10,000	10,000	218.83	1.00	1.00
The Nilgiri Dairy Farm Private Limited	241,435	215,998	215,910	25,263.38	22,772.70	22,732.69
APPU Nutritions Private Limited	240	240	240	210.60	210.60	210.00
Nilgiri's Mechanised Bakery Private Limited	21,600	21,600	21,600	227.83	210.00	210.00
Nilgiris Franchise Private Limited	-	-	-	0.57	0.57	-
Integrated Food Park Private Limited	21,428,100	21,428,100	21,428,100	2,195.48	2,194.52	2,183.96
Bloom Fruit and Vegetables Private Limited	10,000	10,000	-	22.42	1.00	-
FCEL Food Processors Limited (formerly ACK Edutainment Limited)	5,000,000	-	-	3.50	-	-
ii) Joint Ventures (At cost / deemed cost)						
Amar Chitra Katha Private Limited	369,940	369,940	369,940	6,402.76	6,402.76	6,390.00
Aussee Oats Milling (Private) Limited (a Company incorporated in Sri Lanka, face value LKR 10 each)	11,702,189	11,702,189	11,702,189	650.34	650.34	647.76
Aussee Oats India Private Limited	500,001	5,001	-	50.91	0.50	-
Sublime Foods Private Limited	750,000	750,000	750,000	79.86	79.86	75.00
MNS Foods Private Limited	450,001	450,001	-	45.15	45.15	-
Mibelle Future Consumer Products AG (a Company incorporated in Switzerland, face value CHF 1000 each)	100	100	-	237.03	237.03	-
Genoa Rice Mills Private Limited	1,250,000	-	-	125.00	-	-
iii) Associates (At cost / deemed cost)						
Sarjena Foods Private Limited	324,675	324,675	324,675	500.00	500.00	500.00
Investment in Preference Shares						
i) Subsidiaries (At FVTPL)						
Future Consumer Products Limited	145,000	145,000	145,000	130.63	117.60	110.00
The Nilgiri Dairy Farm Private Limited	4,684,270	4,684,270	4,684,270	1,225.86	1,058.80	925.90
ii) Joint Venture (At FVTPL)						
Aussee Oats Milling (Private) Limited (a Company incorporated in Sri Lanka, face value LKR 10 each)	11,380,155	-	-	408.30	-	-
Investment in Debentures (At FVTPL)						
0% Optionally Convertible Debentures of Capital Foods Private Limited *	744,000	744,000	744,000	151.55	135.30	114.10
Total	**138,470,706**	**95,320,114**	**94,854,924**	**63,454.67**	**56,835.84**	**55,843.88**
Share Application Money	-	-	-	148.23	-	-
Grand Total	**138,470,706**	**95,320,114**	**94,854,924**	**63,602.90**	**56,835.84**	**55,843.88**

* The Company subscribed to 2,500,000 optionally convertible debentures ("OCD") issued and allotted by Capital Foods Private Limited ("Capital Foods") on 30th September 2011, at a face value of ₹ 100 each for a total consideration of ₹ 2,500 lakhs. The total tenure of the OCDs is 20 years from the date of issue, expiring on 30th September 2031. The OCDs carry zero coupon interest which unless converted by the Company into equity shares, shall redeem any time on or before the expiry of the term. Upon redemption, the Company is entitled to a redemption amount that will include its investment amount and the redemption premium calculated as per the formula provided in the debenture subscription agreement. The Company is also entitled to a liquidation preference in a liquidation event over any other class of shareholders or securities. At the end of the term, the Company can convert the OCDs into equity shares at a fair market value determined by an independent valuer appointed jointly by the Company and Capital Foods. Before 1st April 2015, the Company has partially redeemed the OCDs to the tune of ₹ 1,756 lakhs.

7. Loans (Unsecured, considered good)

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non-current			
Loans to Related Parties (Refer Note 37)	1,704.04	1,084.32	551.71
Total	**1,704.04**	**1,084.32**	**551.71**
Current			
Loans to Related Parties (Refer Note 37)	22,168.62	8,708.23	4,448.31
Inter-Corporate Deposits	269.35	1,083.97	5,776.49
Total	**22,437.97**	**9,792.20**	**10,224.80**

8. Other financial assets (Unsecured, considered good)

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non-current			
Security Deposits	175.21	185.09	470.81
Other Deposits	55.71	49.42	87.75
Interest Accrued on Deposits	165.27	93.95	7.72
Other receivables	-	42.70	48.76
Bank Deposits with more than 12 months maturity	125.25	747.68	27.50
Total	**521.44**	**1,118.84**	**642.54**
Current			
Security Deposits	55.02	52.03	12,154.28
Other Deposits	1.00	-	-
Other receivables from related parties	12.92	1,280.22	116.97
Interest Accrued on Deposits	1,264.68	605.83	908.98
Receivables on sale of fixed assets	-	-	31.64
Other receivables (Unbilled revenue etc.)	291.62	3.36	45.09
Insurance Claim Receivable	1.00	0.91	6.06
Total	**1,626.24**	**1,942.35**	**13,263.02**

9. Deferred Tax Assets (Net)

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet: **(₹ In Lakhs)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Deferred tax assets	-	-	-
Deferred tax liabilities	-	-	-
Total	**-**	**-**	**-**

9.1 Movement of Deferred Tax

Deferred tax assets/(liabilities) in relation to the year ended 31st March 2017 **(₹ In Lakhs)**

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
Property, plant, equipment and intangible assets	(2,200.52)	(512.71)	-	(2,713.23)
Provision for doubtful debts	-	1.24	-	1.24
Provisions for employee benefits	29.59	174.87	17.58	222.04
Convertible instruments	-	808.01	-	808.01
Taxable temporary differences on financial liability measured at Amortised Cost	(116.66)	55.18	-	(61.48)
	(2,287.59)	526.59	17.58	(1,743.42)
Tax losses	2,287.59	(544.17)	-	1,743.42
	2,287.59	(544.17)	-	1,743.42
Total	**-**	**(17.58)**	**17.58**	**-**

Deferred tax assets/(liabilities) in relation to the year ended 31st March 2016 **(₹ In Lakhs)**

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
Property, plant, equipment and intangible assets	(2,092.91)	(107.61)	-	(2,200.52)
Provision for doubtful debts/ advances	30.65	(30.65)	-	-
Provisions for employee benefits	125.48	(69.19)	(26.70)	29.59
Taxable temporary differences on financial liability measured at Amortised Cost	(441.42)	324.76	-	(116.66)
	(2,378.20)	117.31	(26.70)	(2,287.59)
Tax losses	2,378.20	(90.61)	-	2,287.59
	2,378.20	(90.61)	-	2,287.59
Total	**-**	**26.70**	**(26.70)**	**-**

9.2 Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following: **(₹ In Lakhs)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
- tax losses (revenue in nature)	35,185.84	31,025.00	21,887.66
- tax losses (capital in nature)	1,397.79	1,397.79	1,397.79
Total	**36,583.63**	**32,422.79**	**23,285.45**

Note: The unrecognized tax credits will expire in 2018-2024

9.3 The current tax expense for the year can be reconciled to the accounting profit as follows: **(₹ In Lakhs)**

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Profit before tax from continuing operations	**795.25**	**(5,876.11)**
Income tax expense calculated at 30.9% (2015-2016: 30.9%)	245.73	-
Effect of allowances to the extent of income tax expense	(245.73)	-
Current tax expense recognized in Profit or Loss	**-**	**-**

10. Other assets

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non-current			
Capital Advance	156.54	226.87	472.16
Expenditure for issue of Debentures	-	11.50	-
Expenditure for purchase of Non Current Investment	12.95	15.11	-
Advance Taxes (net)	685.97	1,759.40	1,555.60
Total	**855.46**	**2,012.88**	**2,027.76**
Current			
Advances to employees	46.42	21.92	21.55
Advances given to Suppliers	1,462.27	822.00	1,030.10
Other Advances	163.29	174.77	151.40
Balances with Government authorities	338.39	140.72	49.59
Total	**2,010.37**	**1,159.41**	**1,252.64**

11. Inventories

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Raw Materials	406.68	281.75	-
Finished Goods (other than those acquired for trading)	30.28	4.66	-
Stock - In - Trade	13,655.66	8,702.62	7,865.80
Packing Material	59.43	85.20	246.93
Total	**14,152.05**	**9,074.23**	**8,112.73**

The amount of write down of inventories recognised as an expense during the year is ₹ 102.02 lakhs (Previous year : ₹ 92.46 lakhs).

12. Current Investments

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Certificate of Deposits (Unquoted, at amortised cost)	-	2,000.00	10,000.00
Total	**-**	**2,000.00**	**10,000.00**

13. Trade Receivables (Unsecured)

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current			
Considered good	27,650.93	14,341.17	12,493.38
Considered Doubtful	4.00	1.89	101.08
	27,654.93	**14,343.06**	**12,594.46**
Less: Expected credit loss allowance (for doubtful debts)	(4.00)	(1.89)	(101.08)
Total	**27,650.93**	**14,341.17**	**12,493.38**

14. Cash and Bank balances **(₹ In Lakhs)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Cash and Cash Equivalents			
In Current Accounts	2,693.17	1,419.14	2,363.17
Cheques on Hand	-	0.53	-
Cash on Hand	30.54	24.32	110.62
Total	**2,723.71**	**1,443.99**	**2,473.79**
Other Bank balances			
In Earmarked Accounts:			
- As Margin Money	68.17	-	570.15
Total	**68.17**	**-**	**570.15**

Refer Note 30 for details of Specified Bank Notes (SBN) held and transacted by the Company during the period from 8th November 2016 to 30th December 2016.

During the current year the Company entered into non-cash investment activity of converting Inter Corporate deposit amounting to ₹ 4,866.41 lakhs into investments in Equity instruments. This are not reflected in the statement of cash flows.

15. Equity Share Capital

a)

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No of Shares	₹ In Lakhs	No of Shares	₹ In Lakhs	No of Shares	₹ In Lakhs
Authorised						
Equity Shares of ₹ 6/- each	5,650,000,000	339,000.00	5,650,000,000	339,000.00	5,650,000,000	339,000.00
Unclassified Shares of ₹ 10/- each	1,670,000,000	167,000.00	1,670,000,000	167,000.00	1,670,000,000	167,000.00
Total		**506,000.00**		**506,000.00**		**506,000.00**
Issued, Subscribed and Fully Paid-up Capital						
Equity Shares of ₹ 6/- each	1,662,492,238	99,749.54	1,657,442,038	99,446.52	1,657,144,038	99,428.64
Less : Shares held by ESOP trust treated as treasury shares	(15,221,634)	(913.30)	(11,532,988)	(691.98)	-	-
Total	**1,647,270,604**	**98,836.24**	**1,645,909,050**	**98,754.54**	**1,657,144,038**	**99,428.64**

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 2017		As at 31st March 2016	
	No of Shares	₹ In Lakhs	No of Shares	₹ In Lakhs
Equity shares at the beginning of the year	1,645,909,050	98,754.54	1,657,144,038	99,428.64
Add : Equity shares issued and alloted during the year	200	0.01	-	-
Add : Allotment pursuant to exercise of stock options granted under FVIL Employees Stock Option Plan - 2011	5,050,000	303.00	298,000	17.88
Less : Shares purchased (net) by ESOP trust treated as treasury shares	(3,688,646)	(221.31)	(11,532,988)	(691.98)
Equity shares at the end of the year	**1,647,270,604**	**98,836.24**	**1,645,909,050**	**98,754.54**

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

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No of Shares	% of Holding	No of Shares	% of Holding	No of Shares	% of Holding
Future Capital Investment Private Limited	631,342,055	37.98	84,106,029	5.07	84,106,029	5.08
Arisaig Partners (Asia) Pte. Limited. A/c. Arisaig India Fund Limited	152,043,000	9.15	152,043,000	9.17	152,043,000	9.18
Future Enterprises Limited (formerly known as Future Retail Limited)	150,000,000	9.02	150,000,000	9.05	150,000,000	9.05
Verlinvest SA	140,513,969	8.45	140,513,969	8.48	-	-
Bennett, Coleman and Company Limited	100,376,591	6.04	105,082,200	6.34	121,641,615	7.34
PIL Industries Limited	5,426,902	0.33	132,304,747	7.98	129,804,747	7.83
Gargi Business Ventures Private Limited (Formerly Gargi Developers Private Limited)	100	-	128,878,666	7.78	128,878,666	7.78
Central Departmental Stores Private Limited	100	-	95,838,700	5.78	95,838,700	5.78
BNP Paribus Arbitrage	-	-	-	-	140,753,144	8.49

d) **Share options granted under the Company's employee share option plan**

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note no. 36

e) **Rights, Preferences and Restrictions attached to equity shares :**

- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to vote in proportion to his share of the paid-up capital of the company. Each holder of equity share is entitled to one vote per share.
- In pursuance to the provisions of the Companies Act, 2013 read together with other applicable regulations and in compliance thereto, the Company has entered into separate agreement(s) to issue compulsorily convertible debentures ("CCDs") and equity shares to Black River Food 2 Pte. Ltd ("Black River") and International Finance Corporation ("IFC") on preferential basis.

The rights attached to the CCDs / shares issued to Black River, inter alia, include the following :

1) The right to nominate for appointment of one director ("Black River Nominee Director") to the Board of the Company, as long as: (i) the direct and indirect holding of Black River in the Company, on a fully diluted basis exceeds or is equal to 2% of the Share Capital; and (ii) Black River has not sold, transferred or disposed of more than 40% of its Initial Shareholding.
2) Prior written consent of Black River or Black River Nominee Director would be required to take decisions relating to any of the following matters by the Company and its subsidiaries viz. Aadhaar Wholesale Trading and Distribution Limited and The Nilgiri Dairy Farm Private Limited (as applicable), as long as: (i) The direct and indirect shareholding of Black River in the Company, on a fully diluted basis exceeds or is equal to 2% of the Share Capital of the Company; and (ii) Black River has not sold, transferred or disposed off more than 40% (forty per cent.) of its Initial Shareholding:
   a) disposition, sale, lease, license or transfer (including by way of a demerger) of any undertaking or substantial assets.
   b) any scheme of arrangement, merger, demerger, consolidation, restructuring or reorganization.
   c) any related party transactions or any contract or commitment outside of the ordinary course of business.
   d) exceeding a debt equity ratio of 1:1 calculated on a consolidated basis.

The rights attached to the CCDs / shares issued to IFC, inter alia, include the following :

1) In the event that Black River Asset Management LLC / Black River Food Fund 2 LP / Black River Food Fund 2 Pte Ltd., Verlinvest S.A. and Arisaig Partners (Asia) Pte Ltd ("Relevant Shareholder") does not nominate an individual for appointment to the Board of the Company as its respective nominee Director such that there is no nominee Director of any Relevant Shareholder on the Board, the right to nominate one Director ("IFC Nominee Director") for appointment to the Board of the Company, as long as IFC holds at least two per cent (2%) of the Shares of the Company (on a Fully Diluted Basis) or at least sixty per cent (60%) of the Subscription Securities

2) Prior written consent of IFC would be required to take decisions or actions relating to any of the following matters by the Company and its Key Subsidiaries (as defined in the Investment Agreement) (as applicable)

   a) Change the designation, powers, rights, preferences or privileges, or the qualifications, limitations or restrictions of the IFC Securities, through amendment or repeal of the Charter or otherwise, including any alteration or change in the rights, privileges or preferences or the qualifications, limitations or restrictions of any other Equity Securities of the Company that would result in such Equity Securities having more favourable terms, rights, privileges or preferences than the IFC Securities;

   b) Create, authorize or issue any Equity Securities in the Company having a preference or ranking senior to the IFC CCDs;

   c) Authorize or undertake any Liquidation Event; or

   d) Authorize or undertake any delisting of any Shares of the Company;

f) As at 31st March 2017, 240,497,557 equity shares (FY 2016: 45,176,463 equity shares and FY 2015 - 1,006,000 equity shares) were reserved for issuance as follows:

(i) 20,150,000 equity shares (FY 2016 : 15,700,000 equity shares and FY 2015: 1,006,000 equity shares) of ₹ 6 each towards outstanding employee stock options granted (Refer Note 36)

(ii) 29,476,463 equity shares (FY 2016 : 29,476,463 equity shares and FY 2015 : NIL) of ₹ 6 each towards outstanding share warrants (Refer Note 42)

(iii) 190,871,094 equity shares (FY 2016 : NIL and FY 2015 : NIL) of ₹ 6/- each towards Compulsorily Convertible Debentures. (Refer Note 46)

g) Aggregate number of equity shares allotted as fully paid up without payment being received in cash for the period of 5 years immediately preceding the balance sheet date is 45,918,367 equity shares issued in 2014-15.

16. Other Equity

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Redemption Reserve	5.20	5.20	5.20
Share options outstanding account	2,254.13	1,016.83	11.39
Statutory Reserve under section 45(IC) of RBI Act, 1934	-	-	1,363.06
General Reserve	0.59	0.59	0.59
Securities Premium Account	4,067.29	3,100.88	3,094.90
Equity Component of Compound Financial Instruments	38,021.02	-	-
Capital Reserve for bargain purchase business combinations	314.94	314.94	-
Money received against share warrants (Refer note 42)	1,675.00	1,675.00	-
Retained earnings	(31,506.92)	(31,679.06)	(25,915.56)
Total	**14,831.25**	**(25,565.62)**	**(21,440.42)**

Description of reserves

Capital redemption reserve

As per the provisions of Companies Act, Capital redemption reserve is created out of the general reserve for the amount of share capital reduction in earlier years.

Share options outstanding account

This reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 36.

Statutory Reserve under section 45(IC) of RBI Act, 1934

Under section 45 (IC) of Reserve Bank of India Act, 1934, every Non-Banking Financial Company ("NBFC") shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year. The Company has ceased to be a NBFC since previous year.

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Items included in the general reserve will not be reclassified subsequently to profit or loss.

Securities premium account

Where the Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares was transferred to a "securities premium account" as per the provisions of applicable Companies Act.

Equity component of compound financial instruments

The Company had issued Compulsory Convertible Debentures ("CCD") with each CCD being compulsorily convertible into equity shares of the Company at a fixed conversion price appropriately adjusted for corporate events. The date of conversion of CCDs into equity shares of the Company shall be on the earlier of the occurrence of following events:

a) The investor electing to convert the CCDs by issuing a conversion notice to the Company;

b) The date i.e. 18 months from the date of issue of the CCDs (mandatory conversion date).

The instrument is a compound instrument and therefore total proceeds is divided into 'equity' and 'liability'. The equity portion is recorded under this reserve.

During the year, the Company had issued CCDs for total proceeds of ₹ 43,154.47 lakhs (net of issue expenses). At initial recognition, ₹ 38,021.02 lakhs is recorded as equity component of CCD and ₹ 5,133.45 lakhs is recorded as liability component (Refer note 46). There was no such issue in previous year.

Capital Reserve for bargain purchase business combinations

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years.

Retained earnings

This represents the surplus/(deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

17. Non Current borrowings

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured - at amortised cost			
Term Loans From a Bank	1,348.25	15,913.24	15,585.47
Term Loans From a Financial Institution	5,000.00	-	-
Buyer's Credit	312.53	319.74	-
Debentures :			
11.95% Redeemable Non convertible Debentures (NCD) of ₹ 10 lakhs each	-	5,946.74	9,917.23
10.55% Redeemable Non convertible Debentures of ₹ 1 lakh each	2,436.63	-	-
11.00% Redeemable Non convertible Debentures of ₹ 1 lakh each	2,436.63	-	-
Unsecured - at amortised cost			
Liability component of financial instruments (8.50% Compulsory Convertible Debentures of ₹ 1 lakh each)	-	-	-
Total	**11,534.04**	**22,179.72**	**25,502.70**

Details of security and repayment terms for secured non current borrowings

(₹ In Lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
1	**Term Loan:**				
(i)	**Term loan from bank:** a) Secured by First pari passu charge on Movable fixed assets and second charge on current assets of the company b) Pledge of shares of listed entities Future Enterprises Limited (earlier known as Future Retail Limited) and/ or Future Consumer Limited and/ or Future Lifestyle Fashions Limited to provide cover of 1.25 times the outstanding facility amount c) Personal Guarantee of Mr. Kishore Biyani d) Fixed Deposit ("FD") for 3 months interest payment e) Subservient charge over tangible assets of group companies.	The loan was repaid on 25th April, 2016. Interest: Base rate + 1.25% i.e. presently 11.50% p.a. Interest is paid separately as and when due.	-	11,995.81	11,551.44
(ii)	**Term loan from bank:** a) Secured by First pari passu charge on Movable fixed assets and second charge on current assets of the company b) Pledge of shares of listed entities Future Enterprises Limited (earlier known as Future Retail Limited) and/ or Future Consumer Limited and/ or Future Lifestyle Fashions Limited to provide cover 1.25 times the outstanding facility amount c) Pledge over 30% shareholding of The Nilgiri Dairy Farm Pvt Ltd, Appu Nutritions Private Limited, Nilgiri's Mechanised Bakery Private Limited and Nilgiris Franchise Private Limited. Bank to carry 30% voting rights and 30% economic interest of the shares so pledged. d) Personal Guarantee of Mr. Kishore Biyani e) Subservient charge over tangible assets of other companies. f) FD for 3 months interest payment.	The loan was repaid on 25th April, 2016. Interest: Base rate + 1.25% i.e. presently 11.50% p.a. Interest is paid separately as and when due. "	-	4,078.58	3,927.49
(iii)	**Term loan from bank:** a) First charge on Movable and Immovable fixed assets of the proposed Rice Unit and Flour/Spice processing units at Tumkur Bangalore b) Second charge on current assets of the proposed Rice unit and Flour/ Spice processing units at Tumkur c) Personal Guarantee of Mr. Kishore Biyani d) FD for 3 months interest payment e) Cross collateralization of shares pledged for Term Loan (ii) above.	The Loan is repayable in 19 quarterly installments (next installment due in June 2017). Interest: Base rate + 1.25% i.e. presently 11.50% p.a. Interest is paid separately as and when due.	2,124.74	1,597.96	525.29

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
2	**Term Loan from a financial institution:** a) First ranking pari passu charge over (i) Land and Building owned by subsidiary The Nilgiri Dairy Farm Private Limited (NDF) located at Bangalore and (ii) Land and building owned by subsidiary of NDF, Appu Nutritions Private Limited (Appu) located at Bangalore. b) Irrevocable and unconditional guarantee of Mr Kishore Biyani .	The Loan is repayable in 18 equal quarterly installments staring from December 2017 Interest of 10.90% p.a. Interest to be paid separately as and when due.	5,000.00	-	-
3	**Buyer's Credit from a bank is secured by:** a) First charge on Movable and Immovable fixed assets of the proposed Rice Unit and Flour/Spice processing units at Tumkur Bangalore b) Second charge on current assets of the proposed Rice unit and Flour/ Spice processing units at Tumkur c) Personal Guarantee of Mr. Kishore Biyani d) FD for 3 months interest payment e) Cross collateralization of shares pledged for Term Loan (ii) above.	The loan is repayable in June 2018. Interest @ 8.95% - 9.15% p.a. payable annually (next interest due date in July 2017).	312.53	319.74	-
4	**11.95% NCD:** Secured by exclusive First Charge on specific fixed assets of the company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing and unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon.	Series A of ₹ 4,000 lakhs was repaid in March 2017. Series B of ₹ 6,000 lakhs repayable in March 2018. Interest of 11.95% p.a. is payable quarterly from date of allotment. These debentures are privately placed with mutual funds and are listed in Wholesale Debt Segment of BSE Limited.	5,979.46	9,946.74	9,917.23
5	**10.55% NCD:** a) Secured by exclusive First Charge on specific fixed assets of the company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. NCD is issued in the month of March 2017 for which the Company has a time of 3 months for creation of security. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee.	Series A of ₹ 750 lakhs repayable in September 2018, Series B of ₹ 750 lakhs repayable in March 2019 & Series C of ₹ 1,000 lakhs repayable in March 2020. Interest of 10.55% p.a. payable quarterly from the date of allotment. These Debentures are privately placed and are listed in Wholesale Debt Segment of BSE Limited.	2,436.63	-	-

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
6	**11% NCD:** a) Secured by exclusive First Charge on specific fixed assets of the company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. NCD is issued in the month of March 2017 for which the Company has a time of 3 months for creation of security. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee. "	Series A of ₹ 750 lakhs repayable in September 2018, Series B of ₹ 750 lakhs repayable in March 2019 & Series C of ₹ 1,000 lakhs repayable in March 2020. Interest of 11.00% p.a. payable annually from the date of allotment. These Debentures are privately placed and are listed in Wholesale Debt Segment of BSE Limited.	2,436.63	-	-
7	**8.50% Compulsory Convertible Debentures of ₹ 1 lakh each**	The CCDs shall automatically and compulsorily convert into equity shares on the earlier of the occurrence of following events : a) The investor electing to convert the CCDs by issuing a conversion notice to the Company; b) The date i.e. 18 months from the date of issue of the CCDs (mandatory conversion date). Interest @8.50% p.a. Interest to be paid separately as and when due.	5,525.87	-	-
8	**Vehicle loan from Bank :** Secured against hypothecation of vehicles	Loan was repaid in 2015-16 Rate of interest 9.75%-11.50% p.a.	-	-	7.94
			23,815.86	**27,938.83**	**25,929.39**
	Less: Current maturities of long term debt		12,281.82	5,759.11	426.69
	Total		**11,534.04**	**22,179.72**	**25,502.70**

18. Other financial liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non-current			
Currency Swap Liability	31.93	9.26	-
Total	**31.93**	**9.26**	**-**
Current			
Current Maturities of Long Term Debt (Refer Note 17)	12,281.82	5,759.11	426.69
Interest Accrued but Not Due	193.01	293.63	275.87
Security and Other Deposits Received	131.34	6.34	56.14
Payable on purchase of Fixed Assets	421.30	322.23	42.76
Total	**13,027.47**	**6,381.31**	**801.46**

19. Provisions

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non-current			
Provision for Employee Benefits :			
Provision for Gratuity (Refer Note 34)	333.50	260.72	241.69
Provision for Compensated Absences (Refer Note 34)	238.92	113.89	131.76
Total	**572.42**	**374.61**	**373.45**
Current			
Provision for Employee Benefits :			
Provision for Gratuity (Refer Note 34)	84.52	28.97	26.85
Provision for Compensated Absences (Refer Note 34)	30.20	37.96	43.92
Provision for Bonus	465.66	116.00	153.27
Provision for Standard Assets	-	-	27.36
Total	**580.38**	**182.93**	**251.40**

Movement in Provision for Standard Assets

(₹ In Lakhs)

Particulars	Provision for Standard Assets
Balance as at 1st April 2015	**27.36**
Provisions written back during the year	(27.36)
Balance as at 31st March 2016	**-**

The provision for standard assets relates to the provisioning norms as governed by RBI for NBFC. The Company now ceases to be an NBFC and therefore provision has been written back.

20. Current Borrowings

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured - at amortised cost			
Loans repayable on demand from banks	11,950.50	12,046.22	13,210.84
Other Loans from Bank	3,538.46	4,418.56	14,246.72
Buyer's Credit	212.59	211.38	-
Total	**15,701.55**	**16,676.16**	**27,457.56**

Details of security and repayment terms for secured current borrowings

Nature of Security	Terms of Interest and repayment
Loans repayable on demand from banks (Cash Credit)	
Loan is secured by a) First pari passu charge on all existing and future current assets of the company b) Second Charge on Fixed Assets of the company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	The Cash credit is repayable on demand and carries interest at rates varying from 9.25% to 12.25% p.a.
Other Loans from Bank (Bill Discounting) and Buyer's Credit	
Loan is secured by a) First and/or pari passu charge on all existing and future current assets of the company b) Second Charge on Fixed Assets of the company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani.	The Bill Discounting is repayable on due date and carries interest at rates varying from 11.15% to 11.55% p.a. Buyer's Credit is repayable on due date and carries interest at rates varying from 1.63% to 2.50% p.a.

21. Trade Payables

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Trade Payables (Refer Note 41)	12,712.44	6,959.02	6,549.58
Total	**12,712.44**	**6,959.02**	**6,549.58**

22. Other current liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Statutory Dues (include VAT, TDS, PF, Service tax etc.)	765.91	313.76	279.92
Other Liabilities	89.00	135.35	138.78
Advance received from Customers	85.79	29.36	18.78
Total	**940.70**	**478.47**	**437.48**

23. Revenue from Operations

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Sale of Products	163,999.37	133,312.30
Other Operating revenue *	499.18	488.23
Total	**164,498.55**	**133,800.53**

* Other Operating revenue includes royalty income, scrap sales, etc.

24. Other Income

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Operating lease rent	106.58	9.20
Interest Income		
- Bank Deposits	20.21	57.59
- Inter Corporate Deposits	2,617.12	1,294.10
- Interest on Income tax Refund	293.80	-
- Other Deposits	119.43	1,092.16
Provision no longer required written back	100.00	120.30
Provision for Standard Assets written back	-	27.36
Net gain on financial assets measured at FVTPL	118.34	177.36
Net Gain on Financial guarantees liability amortised	50.85	40.81
Miscellaneous Income	19.09	28.44
Total	**3,445.42**	**2,847.32**

25. Cost of materials consumed

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Opening Stock of Raw materials and others	366.95	246.93
Add: Purchases	3,803.13	3,471.05
Closing Stock of Raw Materials and others	(466.11)	(366.95)
Total	**3,703.97**	**3,351.03**

26. Changes in Inventories of finished goods and stock in trade

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Opening Stock:		
Finished Goods	4.66	-
Stock In trade	8,702.62	7,865.80
	8,707.28	**7,865.80**
Closing Stock:		
Finished Goods	30.28	4.66
Stock In trade	13,655.66	8,702.62
	13,685.94	8,707.28
Total	**(4,978.66)**	**(841.48)**

27. Employee Benefits Expense

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Salaries and Wages	5,056.30	5,378.19
Contribution to Provident and Other Funds (Refer note 34)	319.37	307.78
Expenses on employee stock option (ESOP) scheme (Refer note 36)	935.70	510.73
Staff Welfare Expenses	360.98	289.73
Total	**6,672.35**	**6,486.43**

28. Finance Costs

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest Expense on:		
- Loans	3,607.51	6,223.08
- Others	4.55	1.20
Other borrowing costs	86.80	63.27
Total	**3,698.86**	**6,287.55**

29. Other Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Rent	1,573.33	2,573.83
Warehousing and Distribution Expenses	5,118.45	4,497.88
Electricity expenses	181.57	448.44
Advertisement, Publicity & Selling expenses	1,497.43	550.17
Repairs & Maintenance :		
On Plant and Machinery	8.29	5.35
On Buildings	14.53	2.72
On Others	97.17	138.51
Legal and Professional Charges	524.42	599.56
Provision for Doubtful Debts	4.00	-
Rates and Taxes	512.03	525.09
Insurance	62.89	57.57
Auditor's Remuneration (Refer Note 1 below)	86.66	74.26
Directors Sitting Fees	22.00	19.25
Loss on Sale/Retirement of Fixed Assets	44.34	194.94
Net loss on foreign currency transactions and translation (Refer Note 2 below)	70.85	0.47
Brand Royalty	231.40	575.31
Donation	0.52	0.41
Miscellaneous Expenses	1,932.93	1,736.63
Total	**11,982.81**	**12,000.39**

1. Auditor's Remuneration included in "Other Expenses"

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Audit Fees	52.90	52.66
Tax Audit	5.75	5.73
Other Services	25.71	15.11
Out of Pocket Expenses	2.30	0.76
Total	**86.66**	**74.26**

2. Net loss on foreign currency transactions and translation in "Other Expenses" includes

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Loss on derivative liability measured at FVTPL	22.67	9.26

30. Details of Specified Bank Notes (SBN) held and transacted by the Company during the period from 8th November 2016 to 30th December 2016 is as follows:

(₹ In Lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November 2016	76.05	21.21	97.26
(+) Permitted receipts	-	107.15	107.15
(-) Permitted payments	-	106.91	106.91
(-) Amount deposited in Banks	76.05	0.14	76.19
Closing cash in hand as on 30th December 2016	**-**	**21.31**	**21.31**

31 Segment Information

The Company is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single reporting segment. Hence there is no separate reportable segment under Indian Accounting Standard on Ind AS 108 'Operating Segment'.

31.1 Geographic Information

There are no revenues or non current operating assets from external customers outside India.

32 Earning Per Share

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Profit / (loss) for the year after adjusting non-controlling interest (₹ In lakhs)	777.67	(5,849.41)
Weighted average number of equity shares Outstanding for Basic EPS*	1,812,657,645	1,652,581,822
Add : Weighted Average number of Potential equity shares on account of Employee Stock Options Outstanding	7,879,864	2,894,094
Add :- Share Warrants issued	7,369,116	-
Add: Weighted Average number of Potential equity shares on account of interest conversion on CCD's	12,532,878	-
Weighted average number of equity shares Outstanding for Diluted EPS	1,840,439,503	1,655,475,916
Earnings per share		
- Basic	0.04	(0.35)
- Diluted	0.04	(0.35)

* This has been calculated considering 190,871,095 number of shares to be issued on conversion of CCD's

33 Leasing Arrangement

The Company has entered into operating lease arrangement for its warehouse and office premises. Lease payments for the year 2016-2017 is ₹ 1,573.33 lakhs (Previous year: ₹ 2,573.83 lakhs) and lease income for the year 2016-17 is ₹ 106.58 lakhs (Previous year: ₹ 9.20 lakhs). There are no non-cancellable operating lease.

34 Employee benefit plans

34.1 Defined Contribution Plan

The Company's contribution to provident fund, employee state insurance are determined under the relevant schemes and / or statutes and charged to the Statement of Profit or Loss.

The Company's contribution to Provident Fund for the year 2016-2017 aggregating to ₹ 273.10 lakhs (Previous Year: ₹ 233.37 lakhs) and ₹ 39.74 lakhs (Previous Year: ₹ 70.20 lakhs) for ESIC has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

Defined Benefit Plans

Gratuity

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

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

Interest risk

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

Longevity risk

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

Salary risk

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March 2017 by M/s Asia Pacific Actuarial Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
1. Discount rate	6.80%	8.00%	8.00%
2. Salary escalation	8.00%	8.00%	8.00%
3. Mortality rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
4. Withdrawal Rate	20% to 2% Age based	20% to 2% Age based	20% to 2% Age based
5. Retirement Age	58 years	58 years	58 years

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan **(₹ In Lakhs)**

Particulars	As at 31st March 2017	As at 31st March 2016
Present value of unfunded defined benefit obligation	418.02	289.69
Net liability arising from gratuity	(418.02)	(289.69)

Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in statement of profit or loss, other comprehensive income, movement in defined benefit liability

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
A. Components of expense recognised in the Statement of Profit or Loss(in Employee Benefit Expenses)		
Current service cost	75.45	69.94
Net interest expenses	22.02	24.64
Total (A)	**97.47**	**94.58**
B. Components of defined benefit costs recognised in other Comprehensive Income		
Remeasurement on the net defined benefit liability:		
-Actuarial gains and losses arising from changes in financial assumptions	20.16	-
-Actuarial gains and losses arising from experience adjustments	36.74	(86.40)
Total (B)	**56.90**	**(86.40)**
C. Movements in the present value of the defined benefit obligation		
Opening defined benefit obligation	289.69	268.54
Current service cost	75.45	69.94
Interest cost	22.02	24.64
Acquisition / Divestiture	-	39.50
-Actuarial gains and losses arising from changes in financial assumptions	20.16	-
-Actuarial gains and losses arising from experience adjustments	36.74	(86.40)
Benefits paid	(26.04)	(26.53)
Closing defined benefit obligation (C)	**418.02**	**289.69**

Sensitivity analysis:

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

(₹ In Lakhs)

Increase/ (decrease) in defined benefit liability	As at 31st March 2017	As at 31st March 2016
Impact on discount rate for 100 basis points increase in defined benefit obligation of gratuity	(401.08)	(277.95)
Impact on discount rate for 100 basis points decrease in defined benefit obligation of gratuity	436.50	302.50
Impact on salary escalation rate for 100 basis points increase in defined benefit obligation of gratuity	434.18	300.89
Impact on salary escalation rate for 100 basis points decrease in defined benefit obligation of gratuity	(402.72)	(279.09)

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in methods and assumptions used in preparing the sensitivity analysis from prior years. The weighted average duration of the gratuity plan is 4.86 years (Previous Year: 22 years).

34.2 The Company has recognised an amount of ₹ 155.43 lakhs (Previous Year ₹ (1.07) lakhs) for long term compensated absences in the statement of Profit & Loss Account. Actuarial Assumption for long-term compensated absences are :-

Particulars	**For the Year ended 31st March 2017**	**For the Year ended 31st March 2016**
Discounted Rate	6.80%	8%
Salary Increase	8%	8%
Attrition Rate	20% to 2% Age Based	20% to 2% Age Based
Retirement Age	58 Years	58 Years
Mortality Tables	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

35 Financial Instruments and Risk Review

35.1 Capital Management

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

In order to optimise capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial officer ("CFO") reviews the capital structure of the Company on a regular basis. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital. The Company has a target Debt to Equity ratio of 1:1 determined as the proportion of net debt to equity. The Debt to Equity ratio at 31st March 2017 was 0.32 : 1

Gearing ratio

The gearing ratio at end of the reporting period was as follows :

(₹ In Lakhs)

Particulars	**As at 31st March 2017**	**As at 31st March 2016**	**As at 1st April 2015**
Debt (i)	39,517.41	44,614.99	53,386.95
Cash and bank balances (iii)	2,917.13	2,191.67	3,071.44
Net debt	36,600.28	42,423.32	50,315.51
Equity (ii)	113,667.49	73,188.92	77,988.22
Net debt to equity ratio	0.32	0.58	0.65

(i) Debt is defined as long and short-term borrowings and includes current maturities of long term debt.

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

(iii) Includes bank deposits with more than 12 months maturity shown under other financial assets.

35.2 Categories of financial instruments (₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial assets			
Measured at Amortised Cost			
– Cash and bank balances	2,791.88	1,443.99	3,043.94
– Investments in certificate of deposits	-	2,000.00	10,000.00
– Trade receivables	27,650.93	14,341.17	12,493.38
– Loans	24,142.01	10,876.52	10,776.51
– Other financial assets	2,147.68	3,061.19	13,905.56
Measured at fair value through profit and loss (FVTPL)			
(a) mandatorily measured			
– Investment in Preference Shares	1,764.79	1,176.40	1,035.90
– Investments in Debentures	151.55	135.30	114.10
(b) designated at FVTPL	-	-	-
Measured at fair value through other comprehensive income (FVTOCI)	-	-	-
Financial liabilities			
Measured at Amortised Cost			
– Borrowings*	39,517.41	44,614.99	53,386.95
– Trade payable	12,712.44	6,959.02	6,549.58
– Other financial liabilities	745.65	622.20	374.77
Measured at fair value through profit and loss (FVTPL)			
(a) mandatorily measured			
-Currency swap	31.93	9.26	-
(b) designated at FVTPL	-	-	-

* includes current maturity of long term borrowings

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets measured at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

35.3 Financial risk management objectives

The Company has a Risk Management Committee instituted by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

35.4 Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, interest rates and other price risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide principles on foreign exchange risk and interest rate risk. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

35.5 Foreign Currency Risk Management

The Company's exposure in foreign currencies is limited, however it is exposed to foreign exchange risks arising from some import of goods and services. Foreign exchange risks arises from recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

To manage the foreign exchange risk arising from recognized assets and liabilities, the Company uses spot transactions, foreign exchange forward contracts, according to the Company's foreign exchange risk policy. Corporate Treasury is responsible for managing the net position in each foreign currency and for putting in place the appropriate hedging actions.

The Year end foreign currency exposures are given below :-

Particulars	Foreign Currency	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
		Amount in Foreign Currency (In Lakhs)	Amount Rupees (In Lakhs)	Amount in Foreign Currency (In Lakhs)	Amount Rupees (In Lakhs)	Amount in Foreign Currency (In Lakhs)	Amount Rupees (In Lakhs)
Receivables :							
Trade Receivables & Advances Given (Unhedged)	USD	32.90	2,132.89	18.90	1253.89	1.59	99.60
Payables :							
Trade Payables	USD	1.99	129.26	0.75	49.58	4.23	264.68
	EUR	-	-	0.79	59.23	-	-
Borrowings :							
	USD	7.50	486.27	8.01	531.12	-	-
	EUR	0.56	39.86	-	-	-	-
Total Payables			**655.39**	**-**	**639.93**	**-**	**264.68**
Of the above payables:							
Hedged by derivative Contracts			312.53		319.74		-
Unhedged Payables			342.86		320.19		264.68

Foreign exchange risk sensitivity:

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

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

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017		For the year ended 31st March 2016	
	10% strengthen	10% weakening	10% strengthen	10% weakening
USD	(182.99)	182.99	(99.29)	99.29
EURO	3.99	(3.99)	5.92	(5.92)

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

35.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates.

The following table provides break-up of Company’s fixed and floating rate borrowings:

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Variable interest rate borrowings	17,826.29	34,348.52	43,469.72
Fixed interest rate borrowings	21,691.12	10,266.47	9,917.23
Total	**39,517.41**	**44,614.99**	**53,386.95**
Of the above hedged by currency swaps	312.53	319.74	-

Interest rate risk sensitivity:

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit. A positive is increase in profit and negative is decrease in profit. **(₹ In Lakhs)**

Particulars	For year ended 31st March 2017		For year ended 31st March 2016	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Impact on profit	(89.13)	89.13	(171.74)	171.74

35.7 Other price risks

The Company exposure to other risks arises from investments in preference shares and debentures amounting to ₹ 1,916.33 lakhs (Previous Year ₹ 1,311.70 lakhs). The investments are held for strategic rather than trading purpose.

The sensitivity analysis below have been determined based on the exposure to price risk at the end of the reporting period. If the prices of the above instruments had been 5% higher/lower, profit for the year ended 31st March 2017 would increase/decrease by ₹ 95.82 lakhs (Previous year by ₹ 65.59 lakhs).

35.8 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from entering into derivative financial instruments and from deposits with banks and financial institutions, as well as from credit exposures to customers, including outstanding receivables.

The Company has adopted a policy of only dealing with creditworthy counterparties. Detailed KYC documentation is done before the transaction is done with the customers. Also, majority of the Company’s sales is to other Future Group Companies, hence the risk of realisation of sales money is minimised. The Company’s exposures are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Also periodic reconciliation is being done with the customers. There is no history of bad debts suffered by the company.

Apart from Future Retail Limited, the largest customer of the company, the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to Future Retail Limited did not exceed 84% (Previous Year 77%) of gross trade receivable as at the end of reportIng period. No other single customer accounted for more than 10% of total trade receivable. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The average credit period on sales of goods is 7 to 90 days. No interest is charged on trade receivables.

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables. It takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the past due receivables. There has been no significant change in the credit quality of receivables past due for more than 180 days.

Age of receivables

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
-less than 60 days	20,918.78	13,163.51	10,995.12
-61 to 90 days	4,707.90	666.77	976.12
-91 to 180 days	1,088.45	449.01	460.02
-more than 180 days	935.80	61.88	62.12

35.9 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors. There is an established liquidity risk management framework for the management of the Company's (a) short term, (b) medium term (c) long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived by reference to the conditions existing at the end of the reporting period.

(₹ In Lakhs)

Particulars	Weighted average effective interest rate	Less than 1 year	1 to 5 years	5 years and above	Total	Carrying amount
As at 31st March 2017						
Variable interest rate borrowings	10.33%				-	
Principal		15,922.49	1,955.48	-	17,877.97	17,826.29
Interest		239.85	496.44	-	736.29	-
Fixed interest rate borrowings	11.61%					
Principal		6,555.56	9,756.98	-	16,312.54	21,691.12
Interest*		7,855.62	1,705.45	-	9,561.07	-
Currency swap		-	31.93	-	31.93	31.93
Financial guarantee contracts		3,384.86	9,239.79	-	12,624.65	89.00
Non interest bearing (Trade payable, deposits etc.)		13,265.08	-	-	13,265.08	13,265.08
As at 31st March 2016						
Variable interest rate instruments	11.78%					
Principal		18,435.27	15,859.04	378.50	34,672.81	34,348.53
Interest		1,968.91	4,020.49	18.68	6,008.08	-
Fixed interest rate instruments	12.23%					
Principal		4,000.00	6,319.74	-	10,319.74	10,266.47
Interest		1,195.00	717.00	-	1,912.00	-
Currency swap		-	9.26	-	9.26	9.26
Financial guarantee contracts		3,193.37	10,873.93	-	14,067.30	135.35
Non interest bearing (Trade payable, deposits etc.)		7,287.59	-	-	7,287.59	7,287.59
As at 1st April 2015						
Variable interest rate instruments	12.27%					
Principal		27,884.26	12,032.50	4,898.75	44,815.51	43,469.72
Interest		2,014.44	5,301.32	240.60	7,556.36	-
Fixed interest rate instruments	12.33%					
Principal		-	10,000.00	-	10,000.00	9,917.23
Interest		1,198.27	1,912.00	-	3,110.27	-
Financial guarantee contracts		-	9,752.00	-	9,752.00	138.78
Non interest bearing (Trade payable, deposits etc.)		6,648.48	-	-	6,648.48	6,648.48

* This (less than 1 year) includes interest payable on compulsory convertible debentures of ₹ 5,849.92 lakhs where the investors have the option to elect that such interest be paid in cash.

"The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Company has ₹ 10,298.45 lakhs (Previous Year ₹ 3,323.84 lakhs) undrawn facilities at its disposal to further reduce liquidity risks.

35.10 Fair Value Measurement and related disclosures

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ In Lakhs)

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March 2017	31st March 2016	1st April 2015		
Financial assets at fair value through profit and loss (FVTPL)					
- 0% optionally convertible debenture of Capital Food Limited	151.55	135.30	114.10	Level 2	Present value of the redemption amount is arrived by using the market driven yields to match the tenure of the instrument.
- 1% Non Cumulative Redeemable Preference share of The Nilgiris Dairy Farm Limited	1225.86	1,058.80	925.90	Level 2	Present value of the redemption amount is arrived by using the market driven yields to match the tenure of the instrument.
- 2% Cumulative Redeemable Preference share of Future Consumer Products Limited	130.63	117.60	110.00	Level 2	Present value of the redemption amount is arrived by using the market driven yields to match the tenure of the instrument.
- 0% Non Cumulative Redeemable Preference share of Aussee Oats Milling (Private) Limited	408.30	-	-	Level 2	Present value of the redemption amount is arrived by using the appropriate discount rate to match the expected tenure of the instrument.
Financial liabilities at fair value through profit and loss (FVTPL)					
Currency Swap	31.93	9.26	-	Level 2	Quote from Bank

Financial assets and financial liabilities that are not measured at fair values (but fair values disclosures are required)

The Company considers that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

36 Share Based Payments

36.1 Details of the employee share based plan of the Company

a) The ESOP scheme titled "FVIL Employees Stock Option Plan 2011" (ESOP 2011) was approved by the shareholders at the Annual General Meeting held on 10th August 2010. 50,000,000 options are covered under the ESOP 2011 for 50,000,000 shares. Post listing of equity shares on the stock exchanges, the Shareholders have ratified the pre-IPO scheme.

In the previous years, the Nomination and Remuneration / Compensation Committee of the Company has granted 34,535,000 options under ESOP 2011 to certain directors and employees of the Company and some of its Subsidiaries. The options allotted under ESOP 2011 are convertible into equal number of equity shares. The exercise price of each option is ₹ 6/-.

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

b) The ESOP scheme titled “Future Consumer Enterprise Limited - Employee Stock Option Plan 2014” was approved by the Shareholders vide resolution passed at the Extra Ordinary General Meeting held on 12th January, 2015 and through postal ballot on 12th May 2015 in respect of grant of 31,950,000 options under primary route (ESOP 2014-Primary) and 79,800,000 options under secondary market route (ESOP 2014-Secondary). ESOP 2014 has been implemented through a trust route whereby Vistra ITCL India Limited (Formerly IL&FS Trust Company Limited) has been appointed as the Trustee who monitors and administers the operations of the Trust. In the previous year, the Nomination and Remuneration / Compensation Committee, at its meeting held on 15th May 2015, has granted 15,950,000 options under the ESOP 2014-Secondary to certain directors / employees of the Company and some of its Subsidiaries under the secondary market route. During the current year, the Nomination and Remuneration / Compensation Committee, at its meeting held on 12th August 2016 has granted 10,000,000 options under the ESOP 2014-Primary to certain directors / employees of the Company and some of its Subsidiaries under the primary route. The options allotted under ESOP 2014 are convertible into equal number of equity shares. The exercise price per Option for shares granted under the secondary market route shall not exceed market price of the Equity Share of the Company as on date of grant of Option or the cost of acquisition of such equity shares to the Trust applying FIFO basis, whichever is higher. The exercise price per Option for shares granted under the primary route shall not exceed market price of the Equity Share of the Company as on date of grant of Option, which may be decided by the Nomination and Remuneration / Compensation Committee.

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

The following share-based payment arrangements were in existence during the current and prior years:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Share Price at Grant date	Fair value at grant date (₹)
ESOP 2011	4,200,000	09.11.2012	Note-1 below	6.00	9.90	1.76
ESOP 2011	15,000,000	26.12.2015		6.00	26.15	22.49
ESOP 2014- Secondary	15,950,000	15.05.2015		Note-2 below	11.20	7.05
ESOP 2014- Primary	10,000,000	12.08.2016		21.40	21.50	11.42

Note-1 The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

Note-2 Market price of the Equity Share of the Company as on date of grant of Option or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher.

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

Inputs into the model	ESOP 2011	ESOP 2014-Secondary	ESOP 2014-Primary
Expected volatility (%)	47.15%-56.55%	64.18%	48.88%
Option life (Years)	4-6	4-6	4-6
Dividend yield (%)	0%	0%	0%
Risk-free interest rate (Average)	7.82% - 8.81%	7.55% - 7.91%	7.12%-7.25%

36.3 Movement in share options during the year

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

Particulars	Year ended 31st March 2017		Year ended 31st March 2016	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period				
- ESOP 2011	15,700,000	6.00	1,006,000	6.00
- ESOP 2014-Secondary	15,950,000	Refer Note-2 above	-	-
- ESOP 2014-Primary	-	-	-	-
Granted during the period				
- ESOP 2011	-	-	15,000,000	6.00
- ESOP 2014-Secondary	-	-	15,950,000	Refer Note-2 above
- ESOP 2014-Primary	10,000,000	21.40	-	-
Forfeited during the period				
- ESOP 2011	-	-	8,000	6.00
- ESOP 2014-Secondary	1,036,000	Refer Note-2 above	-	-
- ESOP 2014-Primary	500,000	21.40	-	-
Exercised during the period				
- ESOP 2011	5,050,000	6.00	298,000	6.00
- ESOP 2014-Secondary	2,626,000	13.16	-	-
- ESOP 2014-Primary	-	-	-	-
Expired during the period				
- ESOP 2011	-	-	-	-
- ESOP 2014-Secondary	-	-	-	-
- ESOP 2014-Primary	-	-	-	-
Balance at end of period				
- ESOP 2011	10,650,000	6.00	15,700,000	6.00
- ESOP 2014-Secondary	12,288,000	Refer Note-2 above	15,950,000	Refer Note-2 above
- ESOP 2014-Primary	9,500,000	21.40	-	-

36.4 Share options exercised during the year

The following share options were exercised during the year:

Option scheme	Number exercised	Exercise date	Share price at exercise date (₹)
ESOP 2011	700,000	12.08.2016	21.50
ESOP 2011	4,350,000	27.12.2016	19.60
ESOP 2014-Secondary	2,626,000	Various dates	21.16

36.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1,521 days (Previous year: 1,670 days).

Out of the ESOPs outstanding, the number of options exercisable are as under :-

Particulars	As at 31st March 2017	As at 31st March 2016
- ESOP 2011	150,000	700,000
- ESOP 2014-Secondary	564,000	-

37. Related Party Disclosures

37.1 Names of Related Parties and Nature of Relationship

a. Subsidiary Companies

Aadhaar Wholesale Trading and Distribution Limited
Future Food and Products Limited
Future Consumer Products Limited
Future Food Processing Private Limited
(Formerly known as Future Personal Care and Hygiene Products Private Limited)
Star and Sitara Wellness Limited
Express Retail Services Private Limited
FCEL Overseas FZCO
FCEL Food Processors Limited (formerly known as ACK Edutainment Limited)
The Nilgiri Dairy Farm Private Limited
Appu Nutritions Private Limited
Nilgiri's Mechanised Bakery Private Limited
Nilgiris Franchise Private Limited
Integrated Food Park Private Limited
Bloom Fruit and Vegetables Private Limited

b. Associate

Sarjena Foods Private Limited

c. Joint Ventures

Mibelle Future Consumer Products AG
Amar Chitra Katha Private Limited
ACK Media Direct Limited
IBH Books & Magazines Distributors Limited
Aussee Oats India Private Limited
Ideas Box Entertainment Limited
Aussee Oats Milling (Private) Limited
MNS Foods Private Limited
Genoa Rice Mills Private Limited
Avante Snack Foods Private Limited
Sublime Foods Private Limited

d. Key Management Personnel (KMP) and their relatives

Kishore Biyani
Ashni Biyani
Narendra Baheti (With effect from 30th August 2016)
Rajendra Baheti (With effect from 30th August 2016)
Arun Kumar Agarwal (Upto 4th February 2017)
Archana Baheti (With effect from 30th August 2016)
Sunder Devi Baheti (With effect from 30th August 2016)
Amulya Baheti (With effect from 30th August 2016)
Rajkumari Agarwal (Upto 4th February 2017)

e. Entities which have significant influence over the Company

Future Corporate Resources Limited (Upto 30th March 2017)
Weavette Business Ventures Limited (upto 30th March 2017)
Birthright Games & Entertainment Private Limited (upto 30th March 2017)

f. Entities controlled by KMP and their relatives

Premium Harvest Limited
Future Ideas Company Limited

37.2 Transactions with Related Parties

(₹ in Lakhs)

Nature of transactions	Subsidiary	Associate	Joint Ventures	Key Management Personnel (KMP) and their relatives	Entities which have significant influence over the Company	Entities controlled by KMP and their relatives
Purchase of Investments (Equity and Preference Shares)	4,399.95 (0.60)	- (-)	644.46 (282.53)	- (-)	- (-)	- (-)
Advances Given	- (1,287.48)	- (-)	11.00 (0.30)	- (-)	- (-)	- (-)
Inter Corporate Deposits Given	24,249.79 (7,798.75)	- (-)	6,216.57 (1,795.86)	- (-)	269.35 (239.53)	- (-)
Inter Corporate Deposits Received back	13,546.68 (4,672.31)	- (-)	2,509.27 (397.78)	- (-)	239.53 (221.86)	- (-)
Security Deposit Given	- (5.40)	- (-)	- (-)	- (-)	- (-)	- (-)
Security Deposit Received	- (-)	- (-)	125.00 (-)	- (-)	- (-)	- (-)
Interest Income	1,866.33 (637.59)	- (-)	501.20 (185.45)	- (-)	31.13 (18.99)	- (-)
Rent Income	15.90 (8.40)	- (-)	103.82 (-)	- (-)	- (-)	- (-)
Sales	14,813.62 (4,272.54)	- (-)	103.03 (21.06)	- (-)	- (-)	337.89 (-)
Purchases	1,330.11 (989.31)	200.97 (161.05)	1,438.55 (104.31)	- (-)	- (-)	4,068.93 (-)
Legal & Professional Fees	- (-)	- (-)	- (-)	- (-)	- (-)	13.73 (61.46)
Managerial Remuneration	- (-)	- (-)	- (-)	324.31 (108.03)	- (-)	- (-)
Rent Expenses	524.85 (398.98)	- (-)	- (-)	11.48 (-)	- (-)	43.12 (-)
Royalty Expenses	111.72 (65.12)	- (-)	9.00 (8.99)	- (-)	- (-)	- (23.56)
Recovery of Expenses	460.00 (58.61)	- (-)	146.91 (7.44)	- (-)	- (-)	- (-)
Other Expenses	135.71 (1.53)	- (-)	- (1.54)	- (-)	1.50 (0.81)	98.60 4.73
Sitting Fees	- (-)	- (-)	- (-)	4.00 (2.50)	- (-)	- (-)
Marketing	- (-)	- (-)	- (-)	- (-)	34.50 (-)	- (-)
Share Application	11.29 (-)	- (-)	136.94 (-)	- (-)	- (-)	- (-)
Advance Received	- (-)	- (-)	33.68 (-)	- (-)	- (-)	- (-)
Interest Receivable	898.53 (442.87)	- (-)	366.78 (149.10)	- (-)	- (9.52)	- (-)
Trade Receivable	2,545.47 (1,056.99)	- (-)	26.34 (9.78)	- (-)	- (-)	87.57 (-)
ICDs Outstanding	18,056.87 (7,353.75)	- (-)	5,815.80 (2,199.26)	- (-)	- (239.53)	- (-)

(₹ in Lakhs)

Nature of transactions	Subsidiary	Associate	Joint Ventures	Key Management Personnel (KMP) and their relatives	Entities which have significant influence over the Company	Entities controlled by KMP and their relatives
Trade Payables	379.08 (134.61)	36.68 (17.85)	282.92 (63.60)	- (-)	- (-)	166.50 (-)
Other Payables	- (-)	- (-)	- (-)	- (-)	- (-)	- (11.24)
Other Receivables	385.73 (58.61)	- (200.00)	0.33 (8.19)	- (-)	- (-)	- (-)
Security Deposit Outstanding	70.74 (70.74)	- (-)	- (-)	- (-)	- (-)	- (-)
Security Deposit Received Outstanding	- (-)	- (-)	125.00 (-)	- (-)	- (-)	- (-)
Advances Given Outstanding	- (1,279.92)	- (-)	11.00 (0.30)	- (-)	- (-)	- (-)
Advances Received Outstanding	- (-)	- (-)	33.68 (-)	- (-)	- (-)	- (-)
Corporate Guarantees given	500.00 (1,825.00)	- (-)	2,000.00 (2,905.45)	- (-)	- (-)	- (-)
Corporate Guarantees Outstanding	9,329.05 (7,967.43)	- (-)	10,290.58 (8,437.61)	- (-)	- (-)	- (-)

Figures in bracket represent previous year's figures.

37.3 Disclosure in respect of Material Transactions with Related Parties

(₹ in Lakhs)

Nature of transactions	2016-17	2015-16
Purchase of Investments		
Aadhaar Wholesale Trading and Distribution Limited	1,500.00	-
The Nilgiri Dairy Farm Private Limited	2,499.95	-
MNS Foods Private Limited	-	45.00
Mibelle Future Consumer Products AG	-	237.03
Advances Given		
Genoa Rice Mills Private Limited	11.00	-
Future Food and Products Limited	-	667.04
Future Food Processing Private Limited	-	564.37
Inter Corporate Deposits Given		
Aadhaar Wholesale Trading and Distribution Limited	5,879.14	1,568.12
Amar Chitra Katha Private Limited	3,149.98	988.94
Integrated Food Park Private Limited	7,207.26	4,700.47
The Nilgiri Dairy Farm Private Limited	4,835.54	1,503.11
Inter Corporate Deposits Received back		
Aadhaar Wholesale Trading and Distribution Limited	2,938.45	615.00
Integrated Food Park Private Limited	4,563.47	2,342.00
The Nilgiri Dairy Farm Private Limited	3,751.71	1,690.31
Security Deposit Given		
Integrated Food Park Private Limited	-	5.40
Security Deposit Received		
Genoa Rice Mills Private Limited	125.00	-
Interest Income		
Aadhaar Wholesale Trading and Distribution Limited	380.77	120.94

(₹ in Lakhs)

Nature of transactions	2016-17	2015-16
Amar Chitra Katha Private Limited	237.97	82.56
Aussee Oats Milling (Private) Limited	-	86.23
Integrated Food Park Private Limited	725.56	375.10
The Nilgiri Dairy Farm Private Limited	357.80	138.32
Rent Income		
Aadhaar Wholesale Trading and Distribution Limited	15.90	8.40
Genoa Rice Mills Private Limited	103.82	-
Sales		
Aadhaar Wholesale Trading and Distribution Limited	8,369.78	3,177.37
The Nilgiri Dairy Farm Private Limited	6,097.34	1,095.17
Purchases		
Premium Harvest Limited	4,068.20	-
The Nilgiri Dairy Farm Private Limited	677.57	417.99
Aadhaar Wholesale Trading and Distribution Limited	-	517.32
Sarjena Foods Private Limited	-	161.05
Legal & Professional Fees		
Future Ideas Company Limited	13.73	61.46
Marketing Expenses		
Birthright Games & Entertainment Private Limited	34.50	-
Managerial Remuneration		
Mr. Arun Kumar Agarwal	39.83	37.61
Ms. Ashni Biyani	85.02	70.41
Mr. Narendra Baheti	144.13	-
Mr. Rajendra Baheti	47.67	-
Rent Expenses		
Integrated Food Park Private Limited	478.20	398.98
Royalty Expenses		
Future Consumer Products Limited	111.72	65.12
Future Ideas Company Limited	-	23.56
Recovery of Expenses		
Future Food Processing Private Limited	230.00	29.31
Future Food and Products Limited	230.00	29.31
Mibelle Future Consumer Products AG	146.88	7.44
Other Expenses		
Integrated Food Park Private Limited	119.19	1.53
Future Ideas Company Limited	-	4.73
Premium Harvest Limited	91.68	-
Sitting Fess		
Kishore Biyani	4.00	2.50
Share Application		
Mibelle Future Consumer Products AG	136.94	-
Advance Received		
Genoa Rice Mills Private Limited	33.68	-
Interest Receivable		
Aadhaar Wholesale Trading and Distribution Limited	130.92	84.22
Amar Chitra Katha Private Limited	182.77	-
Aussee Oats Milling Private Limited	150.78	93.95

(₹ in Lakhs)

Nature of transactions	2016-17	2015-16
Future Food Processing Private Limited	156.68	-
Integrated Food Park Private Limited	394.47	257.46
The Nilgiri Dairy Farm Private Limited	-	99.93
Trade Receivable		
Aadhaar Wholesale Trading and Distribution Limited	2,049.03	848.98
The Nilgiri Dairy Farm Private Limited	495.06	208.02
ICDs Outstanding		
Aadhaar Wholesale Trading and Distribution Limited	4,358.81	1,418.12
Amar Chitra Katha Private Limited	3,149.98	988.94
Integrated Food Park Private Limited	7,099.26	4,455.47
The Nilgiri Dairy Farm Private Limited	2,536.93	1,453.11
Aussee Oats Milling Private Limited	-	1,084.32
Trade Payables		
Integrated Food Park Private Limited	160.65	27.07
Mibelle Future Consumer Products AG	135.55	-
Premium Harvest Limited	164.79	-
The Nilgiri Dairy Farm Private Limited	185.33	61.05
Future Consumer Products Limited	-	46.49
Sublime Foods Private Limited	-	45.55
Other Payables		
Future Ideas Company Limited	-	11.24
Other Receivables		
Future Food Processing Private Limited	210.00	29.31
Future Food and Products Limited	174.14	29.31
Sarjena Foods Private Limited	-	200.00
Security Depsoit Outstanding		
Integrated Food Park Private Limited	70.74	70.74
Security Depsoit Received Outstanding		
Genoa Rice Mills Private Limited	125.00	-
Loans and Advances Outstanding		
Genoa Rice Mills Private Limited	11.00	-
Future Food and Products Limited	-	606.15
Future Food Processing Private Limited	-	564.37
Advances Received Outstanding		
Genoa Rice Mills Private Limited	33.68	-
Corporate Guarantees given		
Aussee Oats Milling Private Limited	2,000.00	994.99
The Nilgiri Dairy Farm Private Limited	-	1,700.00
Amar Chitra Katha Private Limited	-	1,300.00
Bloom Fruit and Vegetables Private Limited	500.00	-
Corporate Guarantees Outstanding		
Integrated Food Park Private Limited	6,004.05	6,142.43
Aussee Oats Milling Private Limited	6,380.12	6,527.15
The Nilgiri Dairy Farm Private Limited	2,700.00	1,700.00
Aussee Oats India Private Limited	2,000.00	-

38 Contingent liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Claims against the company not acknowledged as debt*	55.66	61.05	50.98
Disputed Income Tax Demands	2,017.58	2,017.58	2,017.58
Disputed Sales Tax and Excise Matters	66.74	36.93	147.05
Corporate Guarantees issued to banks and financial institutions. (Loans Outstanding as at 31st March 2017 ₹ 12,625.59 lakhs; Previous year ₹ 14,067.30 lakhs)	19,619.63	16,405.04	11,015.98
	21,759.61	**18,520.60**	**13,231.59**

* Does not include cases where liability is not ascertainable.

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

39 Capital Commitment

The estimated amount of contracts remaining to be executed on capital account as at 31st March 2017 is ₹ 1,031.40 lakhs (Previous Year ₹ NIL).

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

(₹ In Lakhs)

Name of the Company	As at 31st March 2017		As at 31st March 2016	
	Outstanding Loan Amount	Maximum Loan Amount Outstanding	Outstanding Loan Amount	Maximum Loan Amount Outstanding
Subsidiaries:				
Aadhaar Wholesale Trading and Distribution Limited	4,358.81	5,729.14	1,418.12	1,418.12
The Nilgiri Dairy Farm Private Limited	2,536.93	4,835.54	1,453.11	1,686.62
Integrated Food Park Private Limited	7,099.26	7,099.26	4,455.47	4,455.47
Nilgiris Franchisee Private Limited	30.33	30.33	27.06	52.06
Star and Sitara Wellness Limited	72.08	72.08	-	-
Bloom Fruit And Vegetables Private Limited	419.00	1,705.00	-	-
Express Retail Services Private Limited	41.92	41.92	-	-
FCEL Food Processors Limited	5.00	5.00	-	-
Future Food Processing Private Limited	2,022.13	2,205.12	-	-
Future Food and Products Limited	1,471.41	1,749.68	-	-
Joint Ventures:*				
Amar Chitra Katha Private Limited	3,149.98	3,149.98	988.94	988.94
Aussee Oats Milling (Private) Limited	1,792.47	2,321.22	1,084.32	1,084.32
Aussee Oats India Private Limited	-	25.00	5.00	5.00
Sublime Food Private Limited	332.96	332.96	101.00	237.79
MNS Food Private Limited	415.38	415.38	20.00	20.00
IBH Books & Magazines Distributors Limited	-	907.86	-	-
	23,747.66	**30,625.47**	**9,553.02**	**9,948.32**

* These Companies are treated as subsidiaries as per the provision of Section 2(87) of the Companies Act, 2013.

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

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	396.62	140.03	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	5.90	1.00	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	7.72	1.82	0.82
Further Interest Remaining Due and payable for earlier periods	1.82	0.82	-

42 During the previous year, pursuant to approval granted by the Shareholders of the Company at an Extra Ordinary General Meeting held on 22nd January 2016, the Committee of Directors of the Board of Directors of the Company had on 5th February 2016 issued and allotted 6,700 Warrants of ₹ 100,000/- each to Srishti Mall Management Company Private Limited ("Srishti"), a promoter group company, on preferential allotment basis upon receipt of ₹ 1,675 lakhs from Srishti being 25% of the total consideration price for the warrants. The warrant holder may exercise the warrants at any time before expiry of 18 months from the date of allotment of warrants. Upon such exercise and on payment of balance 75% of the total consideration amount by the warrant holder, the warrants shall be converted into equity shares at a conversion price of ₹ 22.73 per equity share.

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

43 During the previous year, the Company had re-aligned its business by way of shifting the operations of convenience stores to be undertaken under a Franchisee model. Under the new model all the convenience stores which earlier were operated by the Company and/or its subsidiaries under various format brands "KB's Fair Price", "KB's Conveniently Yours", "Big Apple", "Aadhaar" and "Nilgiris" are now operated by the franchisee appointed by the Company. As a result of the above, the Company does not operate any convenience stores either directly by itself or by any of the above mentioned subsidiaries.

44 Addition to Capital Work in Progress during the year includes borrowing cost amounting to ₹ 270.98 lakhs (Previous Year ₹ 81.30 lakhs)

45.1 The carrying amount of Goodwill is as follows :-

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
a) KBFP CGU	614.50	614.50	614.50
b) COP CGU	2,951.82	2,951.82	2,951.82

KBFP CGU represents convenience store chain KB's Fairprice and Big Apple. These stores were mainly operated in Delhi, Mumbai and Bangalore. These store formats are typically located in closed proximity of customers in easy accessible locations . These stores are designed as low frills stores, the business model hinges on low operating as well as low capex costs and high turns for the goods sold within the stores.

Center of Plate (COP) CGU is into the business of procuring, processing and supplying agricultural commodities in loose and packed form under various brands.

Goodwill

The recoverable amount of Goodwill is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 16.36% per annum respectively. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate (for all CGU and Subsidiaries) which is the projected long-term average growth rate for the industry. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

As at transition date, the Company carried out a review of the recoverable amount of KBFP CGU as mandated under Ind-AS 101. The review led to the recognition of an impairment loss in Goodwill of ₹ 7,352.51 lakhs which has been recognised in retained earnings. The recoverable amount of the relevant assets has been determined on the basis of their value in use, which amounted to ₹ 614.50 lakhs as at 1st April 2015. The discount rate used in measuring value in use was 14% per annum. No impairment assessment under previous GAAP was performed in 2014-2015 as there was no indication of impairment. The business was relatively new with a long gestation period.

45.2 Brand Kara is considered to have indefinite useful life based on the management assessment that the same will continue to generate future cash flows for the Company indefinitely. The recoverable amount is ₹ 1,209 lakhs (Previous Year : ₹ 1,209 lakhs). The recoverable amount of brand "Kara" is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 17% per annum respectively. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate which is the projected long-term average growth rate for the industry. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the brand.

46.1 During the previous year, pursuant to approval granted by the Shareholders of the Company at an Extra Ordinary General Meeting held on 22nd January 2016, the Company had on 26th April 2016 issued and allotted 100 Equity Shares of ₹ 6 each at a premium of ₹ 16.73 per equity share and 29,985 CCDs of ₹ 100,000/- each to Black River Food 2 Pte. Limited ("Black River") upon receipt of ₹ 29,985.02 lakhs, on preferential allotment basis.

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

46.2 Pursuant to approval granted by the Shareholders of the Company at an Extra Ordinary General Meeting held on 17th June 2016, the Company has on 2nd July 2016 issued and allotted 100 Equity Shares of ₹ 6 each at a premium of ₹ 16.73 per equity share and 13,400 CCDs of ₹ 100,000/- each to International Finance Corporation ("IFC") upon receipt of an aggregate amount of ₹ 13,400.02 lakhs, on preferential allotment basis.

The CCDs shall carry a coupon of 8.50% per annum compounded quarterly on a cumulative basis from the date of allotment. The CCDs shall be converted into equity shares of the Company at a conversion price of ₹ 22.73 per equity share on the earlier of following events (i) IFC electing to convert the CCDs into equity sharers by issuing a conversion notice to the Company; and (ii) the last date falling within 18 months from the allotment of CCDs. In the event of unpaid coupons, if any, IFC shall be entitled to such number of equity shares, equivalent to the amount of coupons remaining unpaid, at a conversion price of ₹ 22.73 for each equity share.

47 Business combinations

Business acquired

Particulars	Principal activity	Acquisition date	Consideration paid in Cash (₹ In Lakhs)
Consumer Product Division of Grasim Industries Limited (KARA)	Manufacture and distribution of skin care, baby care and home care wet wipes and hand sanitizers	15th July 2015	1,003.00

Above business was acquired so as to continue the expansion of the Company's activities in FMCG sector.

Assets acquired and liabilities recognised at fair value on the date of acquisition

Particulars	₹ In Lakhs
Current assets	
Trade and other receivables	80.90
Inventories	126.58
Other Current Assets	2.32
Non-current assets	
Property, plant and equipment	164.07
Intangible Assets - Brands	1,209.00
Other Non-Current Assets	0.98
Current liabilities	
Trade and other payables	150.80
Other Current Liabilities and Provisions	114.69
Non-current liabilities	
Other Non Current Liabilities	0.42
Net assets acquired	**1,317.94**

Capital Reserve arose in the acquisition of KARA amounting to ₹ 314.94 lakhs which has directly been recognized in Equity. The consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce.

No Cash and cash equivalent has been obtained under this acquisition. Acquisition-related costs amounting to ₹ 88.42 lakhs have been excluded from the consideration transferred and have been recognised as an expense in statement of profit or loss in the year of acquisition, within the 'Other expenses' line item.

Revenue for the year 31st March 2016 includes ₹ 1,215 lakhs in respect of business acquired. Profit for the year in respect of business acquired cannot be ascertained separately as this being a division, no separate books of accounts are maintained.

Had these business combinations been effected at 1st April 2015, the revenue of the Company from continuing operations for year ended 31st March 2016 would have been ₹ 134,408.03 lakhs. The Company considers these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Company on an annualized basis and to provide a reference point for comparison in future periods.

48 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 Deposits	32,917.33 (10,876.52)	60 - 1,095 days	12% to 13.2%	General Corporate purpose
Investment Made	128.50 (63,172.00)	Not Applicable	Not Applicable	Not Applicable
Guarantees Given	2,500.00 (16,405.04)	Not Applicable	Not Applicable	Availment of Term Loan / Working Capital

Figures in brackets relate to previous year

49 Approval of Financial Statements

The Financial Statements were approved for issue by the Board of Directors on 26th May 2017.

50 First Time Ind AS Adoption Reconciliation

50.1 A reconciliation of the total equity to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarized as follows:

(₹ in Lakhs)

Particulars	**Notes**	**As at 31st March 2016**	**As at 1st April 2015**
Total equity under previous GAAP		88,133.58	92,530.07
(Add)/Less: Impact of adjustments as follows :-			
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	A	7,013.01	7,174.71
Measurement of financial guarantee contracts issued (net of tax)	B	(40.81)	-
Impact of recognising the cost of Employee stock option scheme at Fair Value	C	(500.69)	-
Measurement of Financial Liability at Amortised Cost using Effective Interest Rate Method	D	(389.05)	(1,428.54)
Accounting of business combination under Ind AS	E	(226.52)	-
Adoption of fair value as deemed cost of Property, plant and equipment (net of tax), Impairment of Goodwill and reversal of Depreciation / Amortisation	F	7,059.89	8,795.68
Reduction of treasury shares from Equity	G	2,028.83	-
Total Equity under Ind-AS		**73,188.92**	**77,988.22**

50.2 A reconciliation of the total comprehensive income to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarized as follows:

(₹ in Lakhs)

Particulars	**Notes**	**As at 31st March 2016**
Loss After tax as reported under previous GAAP		(6,355.01)
(Add)/Less: Impact of adjustments as follows :-		
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	A	161.70
Measurement of financial guarantee contracts issued (net of tax)	B	40.81
Impact of recognising the cost of Employee stock option scheme at Fair Value	C	(245.09)
Reversal of Depreciation / Amortisation	F	1,735.79
Measurement of Financial Liability at Amortised Cost using Effective Interest Rate (EIR) Method	D	(1,039.49)
Accounting of business combination under Ind AS	E	(88.42)
Remeasurement of defined benefit obligation recognized in other comprehensive income (net of tax)		(59.70)
Loss after Tax as reported under Ind AS		**(5,849.41)**
Other comprehensive for the year (Net of tax)		59.70
Total Comprehensive income under Ind AS		**(5,789.71)**

Notes

A. Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS certain financial assets (preference shares and optionally convertible debentures) are measured at fair value through statement of profit or loss which has resulted into a reduction of equity by ₹ 4,423.27 lakhs as at transition date.

The Company have considered fair value of Investment in a Joint venture as deemed cost on transition date. This has resulted in reduction of equity by ₹ 2,751.44 lakhs as at transition date. The aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount is ₹ 48,165.11 lakhs and aggregate deemed cost of those investments for which deemed cost is their fair value is ₹ 6,390.00 lakhs as at transition date.

B. Under previous GAAP, there was no accounting for fair value of financial guarantees given. Under Ind AS the financial guarantees given on behalf of subsidiaries, Joint ventures and associates are fair valued on the date on giving the guarantee and subsequently unwound over the period of guarantee given.

C. Under previous GAAP, the cost of Employee Stock Option Scheme was recognised using the intrinsic value method. Under Ind AS the same is recognised based on fair value of the options as on the grant date and amortised over vesting period. Cost of employee stock option given to employees of subsidiaries of the Company is accounted as deemed investment under Ind AS.

D. Under previous GAAP, interest expense was recognized based on contractual rate and fund raising expenses was charged off in statement of Profit or Loss when incurred. Under Ind AS interest is charged based on Effective Interest Rate method.

E. Under Ind AS assets acquired and liabilities assumed are measured at fair value as on acquisition date (Refer Note no 47). Expenses related business acquisition are charged to statement of profit or loss in the period it occurs.

F. In accordance with Ind AS 101, the Company has elected to measure certain items of PPE at fair value as at transition date. This fair values are considered as deemed cost. All other assets are measured as per Ind AS 16. This resulted in increase in deemed cost of land by ₹ 121.10 lakhs and decrease in deemed cost of other Property, plant and Equipment by ₹ 1,564.27 lakhs as at transition date. Goodwill has been tested for impairment in accordance with Ind AS 101 and an impairment loss of ₹ 7,352.51 lakhs has been recognized as at transition date. Under previous GAAP, Goodwill and brands was amortised based on estimated useful life. Under Ind AS Goodwill and brand having indefinite useful life is tested for impairment on transition date as well as subsequent balance sheet date. Certain items of PPE has been fair valued under Ind AS on transition date. Depreciation is provided accordingly. The same has resulted in decrease of depreciation/amortisation expenses by ₹ 1,735.79 lakhs for previous year.

G. Shares acquired by trust under employee share based option plan are accounted as treasury shares.

50.3 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016:

(₹ in Lakhs)

Particulars	**Previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**
Net cash flows from operating activities	7,112.15	1,775.40	8,887.55
Net cash flows from investing activities	5,317.58	238.45	5,556.03
Net cash flows from financing activities	(13,463.17)	(2,010.21)	(15,473.38)
Net increase (decrease) in cash and cash equivalents	**(1,033.44)**	**3.64**	**(1,029.80)**
Cash and cash equivalents at the beginning of the year	2,473.79	-	2,473.79
Cash and cash equivalents at the end of the year	**1,440.35**	**-**	**1,443.99**

Notes:

a) Shares acquired by trust (Net) amounting to ₹ 2,028.85 lakhs under employee share based option plan are accounted as treasury shares and reflects in Net cash flow from financing activities. In previous GAAP the same was reflected as increase/decrease in advance under Net cash flows from operating activities.

b) Expenses related to business combination amounting to ₹ 88.42 lakhs was capitalized under previous GAAP and reflected in Net cash flows from investing activities. The same has been charged to statement of profit or loss under Ind AS.

c) Bank Balances not considered in Cash and Cash equivalents (net) amounting to ₹ 150.03 lakhs was reflected in Net cash flows from investing activities under previous GAAP. The same has been considered in working capital changes under Ind AS.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FUTURE CONSUMER LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **FUTURE CONSUMER LIMITED** (formerly known as Future Consumer Enterprise Limited) (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its associate and its joint ventures, comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the auditors on separate financial statements of the subsidiaries, the associate and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at 31st March, 2017, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements 14 subsidiaries (including sub-subsidiaries), whose financial statements reflect total assets of Rs. 62,904.45 lakhs as at 31st March, 2017, total revenues of Rs. 65,014.19 lakhs and net cash inflows amounting to Rs. 3,053.71 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 2,180.21 lakhs for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of 1 associate and 7 joint ventures and their 4 subsidiaries, 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associate is based solely on the reports of the other auditors.

(b) The consolidated Ind AS financial statements include the Group's share of net loss of Rs. 231.09 lakhs for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of 1 joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been subject to a limited audit as per the laws of its country of incorporation and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on such limited audit financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

(c) The comparative financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 01st April 2015 in respect of 14 subsidiaries, 1 associate and 7 joint ventures and their 4 subsidiaries included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements of subsidiaries, associate and joint venture companies incorporated in India, referred in the Other Matters paragraph above 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 Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate company and joint venture companies incorporated in India, none of the directors of the Group companies, its associate company and joint venture companies incorporated in India is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, associate company and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's, subsidiary companies', associate company's and joint venture companies' (incorporated in India) internal financial controls over financial reporting.

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

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint ventures, in accordance with the generally accepted accounting practice.

      ii. The Group, its associate and joint ventures 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 Parent and its subsidiary companies, associate company and joint venture companies incorporated in India.

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us by the Management of the respective Group entities. In respect of one subsidiary, however, the auditors were unable to obtain sufficient and appropriate audit evidence to report on whether the above disclosures in respect of the subsidiary are in accordance with the books of accounts maintained by the company.

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

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

Place: Mumbai
Date: 26th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **FUTURE CONSUMER LIMITED** (hereinafter referred to as "the Parent") and its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to, 13 subsidiary companies, 1 associate company and 5 joint ventures and their 4 subsidiaries, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

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

Place: Mumbai
Date: 26th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

(₹ In Lakhs)

Particulars	Note	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
ASSETS				
(1) Non Current Assets				
(a) Property, plant and equipment	5	44,936.97	39,256.13	37,788.54
(b) Capital Work-in-progress		6,071.90	3,677.50	225.97
(c) Investment Property	5	718.35	910.37	918.54
(d) Goodwill	5	16,769.35	16,769.35	16,769.35
(e) Other Intangible Assets	5	21,986.44	22,709.89	22,589.72
(f) Intangible Assets under development		2,873.37	-	-
(g) Financial Assets				
(i) Investments				
(a) Investments in associates	6	243.03	314.03	406.49
(b) Investments in joint ventures	6	3,501.59	5,242.54	7,167.26
(c) Other Investments	6	291.64	137.27	116.40
(ii) Loans	7	1,704.04	1,084.32	551.71
(iii) Other financial assets	8	1,011.80	1,619.25	1,242.02
(h) Deferred Tax Assets (net)	9	10.75	6.77	1.81
(i) Other non-current assets	10	2,566.84	4,566.53	3,876.78
Total non-current assets		**102,686.07**	**96,293.95**	**91,654.59**
(2) Current Assets				
(a) Inventories	11	17,573.37	11,006.38	9,979.19
(b) Financial Assets				
(i) Investments	12	0.30	2,000.30	10,000.16
(ii) Trade Receivables	13	32,415.02	16,497.10	13,447.06
(iii) Cash and Cash Equivalents	14	4,680.88	1,700.44	2,982.65
(iv) Bank Balances other than (iii) above	14	73.27	-	570.15
(v) Loans	7	6,381.10	2,438.45	5,997.49
(vi) Other financial assets	8	1,635.05	709.59	13,074.62
(c) Other current assets	10	3,733.92	2,573.82	2,332.19
Total current assets		**66,492.91**	**36,926.08**	**58,383.51**
TOTAL ASSETS		**169,178.98**	**133,220.03**	**150,038.10**
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	15	98,836.24	98,754.54	99,428.64
(b) Other Equity	16	(9,986.15)	(43,307.72)	(34,299.36)
Equity attributable to owners of the Group		**88,850.09**	**55,446.82**	**65,129.28**
(c) Non-controlling interests	17	779.65	1,220.06	1,548.86
Total Equity		**89,629.74**	**56,666.88**	**66,678.14**
LIABILITIES				
(2) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	15,419.23	27,199.92	30,798.25
(ii) Other financial liabilities	19	813.89	738.44	811.85
(b) Provisions	20	703.06	509.50	625.81
(c) Deferred Tax liabilities (net)	9	4,409.10	4,336.79	4,336.78
(d) Other non-current liabilities	21	4,381.77	4,210.28	4,426.23
Total non-current liabilities		**25,727.05**	**36,994.93**	**40,998.92**
(3) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	18,420.79	20,407.91	29,078.14
(ii) Trade Payables	23	16,711.81	9,934.63	9,847.28
(iii) Other financial liabilities	19	16,312.73	7,850.22	2,316.89
(b) Other current liabilities	21	1,553.74	970.57	773.08
(c) Provisions	20	823.12	394.89	345.65
Total current liabilities		**53,822.19**	**39,558.22**	**42,361.04**
TOTAL EQUITY AND LIABILITIES		**169,178.98**	**133,220.03**	**150,038.10**
See accompanying Notes to the consolidated financial statements	1-51			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place : Mumbai
Date : 26th May 2017

For and on behalf of the Board of Directors

G.N.Bajpai
Chairman

Ashni Biyani
Wholetime Director

Manoj Gagvani
Company Secretary & Head - Legal

Manoj Saraf
Chief Financial Officer

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Lakhs except per share data)

Particulars	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
1. Revenue			
(a) Revenue from Operations	24	211,584.07	170,207.34
(b) Other Income	25	2,504.10	2,732.48
Total Revenue		**214,088.17**	**172,939.82**
2. Expenses			
(a) Cost of materials consumed	26	17,789.71	15,625.14
(b) Purchase of stock-in-trade (traded goods)		171,136.98	129,892.89
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(6,619.58)	(843.92)
(d) Employee Benefits Expenses	28	9,805.80	9,791.66
(e) Finance Costs	29	4,482.77	7,021.64
(f) Depreciation and Amortisation expenses	5	3,260.60	2,835.95
(g) Other Expenses	30	18,506.27	17,383.25
		218,362.55	**181,706.61**
3. Loss before Tax (1-2)		**(4,274.38)**	**(8,766.79)**
4. Tax Expense			
Current Tax	9	-	6.16
Deferred Tax (Credit) / Expense	9	88.94	(26.69)
Net tax expense / (benefit)		**88.94**	**(20.53)**
5. Loss after taxation before Non-controlling interest and Share of Associates (3-4)		**(4,363.32)**	**(8,746.26)**
6. Share of (loss) in Associate Company and Joint Ventures		(2,180.21)	(2,350.76)
7. Non-controlling interest		442.98	328.80
8. Loss after Share of Associates and Non-controlling interest (5+6+7)		**(6,100.55)**	**(10,768.22)**
9. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plans		(39.25)	79.78
- Share of other comprehensive income in Associate Company and Joint Ventures		(214.55)	51.05
(ii) Income tax relating to items that will not be reclassified to profit or loss		17.58	(26.70)
		(236.22)	**104.13**
10. Total Comprehensive Income (8+9)		**(6,336.77)**	**(10,664.09)**
Loss for the year attributable to :			
- Owners of the company		(6,100.55)	(10,768.22)
- Non-controlling interests		(442.98)	(328.80)
		(6,543.53)	**(11,097.02)**
Other Comprehensive income for the year attributable to :			
- Owners of the company		(236.22)	104.13
- Non-controlling interests		-	-
		(236.22)	**104.13**
Total Comprehensive income for the year attributable to :			
- Owners of the company		(6,336.77)	(10,664.09)
- Non-controlling interests		(442.98)	(328.80)
		(6,779.75)	**(10,992.89)**
Basic and Diluted Earnings per Share(Face Value ₹ 6/- each)	33	**(0.34)**	**(0.65)**
See accompanying Notes to the consolidated financial statements	1-51		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place : Mumbai
Date : 26th May 2017

For and on behalf of the Board of Directors

G.N.Bajpai
Chairman

Ashni Biyani
Wholetime Director

Manoj Gagvani
Company Secretary & Head - Legal

Manoj Saraf
Chief Financial Officer

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017

a. Equity Share Capital

(₹ In Lakhs)

Particulars	Amount
Balance as at 1st April 2015	**99,428.64**
Changes in Equity Share capital during the Year	
- Issue of Equity shares under employee share option plan (ESOP) (Refer Note 38)	17.88
- Shares purchased (net) by ESOP trust treated as treasury Shares	(691.98)
Balance as at 31st March 2016	**98,754.54**
Changes in Equity Share capital during the Year	
- Equity shares issued and allotted during the year (Refer Note 48)	0.01
- Issue of Equity shares under employee share option plan (ESOP) (Refer Note 38)	303.00
- Shares purchased (net) by ESOP trust treated as treasury Shares	(221.31)
Balance as at 31st March 2017	**98,836.24**

b. Other Equity

(₹ In Lakhs)

Particulars	Equity Component of compound financial instruments	Reserves & Surplus							Money received against share warrants	Attributable to owners of the Group	Non-controlling interests ("NCI")	Total
		Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Statutory Reserve under section 45(IC) of RBI Act, 1934	Capital redemption reserve	Retained Earnings				
Balance at 1st April 2015	**-**	**-**	**3,094.90**	**0.59**	**11.39**	**1,363.06**	**5.20**	**(38,774.50)**	**-**	**(34,299.36)**	**1,548.86**	**(32,750.50)**
Loss for the year	-	-	-	-	-	-	-	(10,768.22)	-	(10,768.22)	(328.80)	**(11,097.02)**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	104.13	-	104.13	-	**104.13**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(10,664.09)**	**-**	**(10,664.09)**	**(328.80)**	**(10,992.89)**
Recognition of share-based payments	-	-	-	-	1,011.42	-	-	-	-	1,011.42	-	**1,011.42**
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	-	(1,336.85)	-	(1,336.85)	-	**(1,336.85)**
Transfer to securities premium on exercise of ESOP	-	-	5.98	-	(5.98)	-	-	-	-	-	-	**-**
Transfer to retained earning on cancellation of registration as an NBFC	-	-	-	-	-	(1,363.06)	-	1,363.06	-	-	-	**-**
Issue of Share Warrants	-	-	-	-	-	-	-	-	1,675.00	1,675.00	-	**1,675.00**
Business Combination (Refer Note 40)	-	314.94	-	-	-	-	-	-	-	314.94	-	**314.94**
Acquisition of stake of Non-controlling interest	-	-	-	-	-	-	-	(8.66)	-	(8.66)	-	**(8.66)**
Others	-	-	-	-	-	-	-	(0.12)	-	(0.12)	-	**(0.12)**
Balance at 31st March 2016	**-**	**314.94**	**3,100.88**	**0.59**	**1,016.83**	**-**	**5.20**	**(49,421.16)**	**1,675.00**	**(43,307.72)**	**1,220.06**	**(42,087.66)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Lakhs)

Particulars	Equity Component of compound financial instruments	Reserves & Surplus							Money received against share warrants	Attributable to owners of the Group	Non-controlling interests ("NCI")	Total
		Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Statutory Reserve under section 45(IC) of RBI Act, 1934	Capital redemption reserve	Retained Earnings				
Loss for the year	-	-	-	-	-	-	-	(6,100.55)	-	(6,100.55)	(442.98)	**(6,543.53)**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(236.22)	-	(236.22)	-	**(236.22)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6,336.77)**	**-**	**(6,336.77)**	**(442.98)**	**(6,779.75)**
Additional NCI on new subsidiary	-	-	-	-	-	-	-	-	-	-	2.57	**2.57**
Recognition of share-based payments	-	-	-	-	2,367.45	-	-	-	-	2,367.45	-	**2,367.45**
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	-	(729.98)	-	(729.98)	-	**(729.98)**
Transfer to securities premium on exercise of ESOP	-	-	966.38	-	(966.38)	-	-	-	-	-	-	**-**
Transfer to retained earning on exercise of ESOP	-	-	-	-	(163.77)	-	-	163.77	-	-	-	**-**
Issue of compulsory convertible debentures (Refer Note 48)	38,021.02	-	-	-	-	-	-	-	-	38,021.02	-	**38,021.02**
Others	-	-	-	-	-	-	-	(0.18)	-	(0.18)	-	**(0.18)**
Issue of Shares	-	-	0.03	-	-	-	-	-	-	0.03	-	**0.03**
Balance at 31st March 2017	**38,021.02**	**314.94**	**4,067.29**	**0.59**	**2,254.13**	**-**	**5.20**	**(56,324.32)**	**1,675.00**	**(9,986.15)**	**779.65**	**(9,206.50)**

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

G.N.Bajpai
Chairman

Ashni Biyani
Wholetime Director

Manoj Gagvani
Company Secretary & Head - Legal

Manoj Saraf
Chief Financial Officer

Place : Mumbai
Date : 26th May 2017

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Lakhs)

	Particulars	For the year ended 31st March 2017		For the year ended 31st March 2016	
A.	**Cash flows from operating activities**				
	Loss for the year		(6,543.53)		(11,097.02)
	Adjustments for:				
	Income tax expense recognised in profit or loss	88.94		(20.53)	
	Share of Profit/(Loss) of associates and Joint Venture	2,180.21		2,350.76	
	Finance costs recognised in profit or loss	4,482.77		7,021.64	
	Interest income recognised in profit or loss	(1,085.88)		(1,821.71)	
	Interest on income tax refund	(313.93)		(12.94)	
	Provision no longer required written back	(114.18)		(241.90)	
	(Gain) / Loss on disposal of property, plant and equipment	(89.46)		211.44	
	Provision for Standard assets written back	-		(27.36)	
	Net (gain)/loss arising on financial assets mandatorily measured at fair value through profit or loss	60.64		(36.53)	
	Impairment loss recognised on trade receivables or reversal thereof	51.85		83.75	
	Depreciation and amortisation of non-current assets	3,260.60		2,835.95	
	Expense recognised in respect of equity-settled share-based payments	1,020.67	9,542.23	555.39	10,897.96
			2,998.70		**(199.06)**
	Movements in working capital:				
	(Increase)/decrease in trade and other receivables	(14,586.88)		9,449.36	
	(Increase)/ decrease in inventories	(6,566.98)		(900.61)	
	(Increase)/decrease in other assets	(982.27)		(323.51)	
	Increase/ (Decrease) in trade payables	6,777.19		(178.55)	
	Increase/ (Decrease) in provisions	582.53		35.10	
	Increase/(Decrease) in other liabilities	2,422.56	(12,353.85)	390.13	8,471.92
	Cash flow from / (used in) operations		**(9,355.15)**		**8,272.86**
	Income taxes paid		1,239.09		(321.99)
	Net cash flow from / (used in) operating activities		**(8,116.06)**		**7,950.87**
B.	**Cash flow from investing activities**				
	Payments to acquire financial assets		(311.01)		(291.31)
	Proceeds on sale of financial assets		2,000.00		8,015.52
	Inter Corporate deposit (given) / refunded (Net)		(5,048.67)		3,026.43
	Interest received		658.14		2,336.74
	Payments for property, plant and equipment		(9,151.38)		(7,381.50)
	Proceeds from disposal of property, plant and equipment		133.90		530.41
	Payments for investment property		(330.23)		-
	Proceeds from disposal of investment property		652.64		-
	Payments for intangible assets		(3,342.33)		(37.77)
	Net cash outflow on acquisition of Business Unit		-		(1,003.00)
	Net cash flow from / (used in) investing activities		**(14,738.94)**		**5,195.52**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Lakhs)

	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
C.	**Cash flows from financing activities**		
	Proceeds from issue of equity instruments of the Company	303.05	17.88
	Proceeds from issue of share warrants	-	1,675.00
	Purchase of treasury shares	(1,296.22)	(2,028.83)
	Proceeds on exercise of ESOP out of treasury shares	344.92	-
	Proceeds from issue of convertible debentures (Net of expenses)	43,154.47	-
	Proceeds from long term borrowings (Net of expenses)	11,417.69	1,338.26
	Repayment of long term borrowings	(22,162.36)	(693.35)
	Repayment of short term borrowings (Net)	(1,987.13)	(8,670.22)
	Interest paid	(3,938.98)	(6,067.34)
	Net cash flow from / (used in) financing activities	**25,835.44**	**(14,428.60)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**2,980.44**	**(1,282.21)**
	Cash and cash equivalents at the beginning of the year	1,700.44	2,982.65
	Cash and cash equivalents at the end of the year (Refer Note 14)	**4,680.88**	**1,700.44**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place : Mumbai
Date : 26th May 2017

For and on behalf of the Board of Directors

G.N.Bajpai
Chairman

Ashni Biyani
Wholetime Director

Manoj Gagvani
Company Secretary & Head - Legal

Manoj Saraf
Chief Financial Officer

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

1. General Information about the Company

Future Consumer Limited ("the Company") is a Company incorporated in India on 10th July 1996, under the name "Subhikshith Finance and Investments Limited". The name of the Company was changed to "Future Ventures India Private Limited" with effect from 9th August 2007 and it became a Public Limited Company with effect from 7th September 2007 as "Future Ventures India Limited". The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited since 10th May 2011. The name of the Company was changed to "Future Consumer Enterprise Limited" w.e.f. 30th September 2013 and then to "Future Consumer Limited" effective from 13th October 2016. The Company is engaged in the business of sourcing, manufacturing, branding, marketing and distribution of fast moving consumer goods ("FMCG"), Food and Processed Food Products in Urban and Rural India. Earlier, the Company was regulated by the Reserve Bank of India (the "RBI") as a non-deposit taking Non-Banking Financial Company ("NBFC"). The RBI in terms of application made by the Company has vide its order passed on 21st July 2015 cancelled the Certificate of Registration granted to the Company. Consequently, the Company ceased to be an NBFC.

2. Revised Indian Accounting Standard ("Ind AS") issued but not effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 102, 'Share-based payment' ("Ind AS 102") and Ind AS 7, 'Statement of cash flows' ("Ind AS 7").' The amendments are applicable to the Company from 1st April 2017.

Amendments to Ind AS 102 Classification and measurement of Share-based payment transactions

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.
3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:
   - (i) the original liability is derecognised;
   - (ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
   - (iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit and loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1st April 2017. The directors of the Group do not anticipate that the application of the amendments in the future will have a significant impact on the financial statements as the Group does not have any cash-settled share-based payment arrangements or any withholding tax arrangement with tax authorities in relation to share-based payments.

Amendments to Ind AS 7 Disclosure Initiative in statement of cash flows

The amendments require an entity to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual reporting periods beginning on or after 1st April 2017. The directors of the Group do not anticipate that the application of the amendments will have a material impact on the financial statements.

3. Significant Accounting policies

3.1 Statement of compliance

The consolidated financial statements of the Company and its subsidiaries, jointly controlled entities and associates (together "the Group") comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013, [Companies (Indian Accounting Standards) Rules, 2015] and other applicable laws.

Upto the year ended 31st March 2016, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other applicable laws. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is 1st April 2015. Refer Note 4 for the details of first-time adoption exemptions availed by the Group.

3.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Group:

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

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

<u>Changes in the Group's ownership interests in existing subsidiaries</u>

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

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

<u>Investments in associates and joint ventures</u>

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

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

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

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

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

The consolidated financial statement of the Group comprises financial statement of Future Consumer Limited and the following companies:

Name of the Company	Relationship	Proportion of ownership interest and voting power held by the Group		
		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Aadhaar Wholesale Trading and Distribution Limited	Subsidiary	100.00%	100.00%	100.00%
Future Food and Products Limited	Subsidiary	100.00%	100.00%	100.00%
Future Consumer Products Limited	Subsidiary	90.00%	90.00%	90.00%
Future Food Processing Private Limited (formerly known as Future Personal Care and Hygiene Products Private Limited)	Subsidiary	100.00%	100.00%	100.00%
Star and Sitara Wellness Limited	Subsidiary	100.00%	100.00%	100.00%
Express Retail Services Private Limited	Subsidiary	100.00%	100.00%	100.00%
FCEL Overseas FZCO	Subsidiary	60.00%	60.00%	-
FCEL Food Processors Limited (formerly known as ACK Edutainment Limited)	Subsidiary	100.00%	-	-
The Nilgiri Dairy Farm Private Limited ("NDF")	Subsidiary	100.00%	100.00%	99.96%
Appu Nutritions Private Limited	NDF Subsidiary	100.00%	100.00%	100.00%
Nilgiri's Mechanised Bakery Private Limited	NDF Subsidiary	100.00%	100.00%	100.00%
Nilgiris Franchise Private Limited	NDF Subsidiary	100.00%	100.00%	100.00%
Integrated Food Park Private Limited	Subsidiary	73.89%	73.89%	73.89%
Bloom Fruit and Vegetables Private Limited	Subsidiary	100.00%	100.00%	-

Name of the Company	Relationship	Proportion of ownership interest and voting power held by the Group		
		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Mibelle Future Consumer Products AG	Joint Venture	50%	50%	-
Amar Chitra Katha Private Limited ("ACK")	Joint Venture	73.99%	73.99%	73.99%
ACK Media Direct Limited	ACK Subsidiary	100%	100%	100%
IBH Books & Magazines Distributors Limited	ACK Subsidiary	100%	100%	100%
Ideas Box Entertainment Limited	ACK Subsidiary	100%	100%	100%
Aussee Oats India Private Limited	Joint Venture	50% + 1 Share	50% + 1 Share	-
Aussee Oats Milling (Private) Limited	Joint Venture	50% + 1 Share	50% + 1 Share	50% + 1 Share
MNS Foods Private Limited	Joint Venture	50.01%	50.01%	-
Genoa Rice Mills Private Limited	Joint Venture	50%	-	-
Sublime Foods Private Limited ("SFPL")	Joint Venture	51%	51%	51%
Avante Snack Foods Private Limited	SFPL Subsidiary	67.03%	-	-
Sarjena Foods Private Limited	Associate	19.59%	21.26%	21.26%

3.4 Business combinations

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

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

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

In case of a bargain purchase, before recognizing a gain in respect thereof, the Group determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

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

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

3.5 Goodwill and impairment of goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash generating units (or Group’s of cash-generating units, “CGU”) that are expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.6 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 'Property, Plant and Equipment' ("Ind AS 16") requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit or loss in the period in which the property is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying values of its investment properties measured as per the previous GAAP and use that carrying value as their deemed cost at transition date.

3.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and similar allowances.

Sale of goods

Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as the proportion of the total time expected to complete the service that has elapsed at the end of reporting period.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Dividend and Interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the shareholders and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.8 Government grants

Government Grants are recognised where there is reasonable assurance that the grants will be received and all attached conditions will be complied with. When the grants relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants related to assets are accounted in the consolidated balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in the consolidated statement of profit or loss on a systematic basis over the average useful life of the asset.

3.9 Leasing

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

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

The Group as lessor

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

The Group as lessee

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

3.10 Foreign currencies

The management of the Group has determined Indian rupee ("INR") as the functional currency of the Group. In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in consolidated statement of profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences for long term foreign currency monetary items existing as on previous year, the exchange difference arising on settlement / restatement of long term foreign currency monetary items are capitalised as part of depreciable fixed assets to which the monetary items relates and depreciated over the remaining useful life of such assets.

3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in consolidated statement of profit or loss in the period in which they are incurred.

The Group may incur borrowing costs during an extended period in which it suspends the activities necessary to prepare an asset for its intended use or sale. Such costs are costs of holding partially completed assets and do not qualify for capitalisation. However, an entity does not normally suspend capitalising borrowing costs during a period when it carries out substantial technical and administrative work. The Group also does not suspend capitalising borrowing costs when a temporary delay is a necessary part of the process of getting an asset ready for its intended use or sale.

The Group shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.12 Employee benefits

Post-employment benefits

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

- net interest expense or income; and
- re-measurement.

The Group presents the first two components of defined benefit costs in consolidated statement of profit or loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service costs

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

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

<u>Short-term and other long-term employee benefits</u>

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

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

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

3.13 Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of the Group by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share adjusts the figure used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3.14 Share-based payment arrangements

<u>Share-based payment transactions of the Group</u>

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

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

3.15 Taxation

<u>Current tax</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of consolidated profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

<u>Deferred tax</u>

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. While preparing consolidated financial statements, temporary differences are calculated using the carrying amount as per consolidated financial statements and tax bases as determined by reference to the method of tax computation (i.e. taken from individual entities in the group).

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against those deductible temporary differences which can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.16 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, for rental to others or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to consolidated statement of profit or loss during the reporting period in which they are incurred.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation on tangible fixed assets has been provided on straight line method as per the useful life prescribed in Schedule II of the Group's Act, 2013, except in case of leasehold improvements and moulds.

Estimated useful lives of the assets are as follows:

Asset	Useful life	Asset	Useful life
Buildings	30 to 60 years	Vehicles	8 to 10 years
Plant and equipment	1 to 15 years	Signage's	3 years
Leasehold improvements	lease term	Road	3 to 10 years
Moulds	2 years	Electrical installations	10 years
Computers	1 to 5 years	Hydraulic Works and pipelines	15 years
Furniture and fixture	1 to 10 years	General Lab Equipment	10 years
Office equipment	1 to 5 years		

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit or loss.

Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Group has elected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

3.17 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in consolidated statement of profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset	Useful Life	Asset	Useful Life
Trademark	5 years	Brand	10 years
Software	3-5 years	Brand Usage Rights	25 years

Deemed cost on transition to Ind AS

The Group has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April 2015 (transition date) measured as per the previous GAAP and use those carrying value as their deemed cost at transition date.

3.18 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in consolidated statement of profit or loss.

3.19 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

3.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.21 Financial instruments

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

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

3.22 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in consolidated statement of profit or loss for fair value through other comprehensive income ("FVTOCI") debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to consolidated statement of profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in consolidated statement of profit or loss and is included in the "Other Income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income for investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to consolidated statement of profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in consolidated statement of profit or loss. The net gain or loss recognised in consolidated statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in consolidated statement of profit or loss.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

3.23 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Compound instruments

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

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

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

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

However, financial guarantee contracts issued by the Group are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense are included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'/ 'Other expenses'.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

3.24 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit or loss immediately. Group does not designate the derivative instrument as a hedging instrument.

3.25 Operating segment

The management views the Group's operation as a single segment engaged in business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

4A. Key sources of estimation uncertainty and critical accounting judgements

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

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

Key sources of estimation uncertainty

a) Useful lives of property, plant and equipment

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

b) Impairment of property, plant and equipment

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

c) Impairment of investments in joint ventures and associate and impairment of goodwill

Determining whether the goodwill or investments in joint ventures and associate are impaired requires an estimate in the value in use. In considering the value in use, the Management have anticipated the future cash flows, discount rates and other factors of the underlying businesses/companies. Any subsequent changes to the cash flows could impact the carrying value of investments/goodwill.

d) Provisions, liabilities and contingencies

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

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

e) Fair value measurements

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

f) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Critical accounting judgements

Refer note 34 for the judgement exercised by the Group in establishing control over Integrated Food Park Private Limited and significant influence over Sarjena Foods Private Limited.

The group own and operates an integrated food park. Group earns rental income by way of leasing the underlying land at food-park to various food processors. Business model of the food park is to develop and maintain the infrastructure and common facilities related to food processing at a single place and provide it to food processor along with space in the food park. Considering the business model of the food park, it is not classified as an investment property.

4B. First time adoption – mandatory exceptions, optional exemptions

Overall principle

The Group has prepared the opening consolidated balance sheet as per Ind AS as of 1st April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before 20th November 2014. All the business combinations occurred on or after 20th November 2014 are accounted in accordance with Ind AS 103. Consequently,

- The Group has kept the same classification for the past business combinations as in its previous GAAP financial statements for business combinations occurred before 20th November 2014.
- The Group has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree for business combinations occurred before 20th November 2014.
- The Group has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS for business combination occurred before 20th November 2014.
- The Group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures.

Share Based Transactions

Group has not applied requirement of Ind AS 102 share based payment to equity instruments that vested before the date of transition i.e. 1st April 2015.

Non-controlling Interests

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition or the date from which requirements of Ind AS 103 is applied.

Consequently, the Group has applied the above requirement effective the date when Ind AS 103 is applied i.e. 20th November 2014.

Deemed cost for property, plant and equipment, investment property, and intangible assets

While measuring the property, plant and equipment in accordance with Ind AS, the Group has elected to measure certain items of property, plant and equipment at the date of transition to Ind AS at its fair value and used that fair value as its deemed cost at transition date

The Group has elected to continue with the carrying value of all of its investment properties and intangible assets recognised as at transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Long Term Foreign Currency Monetary Items

The Group has opted for exemption under Ind AS 101 for existing long term foreign currency non-monetary items where the Group is continuing the policy adopted for treatment of exchange differences arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset for items recognized on or before 31st March 2016. (Refer note 3.10)

5. Property, plant and equipment, Goodwill, Other Intangible Assets and Investment Property

(₹ In Lakhs)

Description of Assets	Gross Block (At cost / deemed cost)					Depreciation / Amortisation				Net Block
	As at 1st April 2016	Additions	Deletions	Effect of foreign currency exchange differences	As at 31st March 2017	As at 1st April 2016	For the Period	Deletions	As at 31st March 2017	As at 31st March 2017
A. Property, plant and equipment										
Freehold Land	12,647.34	2,235.86	-	-	**14,883.20**	-	-	-	**-**	**14,883.20**
Leasehold Land	4,667.41	1,793.81	-	-	**6,461.22**	-	-	-	**-**	**6,461.22**
Building	11,031.86	835.77	-	53.61	**11,814.02**	310.03	313.82	-	**623.85**	**11,190.17**
Office Equipments	425.74	215.04	4.82	-	**635.96**	171.50	87.26	3.15	**255.61**	**380.35**
Computers	958.62	183.89	18.84	-	**1,123.67**	681.47	125.42	12.62	**794.27**	**329.40**
Furniture & Fixtures	2,225.95	591.85	12.54	0.23	**2,805.03**	624.78	313.62	2.48	**935.92**	**1,869.11**
Vehicles	163.93	20.91	20.18	-	**164.66**	103.14	14.46	14.24	**103.36**	**61.30**
Plant & Machinery	9,208.70	1,746.65	190.23	41.73	**10,723.39**	2,406.93	946.87	39.68	**3,314.12**	**7,409.27**
Leasehold improvements	1,194.40	362.30	10.49	-	**1,546.21**	98.05	71.70	1.76	**167.99**	**1,378.22**
Signage	1.15	12.65	-	-	**13.80**	0.56	1.87	-	**2.43**	**11.37**
Hydraulic works and pipelines	589.91	28.58	-	5.91	**612.58**	39.18	40.14	-	**79.32**	**533.26**
Roads	714.56	3.52	-	4.68	**713.40**	137.80	145.50	-	**283.30**	**430.10**
Total	**43,829.57**	**8,030.83**	**257.10**	**106.16**	**51,497.14**	**4,573.44**	**2,060.66**	**73.93**	**6,560.17**	**44,936.97**
B. Other Intangible Assets										
Brands, Brand Usage Rights and TradeMarks	23,652.49	-	-	-	**23,652.49**	1,084.95	1,084.14	-	**2,169.09**	**21,483.40**
Software	184.00	468.96	1.65	-	**651.31**	41.65	107.47	0.85	**148.27**	**503.04**
Total	**23,836.49**	**468.96**	**1.65**	**-**	**24,303.80**	**1,126.60**	**1,191.61**	**0.85**	**2,317.36**	**21,986.44**
C. Goodwill (Refer Note 45)	16,769.35	-	-	-	**16,769.35**	-	-	-	**-**	**16,769.35**
Total	**16,769.35**	**-**	**-**	**-**	**16,769.35**	**-**	**-**	**-**	**-**	**16,769.35**
D. Investment Property										
Freehold Land	554.36	-	318.00	-	**236.36**	-	-	-	**-**	**236.36**
Building	364.18	330.23	204.25	-	**490.16**	8.17	8.33	8.33	**8.17**	**481.99**
Total	**918.54**	**330.23**	**522.25**	**-**	**726.52**	**8.17**	**8.33**	**8.33**	**8.17**	**718.35**

5. Property, plant and equipment, Goodwill, Other Intangible Assets and Investment Property (Previous Year)

(₹ In Lakhs)

Description of Assets	Gross Block (At cost / deemed cost)						Depreciation / Amortisation				Net Block	
	As at 1st April 2015	Acquisition through Business Combination	Additions	Deletions	Effect of foreign currency exchange differences	As at 31st March 2016	As at 1st April 2015	For the Period	Deletions	As at 31st March 2016	As at 31st March 2016	As at 1st April 2015
A. Property, plant and equipment												
Freehold Land	12,647.34	-	-	-	-	**12,647.34**	-	-	-	**-**	**12,647.34**	**12,647.34**
Leasehold Land	4,667.41	-	-	-	-	**4,667.41**	-	-	-	**-**	**4,667.41**	**4,667.41**
Building	10,591.83	-	267.73	-	(172.30)	**11,031.86**	8.96	301.07	-	**310.03**	**10,721.83**	**10,582.87**
Office Equipments	272.71	0.05	333.42	180.44	-	**425.74**	116.28	90.05	34.83	**171.50**	**254.24**	**156.43**
Computers	914.35	4.97	183.57	144.27	-	**958.62**	676.60	107.20	102.33	**681.47**	**277.15**	**237.75**
Furniture & Fixtures	1,687.02	0.45	884.83	347.10	(0.75)	**2,225.95**	339.74	327.79	42.75	**624.78**	**1,601.17**	**1,347.28**
Vehicles	174.74	0.67	2.25	13.73	-	**163.93**	101.94	14.18	12.98	**103.14**	**60.79**	**72.80**
Plant & Machinery	7,602.89	157.93	1,579.20	265.85	(134.53)	**9,208.70**	1,820.83	637.87	51.77	**2,406.93**	**6,801.77**	**5,782.06**
Leasehold improvements	1,171.99	-	94.30	71.89	-	**1,194.40**	88.22	46.59	36.76	**98.05**	**1,096.35**	**1,083.77**
Signage	1.15	-	-	-	-	**1.15**	-	0.56	-	**0.56**	**0.59**	**1.15**
Hydraulic works and pipelines	554.37	-	16.55	-	(18.99)	**589.91**	1.11	38.07	-	**39.18**	**550.73**	**553.26**
Roads	656.42	-	43.09	-	(15.05)	**714.56**	-	137.80	-	**137.80**	**576.76**	**656.42**
Total	**40,942.22**	**164.07**	**3,404.94**	**1,023.28**	**(341.62)**	**43,829.57**	**3,153.68**	**1,701.18**	**281.42**	**4,573.44**	**39,256.13**	**37,788.54**
B. Other Intangible Assets												
Brands, Brand Usage Rights and TradeMarks	22,443.49	1,209.00	-	-	-	**23,652.49**	-	1,084.95	-	**1,084.95**	**22,567.54**	**22,443.49**
Software	146.23	-	37.77	-	-	**184.00**	-	41.65	-	**41.65**	**142.35**	**146.23**
Total	**22,589.72**	**1,209.00**	**37.77**	**-**	**-**	**23,836.49**	**-**	**1,126.60**	**-**	**1,126.60**	**22,709.89**	**22,589.72**
C. Goodwill (Refer Note 45)	16,769.35	-	-	-	-	**16,769.35**	-	-	-	**-**	**16,769.35**	**16,769.35**
Total	**16,769.35**	**-**	**-**	**-**	**-**	**16,769.35**	**-**	**-**	**-**	**-**	**16,769.35**	**16,769.35**
D. Investment Property												
Freehold Land	554.36	-	-	-	-	**554.36**	-	-	-	**-**	**554.36**	**554.36**
Building	364.18	-	-	-	-	**364.18**	-	8.17	-	**8.17**	**356.01**	**364.18**
Total	**918.54**	**-**	**-**	**-**	**-**	**918.54**	**-**	**8.17**	**-**	**8.17**	**910.37**	**918.54**

6. Non Current Investments

(₹ In Lakhs)

	Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(a)	**Investment in Associate**			
	Investment in Equity Shares - Unquoted (accounted for using the equity method)			
	Sarjena Foods Private Limited	243.03	314.03	406.49
	Total	**243.03**	**314.03**	**406.49**
(b)	**Investment in Joint Ventures**			
	Investment in Equity Shares - Unquoted (accounted for using the equity method)			
	Amar Chitra Katha Private Limited	3,026.83	4,681.07	6,610.08
	Aussee Oats Milling (Private) Limited (a Company incorporated in Sri Lanka, face value LKR 10 each)	-	244.35	482.81
	Aussee Oats India Private Limited	9.61	-	-
	Sublime Foods Private Limited	-	44.43	74.37
	MNS Foods Private Limited	12.94	41.60	-
	Mibelle Future Consumer Products AG (a Company incorporated in Switzerland, face value CHF 1000 each)	-	231.09	-
	GENOA Rice Mills Private Limited	43.91	-	-
	Investment in Preference Shares (At FVTPL)			
	Aussee Oats Milling (Private) Limited (a Company incorporated in Sri Lanka, face value LKR 10 each)	408.30	-	-
	Total	**3,501.59**	**5,242.54**	**7,167.26**
(c)	**Other Investments**			
	Investment in Equity Shares (At FVTPL) - Quoted			
	Karnataka Bank ltd	3.15	1.54	1.87
	Investment in Debentures (At FVTPL)			
	0% Optionally Convertible Debentures of Capital Foods Private Limited*	151.55	135.30	114.10
	Investment in Government Securities			
	National Savings Certificate (on lien with Sales Tax Authorities)	-	0.43	0.43
	Share Application Money	136.94	-	-
	Total	**291.64**	**137.27**	**116.40**
	Grand Total	**4,036.26**	**5,693.84**	**7,690.15**

* The Company subscribed to 2,500,000 optionally convertible debentures ("OCD") issued and allotted by Capital Foods Private Limited ("Capital Foods") on 30th September 2011, at a face value of ₹ 100 each for a total consideration of ₹ 2,500 lakhs. The total tenure of the OCDs is 20 years from the date of issue, expiring on 30th September 2031. The OCDs carry zero coupon interest which unless converted by the Company into equity shares, shall redeem any time on or before the expiry of the term. Upon redemption, the Company is entitled to a redemption amount that will include its investment amount and the redemption premium calculated as per the formula provided in the debenture subscription agreement. The Company is also entitled to a liquidation preference in a liquidation event over any other class of shareholders or securities. At the end of the term, the Company can convert the OCDs into equity shares at a fair market value determined by an independent valuer appointed jointly by the Company and Capital Foods. Before 1st April 2015, the Company has partially redeemed the OCDs to the tune of ₹ 1,756 lakhs.

7. **Loans (Unsecured, considered good)**

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non-current			
Loans to Related Parties (Refer Note 39)	1,704.04	1,084.32	551.71
Total	**1,704.04**	**1,084.32**	**551.71**
Current			
Loans to Related Parties (Refer Note 39)	4,111.76	1,354.48	221.00
Inter-Corporate Deposits	2,269.34	1,083.97	5,776.49
Total	**6,381.10**	**2,438.45**	**5,997.49**

8. **Other financial assets (Unsecured)**

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non-current			
Considered good :			
Security Deposits	635.72	641.60	988.54
Other Deposits	56.40	50.11	113.45
Other Receivables	-	42.70	66.90
Interest Accrued on Deposits	165.28	93.96	7.72
Bank Deposits with more than 12 months maturity	154.40	790.88	65.41
Considered Doubtful :			
Security and Other Deposits	23.46	148.67	743.62
Less: Provision for doubtful deposits	(23.46)	(148.67)	(743.62)
	-	-	-
Total	**1,011.80**	**1,619.25**	**1,242.02**
Current			
Considered good :			
Security Deposits	106.14	56.03	12,158.28
Other Deposits	0.25	-	-
Other receivables from related parties	12.71	0.30	-
Interest accrued on Deposits and others	522.57	166.15	767.41
Insurance Claim Receivables	1.00	0.91	7.64
Receivables on sale of fixed assets	-	-	66.71
Others Receivables (Unbilled revenue etc.)	992.38	486.20	74.58
Total	**1,635.05**	**709.59**	**13,074.62**

9 Deferred Tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet: **(₹ In Lakhs)**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Deferred tax assets	10.75	6.77	1.81
Deferred tax liabilities	(4,409.10)	(4,336.79)	(4,336.78)
Total	**(4,398.35)**	**(4,330.02)**	**(4,334.97)**

9.1 Movement of Deferred Tax

Deferred tax assets/(liabilities) in relation to the year ended 31st March 2017 **(₹ In Lakhs)**

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Others	Closing balance
Minimum alternate Tax	6.76		-	3.03	9.79
Property, plant, equipment and intangible assets	(5,593.13)	(512.74)	-	-	(6,105.87)
Government Grant	(944.17)	(72.32)	-	-	(1,016.49)
Provision for doubtful debts	-	1.24	-	-	1.24
Provision for employee benefits	29.60	175.84	17.58	-	223.02
Convertible instruments	-	808.01	-	-	808.01
Taxable temporary differences on financial liability measured at Amortised Cost	(116.66)	55.18	-	-	(61.48)
	(6,617.60)	**455.21**	**17.58**	**3.03**	**(6,141.78)**
Tax losses	2,287.58	(544.15)	-	-	1,743.43
	2,287.58	(544.15)	-	-	1,743.43
Total	**(4,330.02)**	**(88.94)**	**17.58**	**3.03**	**(4,398.35)**

Deferred tax assets/(liabilities) in relation to the year ended 31st March 2016 **(₹ In Lakhs)**

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Others	Closing balance
Minimum alternate Tax	1.81		-	4.95	6.76
Property, plant and equipment	(5,485.51)	(107.62)	-	-	(5,593.13)
Government Grant	(944.17)	-	-	-	(944.17)
Provision for doubtful debts/ advances	30.65	(30.65)	-	-	-
Provisions for employee benefits	125.48	(69.19)	(26.69)	-	29.60
Taxable temporary differences on financial liability measured at Amortised Cost	(441.42)	324.76	-	-	(116.66)
	(6,713.16)	**117.30**	**(26.69)**	**4.95**	**(6,617.60)**
Tax losses	2,378.19	(90.61)	-	-	2,287.58
	2,378.19	(90.61)	-	-	2,287.58
Total	**(4,334.97)**	**26.69**	**(26.69)**	**4.95**	**(4,330.02)**

9.2 Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
- tax losses (revenue in nature)	57,311.15	53,340.54	40,895.80
- tax losses (capital in nature)	2,881.80	2,788.79	2,724.35
Total	**60,192.95**	**56,129.33**	**43,620.15**

10. Other assets

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non-current			
Capital Advances	305.39	1,202.79	923.69
Deferred Lease Asset	544.74	575.03	528.84
Advances given to Suppliers	-	-	50.19
Balances with Government authorities	1.98	135.16	75.90
Expenditure for issue of Debentures	-	11.51	-
Expenditure for purchase of Non Current Investment	12.96	15.11	-
Advance Taxes (net)	1,701.77	2,626.93	2,298.16
Other advances	4.60	-	23.88
Less: Provision for doubtful loans & Advances	(4.60)	-	(23.88)
	-	-	-
Total	**2,566.84**	**4,566.53**	**3,876.78**
Current			
Advances to employees	63.20	33.97	28.39
Advances given to Suppliers	1,651.80	1,008.35	1,105.98
Balances with Government authorities	1,238.06	917.37	775.93
Deferred Lease Asset	54.23	65.78	66.66
Capital Advances	0.69	-	-
Accrued income	507.83	341.81	345.54
Less: Provision for doubtful accrued income	-	(268.96)	(264.61)
	507.83	72.85	80.93
Other Advances	218.11	475.50	284.61
Less: Provision for doubtful loans & advances	-	-	(10.31)
	218.11	475.50	274.30
Total	**3,733.92**	**2,573.82**	**2,332.19**

11. Inventories

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Raw Materials	771.23	829.90	476.30
Finished Goods (other than those acquired for trading)	428.26	276.19	184.94
Stock - In - Trade	16,251.54	9,784.03	9,031.36
Packing Material and Others	122.34	116.26	286.59
Total	**17,573.37**	**11,006.38**	**9,979.19**

The amount of write down of inventories recognised as an expense during the year is ₹ 125.02 lakhs (Previous year : ₹ 109.46 lakhs)

12. Current Investments

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unquoted, at amortised cost			
National Savings Certificate (Lodged with Sales Tax Authorities)	0.30	0.30	0.16
Certificate of Deposits	-	2,000.00	10,000.00
Total	**0.30**	**2,000.30**	**10,000.16**

13. Trade Receivables (Unsecured)

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current			
Considered good	32,415.02	16,497.10	13,447.06
Considered Doubtful	227.05	1,041.40	4,634.91
	32,642.07	**17,538.50**	**18,081.97**
Less: Expected credit loss allowance (for doubtful debts)	(227.05)	(1,041.40)	(4,634.91)
Total	**32,415.02**	**16,497.10**	**13,447.06**

14. Cash and Bank balances

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Cash and Cash Equivalents			
- In Current Accounts	4,578.31	1,654.01	2,835.53
- In Fixed Deposit Accounts	19.77	5.18	13.67
Cash and Cheques on Hand	82.80	41.25	133.45
Total	**4,680.88**	**1,700.44**	**2,982.65**
Other Bank Balances			
In Earmarked Accounts			
- As Margin Money	73.27	-	570.15
Total	**73.27**	**-**	**570.15**

Refer Note 31 for details of Specified Bank Notes (SBN) held and transacted by the Company during the period from 8th November 2016 to 30th December 2016.

15. Equity Share Capital

a)

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
Authorised						
Equity Shares of ₹ 6/- each	5,650,000,000	339,000.00	5,650,000,000	339,000.00	5,650,000,000	339,000.00
Unclassified Shares of ₹ 10/- each	1,670,000,000	167,000.00	1,670,000,000	167,000.00	1,670,000,000	167,000.00
Total		**506,000.00**		**506,000.00**		**506,000.00**
Issued, Subscribed and Fully Paid-up Capital						
Equity Shares of ₹ 6/- each	1,662,492,238	99,749.54	1,657,442,038	99,446.52	1,657,144,038	99,428.64
Less : Shares held by ESOP trust treated as treasury shares	(15,221,634)	(913.30)	(11,532,988)	(691.98)	-	-
Total	**1,647,270,604**	**98,836.24**	**1,645,909,050**	**98,754.54**	**1,657,144,038**	**99,428.64**

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 2017		As at 31st March 2016	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
Equity shares at the beginning of the year	1,645,909,050	98,754.54	1,657,144,038	99,428.64
Add : Equity shares issued and allotted during the year	200	0.01	-	-
Add : Allotment Pursuant to exercise of stock options granted under FVIL Employees Stock Option Plan - 2011	5,050,000	303.00	298,000	17.88
Less : Shares purchased (net) by ESOP trust treated as treasury shares	(3,688,646)	(221.31)	(11,532,988)	(691.98)
Equity shares at the end of the year	**1,647,270,604**	**98,836.24**	**1,645,909,050**	**98,754.54**

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

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Future Capital Investment Private Limited	631,342,055	37.98	84,106,029	5.07	84,106,029	5.08
Arisaig Partners (Asia) Pte. Limited. A/c. Arisaig India Fund Limited	152,043,000	9.15	152,043,000	9.17	152,043,000	9.18
Future Enterprises Limited (formerly known as Future Retail Limited)	150,000,000	9.02	150,000,000	9.05	150,000,000	9.05
Verlinvest SA	140,513,969	8.45	140,513,969	8.48	-	-
Bennett, Coleman and Company Limited	100,376,591	6.04	105,082,200	6.34	121,641,615	7.34
PIL Industries Limited	5,426,902	0.33	132,304,747	7.98	129,804,747	7.83
Gargi Business Ventures Private Limited (Formerly Gargi Developers Private Limited)	100	-	128,878,666	7.78	128,878,666	7.78
Central Departmental Stores Private Limited	100	-	95,838,700	5.78	95,838,700	5.78
BNP Paribus Arbitrage	-	-	-	-	140,753,144	8.49

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

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note no. 38

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

- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to vote in proportion to his share of the paid-up capital of the company. Each holder of equity share is entitled to one vote per share.
- In pursuance to the provisions of the Companies Act, 2013 read together with other applicable regulations and in compliance thereto, the Company has entered into separate agreement(s) to issue compulsorily convertible debentures ("CCDs") and equity shares to Black River Food 2 Pte. Ltd ("Black River") and International Finance Corporation ("IFC") on preferential basis.

The rights attached to the CCDs / shares issued to Black River, inter alia, include the following :

1) The right to nominate for appointment of one director (“Black River Nominee Director”) to the Board of the Company, as long as: (i) the direct and indirect holding of Black River in the Company, on a fully diluted basis exceeds or is equal to 2% of the Share Capital; and (ii) Black River has not sold, transferred or disposed of more than 40% of its Initial Shareholding.

2) Prior written consent of Black River or Black River Nominee Director would be required to take decisions relating to any of the following matters by the Company and its subsidiaries viz. Aadhaar Wholesale Trading and Distribution Limited and The Nilgiri Dairy Farm Private Limited (as applicable), as long as: (i) the direct and indirect shareholding of Black River in the Company, on a fully diluted basis exceeds or is equal to 2% of the Share Capital of the Company; and (ii) Black River has not sold, transferred or disposed off more than 40% (forty per cent.) of its Initial Shareholding:

   a) disposition, sale, lease, license or transfer (including by way of a demerger) of any undertaking or substantial assets.

   b) any scheme of arrangement, merger, demerger, consolidation, restructuring or reorganization.

   c) any related party transactions or any contract or commitment outside of the ordinary course of business.

   d) exceeding a debt equity ratio of 1:1 calculated on a consolidated basis.

The rights attached to the CCDs / shares issued to IFC, inter alia, include the following :

1) In the event that Black River Asset Management LLC / Black River Food Fund 2 LP / Black River Food Fund 2 Pte Ltd., Verlinvest S.A. and Arisaig Partners (Asia) Pte Ltd (“Relevant Shareholder”) does not nominate an individual for appointment to the Board of the Company as its respective nominee Director such that there is no nominee Director of any Relevant Shareholder on the Board, the right to nominate one Director (“IFC Nominee Director”) for appointment to the Board of the Company, as long as IFC holds at least two per cent (2%) of the Shares of the Company (on a Fully Diluted Basis) or at least sixty per cent (60%) of the Subscription Securities.

2) Prior written consent of IFC would be required to take decisions or actions relating to any of the following matters by the Company and its Key Subsidiaries (as defined in the Investment Agreement) (as applicable)

   a) change the designation, powers, rights, preferences or privileges, or the qualifications, limitations or restrictions of the IFC Securities, through amendment or repeal of the Charter or otherwise, including any alteration or change in the rights, privileges or preferences or the qualifications, limitations or restrictions of any other Equity Securities of the Company that would result in such Equity Securities having more favourable terms, rights, privileges or preferences than the IFC Securities;

   b) create, authorize or issue any Equity Securities in the Company having a preference or ranking senior to the IFC CCDs;

   c) authorize or undertake any Liquidation Event; or

   d) authorize or undertake any delisting of any Shares of the Company;

f) As at 31st March 2017, 240,497,557 equity shares (FY 2016: 45,176,463 equity shares and FY 2015 - 1,006,000 equity shares) were reserved for issuance as follows:

(i) 20,150,000 equity shares (FY 2016 : 15,700,000 equity shares and FY 2015: 1,006,000 equity shares) of ₹6 each towards outstanding employee stock options granted (Refer Note 38)

(ii) 29,476,463 equity shares (FY 2016 : 29,476,463 equity shares and FY 2015 : NIL) of ₹6 each towards outstanding share warrants (Refer Note 43)

(iii) 190,871,094 equity shares (FY 2016 : NIL and FY 2015 : NIL) of ₹ 6/- each towards Compulsorily Convertible Debentures. (Refer Note 48)

g) Aggregate number of equity shares allotted as fully paid up without payment being received in cash for the period of 5 years immediately preceding the balance sheet date is 45,918,367 equity shares issued in 2014-15.

16. Other Equity (excluding non-controlling interests)

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Redemption Reserve	5.20	5.20	5.20
Statutory Reserve under section 45 (IC) of RBI Act, 1934	-	-	1,363.06
Securities Premium Account	4,067.29	3,100.88	3,094.90
General Reserve	0.59	0.59	0.59
Share options outstanding account	2,254.13	1,016.83	11.39
Equity Component of Compound Financial Instruments	38,021.02	-	-
Money received against share warrants (Refer note 43)	1,675.00	1,675.00	-
Capital Reserve for bargain purchase business combinations	314.94	314.94	-
Retained earnings	(56,324.32)	(49,421.16)	(38,774.50)
Total	**(9,986.15)**	**(43,307.72)**	**(34,299.36)**

Description of reserves

Capital redemption reserve

As per the provisions of Companies Act, Capital redemption reserve is created out of the general reserve for the amount of share capital reduction in earlier years.

Statutory Reserve under section 45(IC) of RBI Act, 1934

Under section 45 (IC) of Reserve Bank of India Act, 1934, every Non-Banking Financial Company ("NBFC") shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year. The Company has ceased to be a NBFC since previous year.

Securities premium account

Where the Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares was transferred to a "securities premium account" as per the provisions of applicable Companies Act.

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Items included in the general reserve will not be reclassified subsequently to profit or loss.

Share options outstanding account

This reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 38.

Equity component of compound financial instruments

The Company had issued Compulsory Convertible Debentures (""CCD"") with each CCD being compulsorily convertible into equity shares of the Company at a fixed conversion price appropriately adjusted for corporate events. The date of conversion of CCDs into equity shares of the Company shall be on the earlier of the occurrence of following events :

a) The investor electing to convert the CCDs by issuing a conversion notice to the Company;

b) The date i.e. 18 months from the date of issue of the CCDs (mandatory conversion date).

The instrument is a compound instrument and therefore total proceeds is divided into 'equity' and 'liability'. The equity portion is recorded under this reserve.

During the year, the Company had issued CCDs for total proceeds of ₹ 43,154.47 lakhs (net of issue expenses). At initial recognition, ₹ 38,021.02 lakhs is recorded as equity component of CCD and ₹ 5,133.45 lakhs is recorded as liability component (Refer note 48). There was no such issue in previous year."

Capital Reserve for bargain purchase business combinations

Capital reserve is created for excess of net book value of assets taken and liabilities assumed over the consideration transferred for various business combinations in earlier years.

Retained earnings

This represents the surplus/(deficit) of the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

17. Non-controlling interests ("NCI")

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balance at the end of the year	779.65	1,220.06	1,548.86
Total	**779.65**	**1,220.06**	**1,548.86**

18. Non Current borrowings

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured - at amortised cost			
Term Loans From a Bank	5,233.44	20,933.44	20,881.02
Term Loans From a Financial Institution	5,000.00	-	-
Buyer's Credit	312.53	319.74	-
Debentures :			
11.95% Redeemable Non convertible Debentures (NCD) of ₹ 10 lakhs each	-	5,946.74	9,917.23
10.55% Redeemable Non convertible Debentures of ₹ 1 lakh each	2,436.63	-	-
11.00% Redeemable Non convertible Debentures of ₹ 1 lakh each	2,436.63	-	-
Unsecured - at amortised cost			
Liability component of financial instruments (8.50% Compulsory Convertible Debentures of ₹ 1 lakh each)	-	-	-
Total	**15,419.23**	**27,199.92**	**30,798.25**

Details of security and repayment terms for secured non current borrowings

(₹ In Lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
1	**Term Loan:**				
(i)	**Term loan from bank:** a) Secured by First pari passu charge on Movable fixed assets and second charge on current assets of the company b) Pledge of shares of listed entities Future Enterprises Limited (earlier known as Future Retail Limited) and/or Future Consumer Limited and/or Future Lifestyle Fashions Limited to provide cover of 1.25 times the outstanding facility amount c) Personal Guarantee of Mr. Kishore Biyani d) Fixed Deposit ("FD") for 3 months interest payment e) Subservient charge over tangible assets of group companies.	The loan was repaid on 25th April 2016. Interest: Base rate + 1.25% i.e. presently 11.50% p.a. Interest is paid separately as and when due.	-	11,995.81	11,551.44

(₹ In Lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(ii)	**Term loan from bank:** a) Secured by First pari passu charge on Movable fixed assets and second charge on current assets of the company b) Pledge of shares of listed entities Future Enterprises Limited (earlier known as Future Retail Limited) and/ or Future Consumer Limited and/or Future Lifestyle Fashions Limited to provide cover 1.25 times the outstanding facility amount c) Pledge over 30% shareholding of The Nilgiri Dairy Farm Pvt Ltd, Appu Nutritions Private Limited, Nilgiri's Mechanised Bakery Private Limited and Nilgiris Franchise Private Limited. Bank to carry 30% voting rights and 30% economic interest of the shares so pledged. d) Personal Guarantee of Mr. Kishore Biyani e) Subservient charge over tangible assets of other companies. f) FD for 3 months interest payment.	The loan was repaid on 25th April 2016. Interest: Base rate + 1.25% i.e. presently 11.50% p.a. Interest is paid separately as and when due.	-	4,078.58	3,927.49
(iii)	**Term loan from bank:** a) First charge on Movable and Immovable fixed assets of the proposed Rice Unit and Flour/Spice processing units at Tumkur Bangalore b) Second charge on current assets of the proposed Rice unit and Flour/Spice processing units at Tumkur c) Personal Guarantee of Mr. Kishore Biyani d) FD for 3 months interest payment e) Cross collateralization of shares pledged for Term Loan (ii) above.	The Loan is repayable in 19 quarterly installments (next installment due in June 2017). Interest: Base rate + 1.25% i.e. presently 11.50% p.a. Interest is paid separately as and when due.	2,124.74	1,597.96	525.29

(₹ In Lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(iv)	**Term loan from bank:** a) Secured by first exclusive Charge on all the movable and immovable assets of the food park, existing as well as future. b) Exclusive first mortgage charge as also lease hold rights on all land and building to be acquired or to be acquired for the project including already acquired land on lease from Karnataka Industrial Development Board. c) Corporate Guarantee of Future Consumer Limited	The Loan is repayable in 20 quarterly installments (next installment due in June 2017). Interest: 3M LIBOR + 5.00% Interest is paid separately as and when due.	4,906.63	5,565.81	5,750.38
2	**Term Loan from a financial institution:** a) First ranking pari passu charge over (i) Land and Building owned by subsidiary The Nilgiri Dairy Farm Private Limited (NDF) located at Bangalore and (ii) Land and building owned by subsidiary of NDF, Appu Nutritions Private Limited (Appu) located at Bangalore. b) Irrevocable and unconditional guarantee of Mr Kishore Biyani.	The Loan is repayable in 18 equal quarterly installments staring from December 2017 Interest of 10.90% p.a. Interest to be paid separately as and when due.	5,000.00	-	-
3	**Buyer's Credit from a bank is secured by:** a) First charge on Movable and Immovable fixed assets of the proposed Rice Unit and Flour/Spice processing units at Tumkur Bangalore b) Second charge on current assets of the proposed Rice unit and Flour/Spice processing units at Tumkur c) Personal Guarantee of Mr. Kishore Biyani d) FD for 3 months interest payment e) Cross collateralization of shares pledged for Term Loan (ii) above.	The loan is repayable in June 2018. Interest @ 8.95% - 9.15% p.a. payable annually (next interest due date in July 2017).	312.53	319.74	-

(₹ In Lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
4	**11.95% NCD:** Secured by exclusive First Charge on specific fixed assets of the company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing and unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon.	Series A of ₹ 4,000 lakhs was repaid in March 2017. Series B of ₹ 6,000 lakhs repayable in March 2018. Interest of 11.95% p.a. is payable quarterly from date of allotment. These debentures are privately placed with mutual funds and are listed in Wholesale Debt Segment of BSE Limited.	5,979.46	9,946.74	9,917.23
5	**10.55% NCD:** a) Secured by exclusive First Charge on specific fixed assets of the company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. NCD is issued in the month of March 2017 for which the Company has a time of 3 months for creation of security. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee.	Series A of ₹ 750 lakhs repayable in September 2018, Series B of ₹ 750 lakhs repayable in March 2019 & Series C of ₹ 1,000 lakhs repayable in March 2020. Interest of 10.55% p.a. payable quarterly from the date of allotment. These Debentures are privately placed and are listed in Wholesale Debt Segment of BSE Limited.	2,436.63	-	-
6	**11% NCD:** a) Secured by exclusive First Charge on specific fixed assets of the company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. NCD is issued in the month of March 2017 for which the Company has a time of 3 months for creation of security. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee.	Series A of ₹ 750 lakhs repayable in September 2018, Series B of ₹ 750 lakhs repayable in March 2019 & Series C of ₹ 1,000 lakhs repayable in March 2020. Interest of 11.00% p.a. payable annually from the date of allotment. These Debentures are privately placed and are listed in Wholesale Debt Segment of BSE Limited.	2,436.63	-	-

(₹ In Lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
7	**8.50% Compulsory Convertible Debentures of ₹ 1 lakh each**	The CCDs shall automatically and compulsorily convert into equity shares on the earlier of the occurrence of following events : a) The investor electing to convert the CCDs by issuing a conversion notice to the Company; b) The date i.e. 18 months from the date of issue of the CCDs (mandatory conversion date). Interest @8.50% p.a. Interest to be paid separtely as and when due.	5,525.87	-	-
8	**Vehicle loan from Bank :** Secured against hypothecation of vehicles	Loan was repaid in 2015-16 Rate of interest 9.75%-11.50% p.a.	-	-	7.94
9	**Term loan from bank:** a) exclusive first charge on the current assets, plant and machinery and land and building of the Appu Nutrition Private Limited; b) exclusive first charge on the plant and machinery of Nilgiri's Mechanised Bakery Private Limited; c) exclusive first charge on the land and building of Nilgiris Franchise Private Limited; d) exclusive first charge on the land and building of The Nilgiri Dairy Farm Private Limited; e) corporate guarantee of The Nilgiri Dairy Farm Private Limited; and f) corporate guarantee of Nilgiris Franchise Private Limited.	The term loans from bank carried an interest rate of 2.5% per annum above the bank's base rate as declared from time to time. The bank's base rate was 11% per annum during the year. The term loan was for a period of 3 years and was repayable in equal monthly instalments of ₹ 741,000 each. The term loans was fully repaid in 2015.	-	-	128.96
			28,722.49	**33,504.64**	**31,808.73**
	Less: Current maturities of long term debt		**13,303.26**	**6,304.72**	**1,010.48**
	Total		**15,419.23**	**27,199.92**	**30,798.25**

19. Other financial liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non-current			
Deposits received from customers	759.29	721.42	811.85
Security Deposits received	22.67	7.76	-
Currency Swap Liability	31.93	9.26	-
Total	**813.89**	**738.44**	**811.85**
Current			
Current Maturities of Long Term Debt (Refer Note 18)	13,303.26	6,304.72	1,010.48
Interest accrued but not due & due	279.33	293.63	294.64
Retention Money Payable	95.72	104.65	221.29
Book overdraft	106.51	115.20	31.40
Security and Other Deposits received	203.19	117.56	146.30
Payable on purchase of Fixed Assets	2,324.72	914.46	612.78
Total	**16,312.73**	**7,850.22**	**2,316.89**

20. Provisions

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non-current			
Provision for Employee Benefits :			
Provision for Gratuity (Refer Note 36)	406.00	332.87	316.24
Provision for Compensated Absences	297.06	176.63	191.80
Provision for claims and contingencies	-	-	117.77
Total	**703.06**	**509.50**	**625.81**
Current			
Provision for Employee Benefits :			
Provision for Gratuity (Refer Note 36)	143.33	85.63	63.64
Provision for Compensated Absences	69.95	75.48	72.14
Provision for Bonus, Incentives and others	527.57	155.51	182.51
Provision for Standard Assets	-	-	27.36
Provision for claims and contingencies	82.27	78.27	-
Total	**823.12**	**394.89**	**345.65**

Movement in Provision for claims and contingencies and Standard Assets (Non-current and Current)

(₹ In Lakhs)

Particulars	Provision for claims and contingencies	Provision for Standard Assets
Balance as at 1st April 2015	**117.77**	**27.36**
Provisions utilized/written back during the year	(39.50)	(27.36)
Balance as at 31st March 2016	**78.27**	**-**
Provisions made during the year	10.00	-
Provisions utilized during the year	(6.00)	-
Balance as at 31st March 2017	**82.27**	**-**

The provision for claims and contingencies relates to the estimated amount to be paid for claims raised on the Group by various tax authorities under indirect tax laws. These amounts have not been discounted for the purposes of measuring the provision because the effect is not material.

The provision for standard assets relates to the provisioning norms as governed by RBI for NBFC. The Company now ceases to be an NBFC and therefore provision has been written back.

21. Other liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Other non-current liabilities			
Advances from employees	0.25	0.55	0.90
Advance received from customers	260.88	69.78	-
Deferred Lease payables	127.30	169.30	193.23
Deferred revenue arising from Government grant	3,993.34	3,970.65	4,232.10
Total	**4,381.77**	**4,210.28**	**4,426.23**
Other current liabilities			
Advances from employees	0.90	0.83	0.50
Advance from Related Party	0.91	0.91	-
Statutory Dues	995.96	478.77	426.27
Deferred Lease payables	46.81	53.57	41.22
Deferred revenue arising from Government grant	281.49	261.45	261.45
Advance received from customers	227.67	175.04	43.64
Total	**1,553.74**	**970.57**	**773.08**

22. Current Borrowings

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured - at amortised cost			
Loans repayable on demand from banks	14,332.23	15,072.82	14,281.93
Other Loans from Bank	3,875.97	5,123.71	14,795.30
Buyer's Credit	212.59	211.38	-
Unsecured - at amortised cost			
Loan from related party	-	-	0.91
Total	**18,420.79**	**20,407.91**	**29,078.14**

Details of security and repayment terms for secured current borrowings

Nature of Security	Terms of Interest and repayment
Loans repayable on demand from banks (Cash Credit)	
Loan is secured by a) First pari passu charge on all existing and future current assets of the company b) Second Charge on Fixed Assets of the company c) First pari passu charge on current assets and all moveable fixed assets of the company (Nilgiris) d) Corporate Guarantee of Future Consumer Limited e) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	The Cash credit is repayable on demand and carries interest at rates varying from 9.25% to 12.25% p.a.
Other Loans from Bank (Bill Discounting) and Buyer's Credit	
Loan is secured by a) First and/or pari passu charge on all existing and future current assets of the company b) Second Charge on Fixed Assets of the company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani.	The Bill Discounting is repayable on due date and carries interest at rates varying from 11.15% to 14.00% p.a. Buyer's Credit is repayable on due date and carries interest at rates varying from 1.63% to 2.50% p.a.

23. Trade Payables

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Trade Payables	16,711.81	9,934.63	9,847.28
Total	**16,711.81**	**9,934.63**	**9,847.28**

24. Revenue from Operations

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Sales of Products	209,492.15	168,390.06
(including excise duty ₹ 75.95 lakhs (previous year ₹ 88.27 lakhs))		
Sales of services	454.18	298.70
Other Operating revenue *	1,637.74	1,518.58
Total	**211,584.07**	**170,207.34**

* Other Operating revenue includes royalty income, scrap sales, franchisee fees, etc.

25. Other Income

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Amortisation of Government Grant	279.28	261.45
Operating lease rent income	380.13	217.65
Interest Income		
- Bank Deposits	26.22	65.62
- Inter Corporate Deposits	933.67	656.51
- Interest on Income tax and VAT Refund	313.93	12.94
- Interest income on amortization of lease deposits	40.33	49.29
- Other Deposits	125.99	1,099.59
Gain/(loss) on disposal of property, plant and equipment	140.06	-
Provision no longer required written back (net)	114.18	241.90
Provision for Standard Assets written back	-	27.36
Net gain on financial assets measured at FVTPL	-	36.53
Miscellaneous Income	150.31	63.64
Total	**2,504.10**	**2,732.48**

26. Cost of materials consumed

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Opening Stock of Raw Materials and Others	946.16	762.89
Add: Purchases	17,737.12	15,808.41
Less: Closing Stock of Raw Materials and Others	(893.57)	(946.16)
Total	**17,789.71**	**15,625.14**

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

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Opening Stock of Finished Goods	276.19	184.94
Less: Closing Stock of Finished Goods	(428.26)	(276.19)
	(152.07)	**(91.25)**
Opening Stock of Traded Goods	9,784.03	9,031.36
Less: Closing Stock of Traded Goods	(16,251.54)	(9,784.03)
	(6,467.51)	**(752.67)**
Total	**(6,619.58)**	**(843.92)**

28. Employee Benefits Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Salaries Wages & Bonus	7,777.74	8,303.12
Contribution to Provident and Other Funds	508.73	541.35
Expenses on employee stock option (ESOP) scheme (Refer note 38)	1,020.67	555.39
Staff Welfare Expenses	498.66	391.80
Total	**9,805.80**	**9,791.66**

29. Finance Costs

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest Expenses on :		
- Loans	4,383.37	6,957.17
- Others	4.55	1.20
Other borrowing costs	94.85	63.27
Total	**4,482.77**	**7,021.64**

30. Other Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Rent	1,659.40	2,990.15
Consumables and Packing Material	48.70	82.72
Warehousing and Distribution expenses	6,637.26	5,520.53
Electricity expenses	679.91	1,078.80
Advertisement, Publicity and Selling expenses	2,126.59	1,017.38
Commission and Brokerage	401.83	5.99
Labour contract charges	1,219.06	1,043.17
Repairs and Maintenance		
- Plant and Machinery	198.42	131.44
- Buildings	62.38	57.43
- Others	310.91	369.83
Legal and Professional Charges	818.77	835.91
Rates & Taxes	794.42	597.76
Insurance	99.65	90.29
Auditor's Remuneration	136.87	119.41
Directors Sitting Fees	35.21	19.25
Loss on Sale/Retirement of Fixed Assets	50.60	211.44
Net loss on foreign currency transactions and translation (Refer note below)	67.55	0.45
Donation	0.52	0.41
Brand Royalty	229.00	571.09
Bad Debts and Advances Written Off	51.85	83.75
Net loss on financial assets measured at FVTPL	60.64	-
Miscellaneous expenses	2,816.73	2,556.05
Total	**18,506.27**	**17,383.25**

Net loss on foreign currency transactions and translation in "Other Expenses" includes (₹ In Lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Loss on derivative liability measured at FVTPL	22.67	9.26

31 Details of Specified Bank Notes (SBN) held and transacted by the Group during the period from 8th November 2016 to 30th December 2016 is as follows:

(₹ In Lakhs)

Particulars	**SBNs**	**Other denomination notes**	**Total**
Closing cash in hand as on 8th November 2016	869.54	30.33	899.87
(+) Permitted receipts	-	593.70	593.70
(-) Permitted payments	0.02	208.82	208.84
(-) Amount deposited in Banks	869.09	368.88	1,237.97
Closing cash in hand as on 30th December 2016	**0.43***	**46.33**	**46.76**

* represents cash shrinkage in one of the subsidiary, subsequently written off in the books.

32 Segment Information

The Group is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single reporting segment. Hence there is no separate reportable segment under Indian Accounting Standard on Ind AS 108 'Operating Segment'.

32.1 Geographic Information

There are no revenues or non current operating assets from external customers outside India.

33 Earning Per Share

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	**For the year ended 31st March 2017**	**For the year ended 31st March 2016**
(Loss) for the year after adjusting non-controlling interest (₹ In lakhs)	(6,100.55)	(10,768.22)
Weighted average number of equity shares Outstanding for Basic EPS*	1,812,657,645	1,652,581,822
Add : Weighted Average number of Potential equity shares on account of Employee Stock Options Outstanding	3,845,929	-
Add : Share Warrants issued	7,369,116	-
Weighted average number of equity shares Outstanding for Diluted EPS	1,823,872,690	1,652,581,822
Earnings per share		
- Basic	(0.34)	(0.65)
- Diluted	(0.34)	(0.65)

* This has been calculated considering 190,871,095 number of shares to be issued on conversion of CCD.

34 A) Details of the Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

(₹ In Lakhs)

Name of the Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		
			As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Aadhaar Wholesale Trading and Distribution Limited	Rural distribution	India	100.00%	100.00%	100.00%
Future Food and Products Limited	Food processing	India	100.00%	100.00%	100.00%
Future Consumer Products Limited	Branding	India	90.00%	90.00%	90.00%
Future Food Processing Private Limited	Food processing	India	100.00%	100.00%	100.00%
Star and Sitara Wellness Limited	Not Active	India	100.00%	100.00%	100.00%
Express Retail Services Private Limited	Not Active	India	100.00%	100.00%	100.00%
FCEL Overseas FZCO	Distribution	UAE	60.00%	60.00%	-
FCEL Food Processors Limited (formerly known as ACK Edutainment Limited)	Food processing	India	100.00%	-	-
The Nilgiri Dairy Farm Private Limited	Manufacturing and distribution	India	100.00%	100.00%	99.96%
Appu Nutritions Private Limited	Manufacturing and distribution	India	100.00%	100.00%	100.00%
Nilgiri's Mechanised Bakery Private Limited	Distribution	India	100.00%	100.00%	100.00%
Nilgiris Franchise Private Limited	Back end Support	India	100.00%	100.00%	100.00%
Integrated Food Park Private Limited	Infrastructure services	India	73.89%	73.89%	73.89%
Bloom Fruit and Vegetables Private Limited	Distribution	India	100.00%	100.00%	-

Note :

The Group acquired 45.03% stake in Integrated Food Park Private Limited ("IFPPL") in an earlier year. Although initially group held less than half of the voting rights of IFFPL, it obtained control over IFFPL. Group dominates in the process of electing the board of directors of IFPPL. Considering the overall purpose of arrangement with IFPPL to expand the business of the Group in food processing sector by effectively running the food park and with support letter from other investor, the management of the Group has concluded that the Group has control over IFPPL and accordingly IFPPL is consolidated in these financial statements.

34 B) Investments in associate

Aggregate information of associate that is not individually material

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
The Group's share of profit (loss) from continuing operations	(71.01)	(92.45)
The Group's share of post-tax profit (loss) from discontinued operations	-	-
The Group's share of other comprehensive income	-	-
The Group's share of total comprehensive income	(71.01)	(92.45)

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Aggregate carrying amount of the Group's interests in the associate	243.03	314.03	406.49

Sarjena Foods Private Limited ("SFPL") is an associate of the Group although the Group owns a 19.59% ownership interest. The Group has significant influence over SFPL by virtue of its contractual right to appoint one out of three directors to the board of directors of that company.

During the year there was change in the Group's ownership interest in SFPL from 21.26% to 19.59%. There are no significant restrictions on the ability of associates to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

34 C) Investments in Joint Ventures

Aggregate information of Joint Ventures that are not individually material

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
The Group's share of profit / (loss) from continuing operations	(2,109.20)	(2,258.31)
The Group's share of post-tax profit (loss) from discontinued operations	-	-
The Group's share of other comprehensive income	(214.55)	51.05
The Group's share of total comprehensive income	(2,323.75)	(2,207.26)

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Aggregate carrying amount of the Group's interests in these Joint Ventures (excluding preference shares held)	3,093.29	5,242.54	7,167.26

The unrecognised share of loss of Joint Ventures for the year ended 31st March 2017 is ₹ 629.19 lakhs (previous year: ₹ 7.09 lakhs) and cumulative share of losses is ₹ 636.28 lakhs (previous year: ₹ 7.09 lakhs)

There was no change in the group's ownership interest in Joint Ventures during the year. There are no significant restrictions on the ability of Joint Ventures to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

35 Leasing Arrangements

Operating Lease

The Group has entered into operating lease arrangements for its warehouses, office premises etc. These leasing arrangements are cancellable except during the lock in period, and are renewable on a periodic basis by mutual consent on mutually acceptable terms. Lease payments recognised in the statement of Profit and Loss for the year 2016-2017 is ₹ 1,659.40 lakhs (Previous Year: ₹ 2,990.15 lakhs).

The total of future minimum lease payments during lock in period of operating leases for each of the following periods:

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Not later than one year	179.99	70.39
Later than one year and not later than five years	544.39	195.74
Later than five years	69.92	94.10

Finance Lease

One of the subsidiaries of the Group has acquired land allotted by Government of Karnataka on lease Cum sale basis for construction of Mega Food Park wherein the land would be transferred to the subsidiary during the period of the agreement or on completion of the conditions mentioned in the agreement or at the end of 10 years or extended period. The said land has been disclosed in note 5 - Fixed Asset as lease hold land, the amount of lease cost incurred during the year is ₹ 3.39 lakhs (Previous Year: ₹ 3.39 lakhs).

The disclosure for minimum lease payment are given below :- **(₹ In Lakhs)**

Particulars	As at 31st March 2017	As at 31st March 2016
Not later than one year	3.39	3.39
Later than one year and not later than five years	13.56	13.56
Later than five years	1.13	4.52

Lease income for the year 2016-2017 is ₹ 380.13 lakhs (Previous Year: ₹ 217.65 lakhs)

36 Employee benefit plans

Defined Contribution Plan

The Group's contribution to provident fund, employee state insurance are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss.

Defined Benefit Plans

Gratuity

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

The plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

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

Salary risk

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March 2017 by M/s Asia Pacific Actuarial Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows: **(₹ In Lakhs)**

Particulars	**As at 31st March 2017**	**As at 31st March 2016**
1. Discount rate	6.8% - 8%	7.73% - 8%
2. Salary escalation	5% - 10%	5% - 8%
3. Mortality rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
4. Withdrawal Rate	20% to 1% Age based	20% to 1% Age based
5. Retirement Age	58 years	58 years

The amount included in the balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan **(₹ In Lakhs)**

Particulars	**As at 31st March 2017**	**As at 31st March 2016**
Present value of defined benefit obligation	636.95	499.32
Fair value of plan assets	87.62	80.82
Net liability arising from gratuity	**549.33**	**418.50**

Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

(₹ In Lakhs)

	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
A.	Components of expense recognised in the Statement of Profit and Loss(in Employee Benefit Expenses)		
	Current service cost	115.31	107.13
	Net interest expenses	30.86	32.00
	Total (A)	**146.17**	**139.13**
B.	Components of defined benefit costs recognised in other Comprehensive Income		
	Remeasurement on the net defined benefit liability:		
	- Return on plan assets (excluding amounts included in net interest expense)	-	-
	- Actuarial gains and losses arising from changes in demographic assumptions	(0.25)	-
	- Actuarial gains and losses arising from changes in financial assumptions	31.99	0.57
	- Actuarial gains and losses arising from experience adjustments	7.21	(80.35)
	- Adjustments for restrictions on the defined benefit asset	-	-
	Total (B)	**38.95**	**(79.78)**
C.	Movements in the present value of the defined benefit obligation		
	Opening defined benefit obligation	499.32	453.65
	Current service cost	115.31	107.13
	Interest cost	37.35	38.05
	Acquisition / Divestiture	-	32.40
	Remeasurement (gains)/losses:		
	- Actuarial gains and losses arising from changes in demographic assumptions	(0.25)	-
	- Actuarial gains and losses arising from changes in financial assumptions	31.99	0.57
	- Actuarial gains and losses arising from experience adjustments	7.21	(80.35)
	Benefits paid	(53.98)	(52.13)
	Closing defined benefit obligation (C)	**636.95**	**499.32**
D.	Movements in the fair value of the plan assets		
	Opening fair value of plan assets	80.82	73.77
	Interest income	6.49	6.05
	Remeasurement gain (loss):		
	- Return on plan assets (excluding amounts included in net interest expense)	0.32	-
	Contributions from Group	27.75	23.49
	Acturial Gain/ (Loss) on Plan Asset	-	-
	Assets acquired/ (settled) in a business combination	(25.00)	(21.00)
	Benefits paid	(2.76)	(1.49)
	Closing fair value of Plan Assets	**87.62**	**80.82**

Category wise plan assets

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Central government securities	66.00	61.00
Insurer managed funds	21.62	19.82
	87.62	**80.82**

37 Financial Instruments and Risk Review

37.1 Capital Management

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

In order to optimise capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Group on a regular basis. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital. The Group has a target Debt to Equity ratio of 1 : 1. determined as the proportion of net debt to equity. The Debt to Equity ratio at 31st March 2017 was 0.48 : 1.

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Debt (i)	47,143.28	53,912.55	60,886.87
Cash and bank balances (iii)	4,908.55	2,491.32	3,618.21
Net debt	42,234.73	51,421.24	57,268.66
Equity (ii)	88,850.09	55,446.82	65,129.28
Net debt to equity ratio	0.48	0.93	0.88

(i) Debt is defined as long and short-term borrowings and includes current maturities of long term debt.

(ii) Equity includes all capital and reserves of the Group that are managed as capital.

(iii) Includes bank deposits with more than 12 months maturity shown under other financial assets.

37.2 Categories of financial instruments

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial assets			
Measured at Amortised Cost			
– Cash and bank balances	4,754.15	1,700.44	3,552.80
– Investments in certificate of deposits and others	0.30	2,000.30	10,000.16
– Trade receivables	32,415.02	16,497.10	13,447.06
– Loans	8,085.14	3,522.76	6,549.20
– Other financial assets	2,646.85	2,328.84	14,316.63
Measured at fair value through profit and loss (FVTPL)			
(a) mandatorily measured			
– Investment in Preference Shares	408.30	-	-
– Investments in Debentures	151.55	135.30	114.10
– Investments in Equity Shares	3.15	1.54	1.87
(b) designated at FVTPL	-	-	-
Measured at fair value through other comprehensive income (FVTOCI)	-	-	-
Financial liabilities			
Measured at Amortised Cost			
– Borrowings*	47,143.28	53,912.55	60,886.87
– Trade payable	16,711.81	9,934.62	9,847.28
– Other financial liabilities	17,094.69	8,579.40	3,128.74
Measured at fair value through profit and loss (FVTPL)			
(a) mandatorily measured			
– Currency swap liability	31.93	9.26	-
(b) designated at FVTPL	-	-	-

* includes current maturity of long term borrowings

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets measured at FVTPL. The carrying amount reflected above represents the Group's maximum exposure to credit risk for such Financial assets.

37.3 Financial risk management objectives

The Group has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

37.4 Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates and interest rates.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide principles on foreign exchange risk and interest rate risk. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade in financial instruments, including derivatives for speculative purposes.

37.5 Foreign Currency Risk Management

The Group's exposure to International transactions is limited, however it is exposed to foreign exchange risks arising from import of goods and services. Foreign exchange risks arises from recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

To manage the foreign exchange risk arising from recognized assets and liabilities, Group uses spot transactions, foreign exchange forward contracts, according to the Group's foreign exchange risk policy. Corporate Treasury is responsible for managing the net position in each foreign currency and for putting in place the appropriate hedging actions.

The Year end foreign currency exposures are given below :-

Particulars	Foreign Currency	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
		Amount in Foreign Currency (In Lakhs)	Amount (₹ In Lakhs)	Amount in Foreign Currency (In Lakhs)	Amount (₹ In Lakhs)	Amount in Foreign Currency (In Lakhs)	Amount (₹ In Lakhs)
Receivables :							
Trade Receivables & Advances Given (Unhedged)	USD	32.90	2,132.89	18.90	1253.89	1.59	99.60
Payables :							
Trade Payables	USD	1.99	129.26	0.75	49.58	4.23	264.68
	EUR	-	-	0.79	59.23	-	-
Borrowings :							
	USD	83.50	5,414.20	92.41	6129.62	92.60	5,795.91
	EUR	0.56	39.86	-	-	-	-
Total Payables			**5,583.32**		**6,238.43**		**6,060.59**
Of the above payables:							
Hedged by derivative Contracts			312.53		319.74		-
Unhedged Payables			5,270.79		5,918.69		6,060.59

<u>Foreign exchange risk sensitivity:</u>

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

change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower.

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

(₹ In Lakhs)

Foreign currency	For year ended 31st March 2017		For year ended 31st March 2016	
	10% strengthen	10% weakening	10% strengthen	10% weakening
USD	309.80	(309.80)	460.56	(460.56)
EURO	3.99	(3.99)	5.92	(5.92)

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

37.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates.

The following table provides break-up of Group's fixed and floating rate borrowings

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Variable interest rate borrowings	25,452.16	43,646.08	50,969.64
Fixed interest rate borrowings	21,691.12	10,266.47	9,917.23
Total	**47,143.28**	**53,912.55**	**60,886.87**
Of the above hedged by currency swaps	312.53	319.74	-

Interest rate risk sensitivity:

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit. A positive is increase in profit and negative is decrease in profit.

(₹ In Lakhs)

Particulars	For year ended 31st March 2017		For year ended 31st March 2016	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Impact on profit	(127.26)	127.26	(218.23)	218.23

37.7 Other price risks

The Group's exposure to other risks arises from investments in preference shares and Debentures amounting to ₹ 559.85 lakhs (Previous Year: ₹ 135.30 lakhs) The investments are held for strategic rather than trading purpose.

The sensitivity analysis below have been determined based on the exposure to price risk at the end of the reporting period. If the price had been 5% higher / lower, profit for the year ended 31st March 2017 would increase/decrease by ₹ 27.99 lakhs (Previous year by ₹ 6.77 lakhs)

37.8 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from entering into derivative financial instruments and from deposits with banks and financial institutions, as well as from credit exposures to customers, including outstanding receivables.

The Group has adopted a policy of only dealing with creditworthy counterparties. Detailed KYC documentation is done before the transaction is done with the customers. Also, majority of Group's sales is to other Future Group Companies, hence the risk of realisation of sales money is minimised. The Group's exposure are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Also periodic reconciliation is being done with the customers. There is no history of Bad Debts in the company.

Apart from Future Retail Limited, the largest customer of the Group, the Group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to Future Retail Limited did not exceed 77% (Previous year : 73%) of gross trade receivable as at the end of reporting period. No other single customer accounted for more than 10% of total trade receivable.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The average credit period on sales of goods is 7 to 90 days. No interest is charged on trade receivables.

In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables. It takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the past due receivables. There has been no significant change in the credit quality of receivables past due for more than 180 days.

Age of receivables (₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
-0-60 days	27,648.73	16,467.17	12,144.44
-61 to 90 days	5,377.69	733.38	1,193.11
-91 to 180 days	1,463.21	467.37	525.56
-more than 180 days	977.00	70.99	62.12
Less :- Inter Company Elimination	(3,051.61)	(1,241.81)	(478.17)
Total	**32,415.02**	**16,497.10**	**13,447.06**

37.9 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors. There is an established liquidity risk management framework for the management of the Group's (a) short term, (b) medium term (c) long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived by reference to the conditions existing at the end of the reporting period.

(₹ In Lakhs)

Particulars	Weighted average effective interest rate	Less than 1 year	1 to 5 years	5 years and above	Total	Carrying amount
As at 31st March 2017						
Variable interest rate borrowings						
Principal	9.79%	16,943.93	5,840.67	-	22,784.60	25,452.16
Interest *		3,363.37	802.07	-	4,165.44	-
Fixed interest rate borrowings						
Principal	11.61%	6,555.56	9,756.98	-	16,312.53	21,691.12
Interest		7,855.62	1,705.45	-	9,561.07	-
Currency swap		-	31.93	-	31.93	31.93
Financial guarantee contracts		1,003.14	4,312.06	-	5,315.20	-
Non interest bearing (Trade payable, deposits etc.)		20,223.92	-	-	20,223.92	20,223.92
As at 31st March 2016						
Variable interest rate instruments					-	
Principal	11.11%	18,980.88	20,879.24	378.50	40,238.62	43,646.08
Interest		6,167.61	4,623.59	18.68	10,809.89	-
Fixed interest rate instruments				-		
Principal	12.23%	4,000.00	6,319.74	-	10,319.74	10,266.47
Interest		1,195.00	717.00	-	1,912.00	-
Currency swap		-	9.26	-	9.26	9.26
Financial guarantee contracts		1,399.76	5,275.41	-	6,675.17	-
Non interest bearing (Trade payable, deposits etc.)		11,915.68	-	-	11,915.68	11,915.68
As at 1st April 2015						
Variable interest rate instruments						
Principal	11.62%	29,017.06	17,328.45	4,898.75	51,244.26	50,969.64
Interest		3,445.31	6,188.94	240.60	9,874.85	-
Fixed interest rate instruments						
Principal	12.33%	-	10,000.00	-	10,000.00	9,917.23
Interest		1,198.27	1,912.00	-	3,110.27	-
Financial guarantee contracts		-	3,956.09	-	3,956.09	-
Non interest bearing (Trade payable, deposits etc.)		11,670.87	-	-	11,670.87	11,670.87

* This (less than 1 year) includes interest payable on compulsory convertible debentures of ₹ 5,849.92 lakhs where the investor have the option to elect that such interest to be paid in cash.

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Group has ₹ 11,154.21 lakhs (Previous Year ₹ 4,167.09 lakhs) undrawn facilities at its disposal to further reduce liquidity risks.

37.10 Fair Value Measurement and related disclosures

Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

(₹ In Lakhs)

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March 2017	31st March 2016	1st April 2015		
Financial assets at fair value through profit and loss (FVTPL)					
- 0% optionally convertible debenture of Capital Food Limited	151.55	135.30	114.10	Level 2	Present value of the redemption amount is arrived by using the market driven yields to match the tenure of the instrument
- 0% Non Cumulative Redeemable Preference share of Aussee Oats Milling (Private) Limited	408.30	-	-	Level 2	Present value of the redemption amount is arrived by using the appropriate discount rate to match the expected tenure of the instrument
Equity investment in Karnataka Bank Limited	3.15	1.54	1.87	Level 1	Quoted bid prices in an active market
Financial liabilities at fair value through profit and loss (FVTPL)					
Currency Swap	31.93	9.26	-	Level 2	Quote from Bank

Financial assets and financial liabilities that are not measured at fair values (but fair values disclosures are required)

The Group consider that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

38 Share Based Payments

38.1 Details of the employee share based plan of the Group

a) The ESOP scheme titled "FVIL Employees Stock Option Plan 2011" (ESOP 2011) was approved by the shareholders at the Annual General Meeting held on 10th August 2010. 50,000,000 options are covered under the ESOP 2011 for 50,000,000 shares. Post listing of equity shares on the stock exchanges, the shareholders have ratified the pre-IPO scheme.

In the previous years, the Nomination and Remuneration / Compensation Committee of the holding company, Future Consumer Limited (the ""Company"") has granted 34,535,000 options under ESOP 2011 to certain directors and employees of the Group. The options allotted under ESOP 2011 are convertible into equal number of equity shares. The exercise price of each option is ₹ 6/-.

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

b) The ESOP scheme titled "Future Consumer Enterprise Limited - Employee Stock Option Plan 2014" was approved by the Shareholders vide resolution passed at the Extra Ordinary General Meeting held on 12th January 2015 and through postal ballot on 12th May 2015 in respect of grant of 31,950,000 options under primary route (ESOP 2014-Primary) and 79,800,000 options under secondary market route (ESOP 2014-Secondary). ESOP 2014 has been implemented through a trust route whereby Vistra ITCL India Limited (Formerly IL&FS Trust Group Limited) has been appointed as the Trustee who monitors and administers the operations of the Trust.

In the previous year, the Nomination and Remuneration / Compensation Committee, at its meeting held on 15th May 2015, has granted 15,950,000 options under the ESOP 2014-Secondary to certain directors / employees of the Group under the secondary market route. During the current year, the Nomination and Remuneration / Compensation Committee, at its meeting held on 12th August, 2016 has granted 10,000,000 options under the ESOP 2014-Primary to certain directors / employees of the Group under the primary route. The options allotted under ESOP 2014 are convertible into equal number of equity shares. The exercise price per Option for shares granted under the secondary market route shall not exceed market price of the Equity Share of the Group as on date of grant of Option or the cost of acquisition of such equity shares to the Trust applying FIFO basis, whichever is higher. The exercise price per Option for shares granted under the primary route shall not exceed market price of the Equity Share of the Group as on date of grant of Option, which may be decided by the Nomination and Remuneration / Compensation Committee.

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

The following share-based payment arrangements were in existence during the current and prior years:

Particulars	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Share Price at Grant date	Fair value at grant date (₹)
ESOP 2011	4,200,000	09.11.2012	Note - 1 below	6.00	9.90	1.76
ESOP 2011	15,000,000	26.12.2015		6.00	26.15	22.49
ESOP 2014-Secondary	15,950,000	15.05.2015		Note - 2 below	11.20	7.05
ESOP 2014-Primary	10,000,000	12.08.2016		21.40	21.50	11.42

Note-1 The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

Note-2 Market price of the Equity Share of the Group as on date of grant of Option or the cost of acquisition of such shares to the Group applying FIFO basis, whichever is higher.

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

Inputs into the model	ESOP 2011	ESOP 2014-Secondary	ESOP 2014-Primary
Expected volatility (%)	47.15%-56.55%	64.18%	48.88%
Option life (Years)	4-6	4-6	4-6
Dividend yield (%)	0%	0%	0%
Risk-free interest rate (Average)	7.82%-8.81%	7.55%-7.91%	7.12%-7.25%

38.3 Movement in share options during the year

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

Foreign currency	Year ended 31st March 2017		Year ended 31st March 2016	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of Year				
- ESOP 2011	15,700,000	6.00	1,006,000	6.00
- ESOP 2014-Secondary	15,950,000	Refer Note-2 above	-	-
- ESOP 2014-Primary	-	-	-	-
Granted during the period				
- ESOP 2011	-	-	15,000,000	6.00
- ESOP 2014-Secondary	-	-	15,950,000	Refer Note-2 above
- ESOP 2014-Primary	10,000,000	21.40	-	-
Forfeited during the period				
- ESOP 2011	-	-	8,000	6.00
- ESOP 2014-Secondary	1,036,000	Refer Note-2 above	-	-
- ESOP 2014-Primary	500,000	21.40	-	-
Exercised during the period				
- ESOP 2011	5,050,000	6.00	298,000	6.00
- ESOP 2014-Secondary	2,626,000	13.16	-	-
- ESOP 2014-Primary	-	-	-	-
Expired during the period				
- ESOP 2011	-	-	-	-
- ESOP 2014-Secondary	-	-	-	-

Foreign currency	Year ended 31st March 2017		Year ended 31st March 2016	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
- ESOP 2014-Primary	-	-	-	-
Balance at end of Year				
- ESOP 2011	10,650,000	6.00	15,700,000	6.00
- ESOP 2014-Secondary	12,288,000	Refer Note-2 above	15,950,000	Refer Note-2 above
- ESOP 2014-Primary	9,500,000	21.40	-	-

38.4 Share options exercised during the year

The following share options were exercised during the year:

Options scheme	Number exercised	Exercise date	Share price at exercise date (₹)
ESOP 2011	700,000	12.08.2016	21.50
ESOP 2011	4,350,000	27.12.2016	19.60
ESOP 2014-Secondary	2,626,000	Various dates	21.16
Total	**7,676,000**		

38.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1,521 days (Previous year: 1,670 days).

Out of the ESOPs outstanding, the number of options exercisable are as under :-

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
- ESOP 2011	150,000	700,000
- ESOP 2014-Secondary	564,000	-

39 Related Party Disclosures

39.1 Name of Related Party and Nature of Relationship

a) Associate

Sarjena Foods Private Limited

b) Joint Ventures

Mibelle Future Consumer Products AG

Amar Chitra Katha Private Limited (ACK)

ACK Media Direct Limited

IBH Books & Magazines Distributors Limited

Aussee Oats India Private Limited

Ideas Box Entertainment Limited

Aussee Oats Milling (Private) Limited

MNS Foods Private Limited

Genoa Rice Mills Private Limited

Avante Snack Foods Private Limited

Sublime Foods Private Limited

c) Key Management Personnel (KMP) and their relatives

Kishore Biyani

Ashni Biyani

Narendra Baheti (With effect from 30th August 2016)

Rajendra Baheti (With effect from 30th August 2016)

Arun Kumar Agarwal (Upto 4th February 2017)

Archana Baheti (With effect from 30th August 2016)

Sunder Devi Baheti (With effect from 30th August 2016)

Amulya Baheti (With effect from 30th August 2016)

Rajkumari Agarwal (Upto 4th February 2016)

d) Entities which have significant influence over the Company

Future Corporate Resources Limited (Upto 30th March 2017)

Weavette Business Ventures Limited (upto 30th March 2017)

Birthright Games & Entertainment Private Limited (upto 30th March 2017)

Retail Light Techniques (India) Limited

e) Entities controlled by KMP and their relatives

Premium Harvest Limited

Future Ideas Company Limited

39.2 Transactions with Related Party

(₹ In Lakhs)

Nature of transactions	Associate	Joint Ventures	Key Management Personnel (KMP) and their relatives	Entities which have significant influence over the Company	Entities controlled by KMP and their relatives
Purchase of Investments	-	644.46	-	-	-
(Equity and Preference Shares)	(-)	(282.53)	(-)	(-)	(-)
Advances Given	-	11.00	-	12.95	-
	(-)	(0.30)	(-)	(-)	(-)
Inter Corporate Deposits Given	-	6,216.57	-	269.35	-
	(-)	(1,795.86)	(-)	(239.53)	(-)
Inter Corporate Deposits Received back	-	2,509.27	-	239.53	-
	(-)	(397.78)	(-)	(221.86)	(-)
Security Deposit Received	-	147.67	-	-	-
	(-)	(12.42)	(-)	(-)	(-)
Interest Income	-	501.20	-	31.13	-
	(-)	(185.45)	(-)	(28.51)	(-)
Other Income	-	-	-	-	-
	(-)	(5.04)	(-)	(-)	(-)
Rent Income	-	188.14	-	-	-
	(-)	(24.13)	(-)	(-)	(-)
Sales	-	113.03	-	-	337.89
	(-)	(21.91)	(-)	(-)	(-)
Purchases	200.97	1,439.75	-	20.26	4,068.93
	(161.05)	(104.31)	(-)	(-)	(-)
Legal & Professional Fees	-	-	-	-	13.73
	(-)	(-)	(-)	(-)	(61.46)
Managerial Remuneration	-	-	324.31	-	-
	(-)	(-)	(108.03)	(-)	(-)
Rent Expenses	-	-	11.48	-	43.12
	(-)	(-)	(-)	(-)	(-)
Royalty Expenses	-	9.00	-	-	-
	(-)	(8.99)	(-)	(-)	(23.56)

(₹ In Lakhs)

Nature of transactions	Associate	Joint Ventures	Key Management Personnel (KMP) and their relatives	Entities which have significant influence over the Company	Entities controlled by KMP and their relatives
Recovery of Expenses	- (-)	188.56 (7.44)	- (-)	- (-)	- (-)
Other Expenses	- (-)	- (10.49)	- (-)	63.18 (0.81)	98.60 (4.73)
Sitting Fees	- (-)	- (-)	4.00 (2.50)	- (-)	- (-)
Marketing Expenses	- (-)	- (-)	- (-)	34.50 (-)	- (-)
Financial Charges	- (-)	1.70 (-)	- (-)	- (-)	- (-)
Share Application	- (-)	136.94 (-)	- (-)	- (-)	- (-)
Advance Received	- (-)	33.68 (-)	- (-)	- (-)	- (-)
Interest Receivable	- (-)	366.78 (149.10)	- (-)	- (9.52)	- (-)
Trade Receivable	- (-)	47.13 (46.83)	- (-)	- (-)	87.57 (-)
ICDs Outstanding	- (-)	5,815.80 (2,199.26)	- (-)	- (239.53)	- (-)
Trade Payables	36.68 (17.85)	282.92 (63.60)	- (-)	- (-)	166.50 (-)
Other Payables	- (-)	- (-)	- (-)	- (-)	- (11.24)
Other Receivables	- (200.00)	10.76 (8.19)	- (-)	- (-)	- (-)
Security Deposit Received Outstanding	- (-)	125.00 (-)	- (-)	- (-)	- (-)
Advances Given Outstanding	- (-)	11.00 (0.30)	- (-)	- (-)	- (-)
Advance Rent Received	- (-)	35.95 (-)	- (-)	- (-)	- (-)
Security Deposits Receivable	- (-)	47.12 (-)	- (-)	- (-)	- (-)
Advances Received Outstanding	- (-)	33.68 (-)	- (-)	- (-)	- (-)
Corporate Guarantees given	- (-)	2,000.00 (2,905.45)	- (-)	- (-)	- (-)
Corporate Guarantees Outstanding	- (-)	10,290.58 (8,437.61)	- (-)	- (-)	- (-)

39.3 Disclosure in respect of Material Transactions with Related Parties

(₹ In Lakhs)

Nature of Transactions	2016-17	2015-16
Purchase of Investments		
Aussee Oats Milling Private Limited	466.46	-
Genoa Rice Mills Private Limited	125.00	-
Mibelle Future Consumer Products AG	-	237.03
MNS Foods Private Limited	-	45.00
Advance given during the Year		
Future Corporate Resources Limited	12.95	-
Genoa Rice Mills Private Limited	11.00	-
MNS Foods Private Limited	-	0.30
Inter Corporate Deposit Given		
Amar Chitra Katha Private Limited	3,149.98	988.90
Aussee Oats Milling (Private) Limited	1,265.38	-
IBH Books & Magazines Distributors Limited	907.86	-
Sublime Foods Private Limited	-	277.79
Aussee Oats Milling (Private) Limited	-	504.13
Weavette Business Ventures Limited	-	239.53
Inter Corporate Deposits Received back		
Amar Chitra Katha Private Limited	988.94	200.00
Aussee Oats Milling Private Limited	466.46	-
IBH Books & Magazines Distributors Limited	907.86	-
Sublime Foods Private Limited	-	197.78
Weavette Business Ventures Limited	-	221.86
Security Deposit Received		
Genoa Rice Mills Private Limited	125.00	-
Sublime Foods Private Limited	-	12.42
Interest Income		
Amar Chitra Katha Private Limited	237.97	82.56
Aussee Oats Milling (Private) Limited	201.75	86.23
Weavette Business Ventures Limited	-	28.51
Rent Income		
Genoa Rice Mills Private Limited	104.47	-
MNS Foods Private Limited	43.22	-
Sublime Foods Private Limited	30.62	24.13
Sales		
Premium Harvest Limited	337.89	-
Sublime Foods Private Limited	90.81	21.06
Purchases		
Premium Harvest Limited	4,068.20	-
Sublime Foods Private Limited	-	85.79
Sarjena Foods Private Limited	-	161.05
Legal & Professional Fees		
Future Ideas Company Limited	13.73	61.46
Marketing Expenses		
Birthright Games & Entertainment Private Limited	34.50	-
Other Operating Income		
Sublime Foods Private Limited	-	5.04

(₹ In Lakhs)

Nature of Transactions	2016-17	2015-16
Managerial Remuneration		
Arun Kumar Agarwal	39.83	37.62
Ashni Biyani	85.02	70.41
Narendra Baheti	144.13	-
Rajendra Baheti	47.67	-
Rent Expenses		
Archana Baheti	6.19	-
Premium Harvest Limited	43.12	-
Royalty Expenses		
Amar Chitra Katha Private Limited	9.00	8.99
Future Ideas Company Limited	-	23.56
Recovery of Expenses		
Mibelle Future Consumer Products AG	146.88	7.44
Sublime Foods Pvt. Ltd.	29.56	-
Other Financial Charges		
Avante Snacks Foods Private Limited	0.34	-
MNS Foods Private Limited	0.39	-
Sublime Foods Private Limited	0.97	-
Other Expenses		
Future Corporate Resources Limited	63.18	-
Premium Harvest Limited	91.68	-
Sublime Foods Private Limited	-	9.73
Future Ideas Company Limited	-	4.73
Sitting Fess		
Kishore Biyani	4.00	2.50
Share Application		
Mibelle Future Consumer Products AG	136.94	-
Advance Rent Received		
MNS Foods Private Limited	29.98	-
Advance Received		
Genoa Rice Mills Private Limited	33.68	-
Interest Receivable		
Amar Chitra Katha Private Limited	182.77	52.48
Aussee Oats Milling (Private) Limited	150.78	93.95
Trade Receivable		
Premium Harvest Limited	87.57	-
Sublime Foods Private Limited	18.96	46.80
ICDs Outstanding		
Amar Chitra Katha Private Limited	3,149.98	988.94
Aussee Oats Milling (Private) Limited	1,792.47	1,084.32
Trade Payables		
Mibelle Future Consumer Products AG	135.55	-
MNS Foods Private Limited	81.20	-
Premium Harvest Limited	164.79	-
Sublime Foods Private Limited	53.97	45.55
Aussee Oats Milling (Private) Limited	-	18.06
Sarjena Foods Private Limited	-	17.85
Other Payables		
Future Ideas Company Limited	-	11.24

(₹ In Lakhs)

Nature of Transactions	2016-17	2015-16
Other Receivables		
Amar Chitra Katha Private Limited	1.38	-
MNS Foods Private Limited	8.53	-
Sarjena Foods Private Limited	-	200.00
Security Deposit Received Outstanding		
Genoa Rice Mills Private Limited	125.00	-
Security Deposits Receivable		
Avante Snacks Foods Private Limited	9.72	-
MNS Foods Private Limited	37.40	-
Advance Given Outstanding		
Genoa Rice Mills Private Limited	11.00	-
MNS Foods Private Limited	-	0.30
Advances Received Outstanding		
Genoa Rice Mills Private Limited	33.68	-
Corporate Guarantees given		
Aussee Oats India Private Limited	2,000	994.99
Amar Chitra Katha Private Limited		1,300.00
MNS Foods Private Limited		338.96
Corporate Guarantees Outstanding		
Aussee Oats Milling Private Limited	6,380.12	6,527.15
Amar Chitra Katha Private Limited	1,300.00	1,300.00
Aussee Oats India Private Limited	2,000.00	-

40 Business combinations

A) Business acquired

Particular	Principal activity	Acquisition date	Consideration paid in Cash (₹ In Lakhs)
Consumer Product Division of Grasim Industries Limited (KARA)	Manufacture and distribution of skin care, baby care and home care wet wipes and hand sanitizers	15th July 2015	1,003.00

Above business was acquired so as to continue the expansion of the Group's activities in FMCG sector.

Assets acquired and liabilities recognised at fair value on the date of acquisition

Particulars	(₹ in Lakhs)
Current assets	
Trade and other receivables	80.90
Inventories	126.58
Other Current Assets	2.32
Non-current assets	
Property, plant and equipment	164.07
Intangible Assets - Brands	1,209.00
Other Non-Current Assets	0.98
Current liabilities	
Trade and other payables	150.80
Other Current Liabilities and Provisions	114.69
Non-current liabilities	
Other Non Current Liabilities	0.42
Net assets acquired	**1,317.94**

Capital Reserve arose in the acquisition of KARA amounting to ₹ 314.94 lakhs which has directly been recognized in Equity. The consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce.

No Cash and cash equivalent has been obtained under this acquisition. Acquisition-related costs amounting to ₹ 88.42 lakhs have been excluded from the consideration transferred and have been recognised as an expense in the Statement of profit or loss in the year of acquisition, within the 'Other expenses' line item.

Revenue for the year 31st March 2016 includes ₹ 1,215 lakhs in respect of business acquired. Profit for the year in respect of business acquired cannot be ascertained separately as this being a division, no separate books of accounts are maintained.

Had these business combinations been effected at 1st April 2015, the revenue of the Group from continuing operations for year ended 31st March 2016 would have been ₹ 170,814.84 lakhs. The Group considers these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Group on an annualized basis and to provide a reference point for comparison in future periods.

B) Subsidiary acquired

Name of acquiree	Principal activity	Acquisition date	% of voting equity interest	Consideration paid in Cash (₹ In Lakhs)
The Nilgiris Dairy Farm Private Limited and its subsidiaries	Manufacture and distribution of Dairy, bakery and staple products	20th November 2014	99.05%	-

Above subsidiaries were acquired so as to continue the expansion of the Group's activities in FMCG sector.

Assets acquired and liabilities recognised at fair value on the date of acquisition

Particulars	(₹ in Lakhs)
Current assets	
Cash and cash equivalents	99.83
Trade and other receivables	1,056.62
Inventories	866.59
Other Current Assets	322.42
Non-current assets	
Property, plant and equipment	13,050.42
Intangible Assets - Brands	7,158.25
Other Non-Current Assets	1,551.89
Current liabilities	
Borrowings	372.95
Trade and other payables	1,876.91
Other Current Liabilities and Provisions	1,738.06
Non-current liabilities	
Borrowings	69.68
Deferred tax liabilities	2,671.00
Other Non Current Liabilities	1,772.09
Net assets acquired	**15,605.33**

The non-controlling interest of 0.95% recognised at the acquisition date was measured by reference to the proportionate interest in enterprise value and amounted to ₹ 148.25 lakhs. Acquisition-related costs amounting to ₹ 1,500.93 lakhs have been excluded from the consideration transferred and have been recognised as an expense in profit or loss in the year of acquisition, within the 'Other expenses' line item.

Goodwill arose in the acquisition amounting to ₹ 10,375.56 lakhs because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash outflow on acquisition of business

Particulars	(₹ in Lakhs)
Consideration paid in cash	26,129.14
Less: Cash and cash equivalent balances acquired	99.83
Net cash outflow	**26,029.31**

41 Contingent liabilities

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Claims against the Group not acknowledged as debt*	60.82	66.45	64.38
Disputed Income Tax Demands	6,832.64	3,732.99	2,325.64
Disputed Sales Tax and Excise Matters	93.79	36.93	2,165.05
Corporate Guarantees issued to banks and financial institutions. (Loans Outstanding as at 31st March 2017 ₹ 5,316.45 lakhs; Previous Year ₹ 6,675.17 lakhs)	11,790.58	9,437.61	5,538.07
	18,777.83	**13,273.98**	**10,093.14**

*Does not include cases where liability is not ascertainable

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

42 Capital Commitment

The estimated amount of contracts remaining to be executed on capital account as at 31st March 2017 is ₹ 2,013.21 lakhs (Previous Year ₹ 717.73 lakhs)

43 During the previous year pursuant to approval granted by the Shareholders of the Company at an Extra Ordinary General Meeting held on 22nd January 2016, the Committee of Directors of the Board of Directors of the Company had on 5th February 2016 issued and allotted 6,700 Warrants of ₹ 100,000/- each to Srishti Mall Management Company Private Limited ("Srishti"), a promoter group company, on preferential allotment basis upon receipt of ₹ 1,675 lakhs from Srishti being 25% of the total consideration price for the warrants. The warrant holder may exercise the warrants at any time before expiry of 18 months from the date of allotment of warrants. Upon such exercise and on payment of balance 75% of the total consideration amount by the warrant holder, the warrants shall be converted into equity shares at a conversion price of ₹ 22.73 per equity share.

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

44 During the previous year, the Company had re-aligned its business by way of shifting the operations of convenience stores to be undertaken under a Franchisee model. Under the new model all the convenience stores which earlier were operated by the Company and/or its subsidiaries under various format brands "KB's Fair Price", "KB's Conveniently Yours", "Big Apple", "Aadhaar" and "Nilgiris" are now operated by the franchisee appointed by the Company. As a result of the above, the Company does not operate any convenience stores either directly by itself or by any of the above mentioned subsidiaries.

45 The carrying amount of Goodwill is as follows :-

(₹ In Lakhs)

Particulars	31st March 2017	31st March 2016	1st April 2015
a) KBFP CGU	614.50	614.50	614.50
b) COP CGU	2,951.82	2,951.82	2,951.82
c) The Nilgiris Dairy Farm Limited	10,871.96	10,871.96	10,871.96
d) Future Consumer Products Limited	2,055.97	2,055.97	2,055.97
e) Others	275.08	275.08	275.08

KBFP CGU represents convenience store chain KB's Fairprice and Big Apple. These stores were mainly operated in Delhi, Mumbai and Bangalore. These store formats are typically located in closed proximity of customers in easy accessible locations. These stores are designed as low frills stores, the business model hinges on low operating as well as low capex costs and high turns for the goods sold within the stores.

Center of Plate (COP) CGU is into the business of procuring, processing and supplying agricultural commodities in loose and packed form under various brands.

Goodwill

The recoverable amount of Goodwill of KBFP CGU, COP CGU, The Nilgiris Dairy Farm and Future Consumer Products Limited is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 16.36%, 16.36 %, 10%, 18.75% per annum respectively. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate (for all CGU and Subsidiaries) which is the projected long-term average growth rate for the industry. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit."

As at transition date, the Group carried out a review of the recoverable amount of KBFP CGU as mandated under Ind-AS 101. The review led to the recognition of an impairment loss in Goodwill of ₹ 7,352.51 lakhs which has been recognised in retained earnings. The recoverable amount of the relevant assets has been determined on the basis of their value in use, which amounted to ₹ 614.50 as at 1st April 2015. The discount rate used in measuring value in use was 14% per annum. No impairment assessment under previous GAAP was performed in 2014-2015 as there was no indication of impairment. The business was relatively new with a long gestation period.

46 Investment Property

The fair Value of the Group's Investment properties as at 31st March 2017, 31st March 2016 and 1st April 2015 has been arrived on the basis of a valuation carried on the respective dates by Independent valuers not related to the Group. M/s Kanti Karamsey & Co are registered with the authority which governs the valuers in India, and they have appropriate qualifications. The fair value of land was based on the market approach and fair value of building was determined based on cost based approach. In estimating the fair value of properties, the highest and best use of properties is their current use.

Details with regards to fair value is given as under :-

(₹ In Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Rent Income	44.25	21.06	-
Fair value of Investment Property - Land and Building	1,170.91	933.66	922.71

47 Brand Kara and Nilgiris is considered to have indefinite useful life based on the management assessment that the same will continue to generate future cash flows for the Company indefinitely. The carrying amount for Brand Kara is ₹ 1,209 lakhs (Previous Year ₹ 1,209 lakhs) and for Brand Nilgiris ₹ 7,038 lakhs (Previous Year ₹ 7,038 lakhs). The recoverable amount of brands "Kara" and" Nilgiris" are determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a discount rate of 17% and 10% per annum respectively. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate which is the projected long-term average growth rate for the industry. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the brand.

48.1 During the previous year, pursuant to approval granted by the Shareholders of the Company at an Extra Ordinary General Meeting held on 22nd January 2016, the Company had on 26th April 2016 issued and allotted 100 Equity Shares of ₹ 6 each at a premium of ₹ 16.73 per equity share and 29,985 CCDs of ₹ 100,000/- each to Black River Food 2 Pte. Ltd ("Black River") upon receipt of ₹ 29,985.02 lakhs on preferential allotment basis.

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

48.2 Pursuant to approval granted by the Shareholders of the Company at an Extra Ordinary General Meeting held on 17th June 2016, the Company has on 2nd July 2016 issued and allotted 100 Equity Shares of ₹ 6 each at a premium of ₹ 16.73 per equity share and 13,400 CCDs of ₹ 100,000/- each to International Finance Corporation ("IFC") upon receipt of an aggregate amount of ₹ 13,400.02 lakhs on preferential allotment basis.

The CCDs shall carry a coupon of 8.50% per annum compounded quarterly on a cumulative basis from the date of allotment. The CCDs shall be converted into equity shares of the Company at a conversion price of ₹ 22.73 per equity share on the earlier of following events (i) IFC electing to convert the CCDs into equity sharers by issuing a conversion notice to the Company; and (ii) the last date falling within 18 months from the allotment of CCDs. In the event of unpaid coupons, if any, IFC shall be entitled to such number of equity shares, equivalent to the amount of coupons remaining unpaid, at a conversion price of ₹ 22.73 for each equity share.

49 Additional information as required by Paragraph 2 of 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 2017		Share in profit or (loss) For the year ended 31st March 2017		Net assets, i.e. total assets minus total liabilities As at 31st March 2016		Share in profit or (loss) For the year ended 31st March 2016	
	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated profit/(loss)	Amount (₹ In Lakhs)	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated profit/(loss)	Amount (₹ In Lakhs)
Future Consumer Limited (formerly known as Future Consumer Enterprise Limited)	60.99%	54,185.29	11.91%	726.82	40.00%	22,180.31	(54.70%)	(5,890.21)
Subsidiaries								
Indian								
Aadhaar Wholesale Trading and Distribution Limited	1.31%	1,163.93	(14.75%)	(899.79)	0.96%	533.03	(5.08%)	(547.47)
Future Food and Products Limited	2.15%	1,910.30	(1.55%)	(94.26)	0.83%	457.80	(0.01%)	(1.08)
Future Consumer Products Limited	2.41%	2,140.68	(0.18%)	(10.78)	3.86%	2,138.43	(0.05%)	(5.30)
FCEL Food Processors Limited	0.00%	1.36	(0.03%)	(2.08)	-	-	-	-
Future Food Processing Private Limited	0.15%	136.09	(1.34%)	(82.02)	0.00%	0.29	(0.01%)	(0.61)
Star and Sitara Wellness Limited	(0.34%)	(298.80)	(0.14%)	(8.72)	(0.52%)	(290.08)	(0.00%)	(0.20)
Express Retail Services Private Limited	(0.02%)	(17.82)	(0.09%)	(5.46)	(0.02%)	(12.36)	(0.03%)	(2.76)
The Nilgiri Dairy Farm Private Limited and subsidiaries	30.80%	27,369.64	(37.45%)	(2,284.51)	48.62%	26,956.06	(9.76%)	(1,050.83)
Integrated Food Park Private Limited	3.42%	3,037.32	(27.53%)	(1,679.49)	8.50%	4,714.61	(11.48%)	(1,235.70)
Bloom Fruit and Vegetables Private Limited	0.00%	3.62	(0.23%)	(14.24)	0.00%	0.03	(0.01%)	(0.97)
Foreign								
FCEL Overseas FZCO	(0.00%)	(1.86)	(0.14%)	(8.79)	(0.02%)	(11.25)	(0.10%)	(11.12)
Minority Interest in all subsidiaries								
Indian								
Integrated Food Park Private Limited	(0.89%)	(786.84)	7.19%	438.51	(2.21%)	(1,225.35)	3.00%	323.51
Future Consumer Products Limited	0.00%	1.79	0.02%	0.95	0.00%	0.84	0.01%	0.84
Foreign								
FCEL Overseas FZCO	0.01%	5.40	0.06%	3.52	0.01%	4.45	0.04%	4.45
Joint Ventures								
Indian								
Amar Chitra Katha Private Limited and subsidiaries	-	-	(23.60%)	(1,439.80)	-	-	(18.39%)	(1,980.07)
MNS food Private Limited	-	-	(0.47%)	(28.67)	-	-	(0.03%)	(3.40)
Sublime Foods Private Limited	-	-	(0.73%)	(44.25)	-	-	(0.28%)	(29.94)
Genoa Rice Mills Private Limited	-	-	(1.33%)	(81.09)	-	-	-	-
Foreign								
Aussee Oats Milling Private Limited	-	-	(4.01%)	(244.42)	-	-	(2.21%)	(238.45)
Aussee Oats India Private Limited	-	-	(0.65%)	(39.89)	-	-	(0.00%)	(0.50)
Mibelle Future Consumer Products Ag	-	-	(3.79%)	(231.09)	-	-	(0.06%)	(5.94)
Associate								
Indian								
Sarjena Foods Private Limited	-	-	(1.16%)	(71.01)	-	-	(0.86%)	(92.45)
	100%	**88,850.09**	**(100.00%)**	**(6,100.55)**	**100%**	**55,446.82**	**100%**	**(10,768.22)**

50 Approval of Financial Statements

The Financial Statements were approved for issue by the Board of Directors on 26th May, 2017.

51 First Time Ind AS Adoption Reconciliation

51.1 A reconciliation of the total consolidated equity to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarized as follows:

(₹ In Lakhs)

Particulars	Notes	As at 31st March 2016	As at 1st April 2015
Total equity under previous GAAP		69,799.11	80,340.82
Add/(Less): Impact of adjustments as follows :-			
Measurement of Financial assets/ financial liability at amortised Cost	A	360.14	1,426.39
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	B	(607.90)	(628.77)
Adoption of fair value as deemed cost of Property, plant and equipment (PPE) (net of tax) and impairment of goodwill and reversal of depreciation / amortisation	C	(2,296.60)	(4,353.45)
Accounting of business combination under Ind AS	D	(1,295.56)	(1,513.43)
Change in investee from subsidiary to joint venture	E	(1,769.21)	(2,398.42)
Impact of consolidation under Ind AS	F	(5,265.72)	(5,254.47)
Reduction of treasury shares from equity	G	(2,028.84)	-
Impact of recognising the cost of Employee stock option scheme at Fair Value	H	456.03	-
Tax impact on Ind AS adjustments		(747.37)	(940.55)
Others		62.80	
Total Equity under Ind AS		**56,666.88**	**66,678.12**

51.2 A reconciliation of the consolidated total comprehensive income to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarized as follows:

(₹ In Lakhs)

Particulars	Notes	As at 31st March 2016
Loss After tax as reported under previous GAAP		(11,278.38)
Add/(Less): Impact of adjustments as follows :-		
Measurement of Financial assets/ financial liability at amortised Cost	A	(1,064.15)
Measurement of investments at fair value through profit and loss	B	20.87
Change in depreciation on account of fair value measurement of PPE and reversal of amortisation of intangibles	C	2,061.34
Accounting of business combination	E	(88.42)
Change in investee from subsidiary to joint venture	F	(210.23)
Impact of consolidation under Ind AS	G	(10.28)
Impact of recognising the cost of Employee stock option scheme at Fair Value	H	(286.99)
Income recognition on amortisation of government grant	I	193.19
Remeasurement of defined benefit obligation recognized in other comprehensive income (net of tax)		(80.64)
Others		(0.18)
Loss after Tax as reported under Ind AS		**(10,743.87)**
Other comprehensive income for the year (net of tax)		79.78
Total Comprehensive income under Ind-AS		**(10,664.09)**

A) Under previous GAAP, interest expense was recognized based on contractual rate and fund raising expenses was charged off in statement of Profit and Loss when incurred. Under Ind AS interest is charged based on Effective Interest Rate method. Certain financial assets are measured at fair value at initial recognition and at amortised cost subsequently using effective interest.

B) Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS certain financial assets (preference shares and optionally convertible debentures) are measured at fair value through statement of profit and loss.

C) In accordance with Ind AS 101. the Group has elected to measure certain items of PPE at fair value as at transition date. This fair values are considered as deemed cost. This resulted in increase in deemed cost of land and building by ₹ 7,576.59 lakhs and decrease in deemed cost of other Property, plant and Equipment by ₹ 3,509.44 lakhs as at transition date. Goodwill has been tested for impairment in accordance with Ind AS 101 and an impairment loss of ₹ 8,420.60 lakhs has been recognized as at transition date.

Under previous GAAP, Goodwill and brands was amortised based on estimated useful life. Under Ind AS Goodwill and brand having indefinite useful life is tested for impairment on transition date as well as subsequent balance sheet date. Certain items of PPE has been fair valued under Ind AS on transition date. Depreciation is provided accordingly. The same has resulted in decrease of depreciation/amortisation expenses by ₹ 2,103.00 lakhs for previous year.

D) Under Ind AS assets acquired and liabilities assumed are measured at fair value as on acquisition date. Expenses related business acquisition are charged to profit and loss in the period it occurs.

E) Certain investee were accounted as subsidiary under previous GAAP. Under Ind AS, these are accounted as joint ventures using equity method. Therefore on transition date, the Group recognized investments in these investees by measuring it at cost adjusted for post acquisition change in the group's share of the investee's net assets.

F) Group applied Ind AS 110 from November - 2014. Purchase of stake from non-controlling interest is accounted as equity transaction under Ind AS. Under Ind AS, previously unconsolidated investee is accounted as a subsidiary based on the establishment of control. Unlike previous GAAP, losses are attributed to non-controlling interest even if it results in a deficit.

G) Shares acquired by trust under employee share based option plan are accounted as treasury shares.

H) Under previous GAAP, the cost of Employee Stock Option Scheme was recognised using the intrinsic value method. Under Ind AS the same is recognised based on fair value of the options as on the grant date and amortised over vesting period. (net of recovery).

I) Under previous GAAP, capital subsidy from government is directly credited to equity. Under Ind AS, capital subsidy is recognized in profit and loss over a period.

Group applied requirement of Ind AS 103 from 20th November 2014 when it acquired controlling stake in The Nilgiri Dairy Farm Dairy Farm Private Limited ("NDFPL"). Accordingly assets and liabilities acquired are measured at fair value as at the date of business combination and cost of acquisition of business is recognised as expenses in the period in which business combination occurred. Following is the impact on transition date as compared to previous GAAP on account of application of Ind AS 103 effective from 20th November 2014:

Particular	**(₹ In Lakhs)**
Decrease in Goodwill	(17,016.49)
Increase in value of land	11,136.06
Recognition of identified intangible assets	7,038.00
Retained earnings (cost of business combination)	1,513.43
Deferred tax liability	(2,671.00)

51.3 Effect of Ind AS adoption on the consolidated statement of cash flows for the year ended 31st March 2016:

(₹ In Lakhs)

Particulars	**Previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**
Net cash flows from operating activities	6,405.28	1,545.59	7,950.87
Net cash flows from investing activities	3,648.11	1,547.41	5,195.52
Net cash flows from financing activities	(11,543.79)	(2,884.81)	(14,428.60)
Net increase (decrease) in cash and cash equivalents	**(1,490.40)**	**208.19**	**(1,282.21)**

Notes:

a) Certain investee were accounted as subsidiary under previous GAAP. Under Ind AS, these are accounted as joint ventures using equity method. This has impacted the Net cash flow operating, investing and financing activities under Ind AS.

b) Shares acquired by trust (Net) amounting to ₹ 2,028.85 lakhs under employee share based option plan are accounted as treasury shares and reflects in Net cash flow from financing activities. In previous GAAP the same was reflected as increase/decrease in advance under Net cash flows from operating activities.

c) Expenses related to business combination amounting to ₹ 88.42 lakhs was capitalized under previous GAAP and reflected in Net cash flows from investing activities. The same has been charged to statement of profit or loss under Ind AS.

d) Bank Balances not considered in Cash and Cash equivalents (net) amounting to ₹ 149.75 lakhs was reflected in Net cash flows from investing activities under previous GAAP. The same has been considered in working capital changes under Ind AS.

Form AOC - 1

(Pursuant to first proviso to sub-sec on (3) of Sec on 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

Part A - Financial information with respect of Subsidiary Companies for the Year Ended 31st March'2017

(Rs. In lakhs except % of share holding)

Sr. No	Name of the Company	Date since when subsidiary was acquired	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invetments (Except Investment in Subsidiaries)	Turnover	Profit/ (loss) Before taxation	Provision for Taxation/ Deferred Tax	Profit/ (loss) After Taxation	Proposed Dividend	% of Share Holding
1	Aadhaar Wholesale Trading and Distribution Limited	27.03.2008	4,340.00	(3,360.51)	9,820.65	9,820.65	-	31,073.16	(854.12)	-	(854.12)	-	100%
2	Future Food and Products Limited	02.08.2010	313.00	1,597.30	3,740.97	3,740.97	-	-	(94.26)	-	(94.26)	-	100%
3	Future Consumer Products Limited	29.06.2010	100.00	(147.52)	105.64	105.64	0.10	97.15	(9.49)	-	(9.49)	-	90%
4	Amar Chitra Katha Private Limited (Further Referred as ACK)	30.06.2011	5.00	2,179.06	6,514.97	6,514.97	-	2,321.50	(1,159.71)	-	(1,159.71)	-	73.99%
5	FCEL Food Processors Limited (formerly known as ACK Edutainment Limited)	27.04.2016	14.00	(12.65)	7.13	7.13	-	-	(2.08)	-	(2.08)	-	100%
6	Future Food Processing Private Limited (formerly known as Future Personal Care and Hygiene Products Private Limited)	21.10.2014	201.00	(66.82)	2,536.85	2,536.85	-	-	(82.02)	-	(82.02)	-	100%
7	ACK Media Direct Limited (Subsidiary of ACK)	30.06.2011	6.00	(686.75)	236.18	236.18	-	502.71	(153.53)	-	(153.53)	-	100%
8	IBH Books & Magazines Distributors Limited (Subsidiary of ACK)	30.06.2011	50.00	(1,691.66)	669.14	669.14	-	652.61	(609.96)	-	(609.96)	-	100%
9	Ideas Box Entertainment Limited (Subsidiary of ACK)	30.06.2011	90.00	(607.48)	4.77	4.77	-	-	4.55	-	4.55	-	100%
10	Star and Sitara Wellness Limited	12.09.2012	180.90	(479.70)	8.78	8.78	-	-	(8.72)	-	(8.72)	-	100%
11	Express Retail Services Private Limited	15.09.2012	5.00	(22.82)	29.35	29.35	-	-	(5.46)	-	(5.46)	-	100%
12	Ausee Oats Milling (Private) Limited (in USD)*	16.09.2014	2,189.78	(2,182.45)	8,154.07	8,154.07	-	1,235.00	(1,548.15)	(14.38)	(1,562.53)	-	50% + 1 Share
13	The Nilgiri Dairy Farm Private Limited (Further referred as NDF)	20.11.2014	241.44	11,053.16	20,367.78	20,367.78	-	19,579.36	(2,095.64)	-	(2,095.64)	-	100%
14	Appu Nutritions Private Limited (Subsidiary of NDF)	20.11.2014	10.00	1,473.85	1,862.92	1,862.92	-	1,401.36	(22.00)	-	(22.00)	-	100%
15	Nilgiris Mechanised Bakery Private Limited (Subsidiary of NDF)	20.11.2014	14.14	(61.34)	388.34	388.34	3.17	1,822.82	(177.72)	-	(177.72)	-	100%
16	Nilgiris Franchise Private Limited (Subsidiary of NDF)	20.11.2014	425.00	(480.32)	250.77	250.77	-	68.76	(2.20)	-	(2.20)	-	100%
17	Sublime Foods Private Limited (Further referred as SFPL)	18.02.2015	147.06	(295.39)	633.76	633.76	-	384.87	(231.18)	-	(231.18)	-	51%
18	Integrated Food Park Private Limited	05.02.2015	2,900.00	126.29	24,151.32	24,151.32	-	951.94	(1,607.17)	(72.32)	(1,679.49)	-	73.89%
19	MNS Foods Private Limited	04.08.2015	90.00	(64.09)	1,144.94	1,144.94	-	161.31	(57.30)	-	(57.30)	-	50.01%
20	Bloom Fruit and Vegetables Private Limited	15.01.2016	1.00	2.62	1,172.15	1,172.15	-	10,790.37	(15.21)	0.97	(14.24)	-	100%
21	Ausee Oats India Private Limited	19.02.2016	100.00	(95.36)	187.12	187.12	-	897.67	(79.76)	(0.01)	(79.77)	-	50% + 1 Share
22	FCEL Overseas FZCO (in AED) **	Note-3	17.66	(19.52)	18.17	18.17	-	-	(8.50)	-	(8.50)	-	100%
23	Avante Snack Foods Private Limited (Subsidiary of SFPL)	01.09.2016	92.00	(2.31)	191.54	191.54	-	-	(2.13)	-	(2.13)	-	67.03%

* Converted into Indian Rupees at the exchange rate USD 1 = ₹ 66.81

** Converted into Indian Rupees at the exchange rate AED 1 = ₹ 17.66

Note :- 1. The reporting period for all the subsidiaries is 31st March 2017

2. FCEL Overseas FZCO and FCEL Food Processors Limited, subsidiaries of the Company, are yet to commence operations.

3. The same is a subsidiary by virtue of control through Board composition.

Part B - Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate/Joint Venture	Sarjena Foods Private Limited	Mibelle Future Consumer Products AG	Genoa Rice Mills Private Limited
1. Latest audited Balance Sheet Date	31st March 2017	31st March 2017	31st March 2017
2. Date on which the Associate or Joint Venture was associated or acquired	05.07.2014	09.10.2015	25.01.2017
3. Shares of Associate/Joint Ventures held by the Company on the Year end			
Numbers	324,675	100	1,250,000
Amount of Investment in Associates or Joint Venture	₹ 500.00 Lakhs	₹ 237.03 Lakhs	₹ 125.00 Lakhs
Extent of Holding %	19.59%	50%	50%
4. Description of how there is significant influence	Shareholders Agreement	Shareholders Agreement	Shareholders Agreement
5. Reason why the associate/joint venture is not Consolidated	NA	NA	NA
6. Networth attributable to Shareholding as per latest audited Balance Sheet	₹ (65.53) Lakhs	₹ 84.82 Lakhs	₹ 60.03 Lakhs
7. Profit / (Loss) for the year ended 31st March 2017			
i. Considered in Consolidation	₹ (71.01) Lakhs	₹ (231.09) Lakhs	₹ (81.09) Lakhs
ii. Not Considered in Consolidation	-	₹ (17.60) Lakhs	-

* Converted into India Rupees at the exchange Rate CHF 1 = ₹ 67.90

For and on behalf of the Board of Directors

G.N.Bajpai
Chairman

Ashni Biyani
Wholetime Director

Place : Mumbai
Date : 26th May 2017

Manoj Gagvani
Company Secretary & Head - Legal

Manoj Saraf
Chief Financial Officer

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Information in terms of Section 197 of the Companies Act,2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors Report for the financial year ended 31st March, 2017

Details of Employees (including Top Ten Employees) ***in alphabetical order***

Sr. No	Name	Designation	Age	Qualification	Experience (Years)	Date of commencement of employment	Remuneration (in ₹)	Previous Employment
1	Arun Gupta*	President - Business Development & Investments	45	M.Com MCSD, MCSE, Adobe Certified Expert	25	17-10-2011	26,737,439	Equirus Capital Investment Bank
2	Ashni Biyani	Whole Time Director	32	Graduate in Textile Designing	10	15-11-2014	8,502,249	Future Corporate Resources Limited
3	Devendra Chawla	Chief Executive Officer	45	MBA Marketing	14	01-02-2017	3,636,350	Future Corporate Resources Limited
4	Jacob Peter	Chief People Officer	44	MBA	21	12-01-2016	11,409,857	KPMG Consulting
5	Manoj Gagvani	Company Secretary & Head - Legal	50	C.S, LLB	31	23-06-2008	13,413,851	Pidilite Indutries Limited
6	Manoj Saraf	Chief Financial Officer	45	C.A	20	02-01-2015	13,208,732	Parag Milk Foods Pvt Ltd
7	Narendra Baheti	Executive Director	49	B.Com	27	13-04-2005	18,866,667	Self Employed
8	Rahul Kansal	Head - Strategy & Marketing	58	PGDM	32	01-04-2016	19,368,984	Benett and Coleman
9	Saurabhkumar Lal	CEO- Manufacturing and Supply Chain	43	B.E Mechanical	22	27-01-2016	16,116,337	Avery Dennison India Pvt Ltd
10	Sumit Saran	Head - International Foods	46	Post Graduate	14	01-04-2015	14,778,284	The SCS Group

* employed for part of the year

Note:

1. All appointments are contractual and can be terminated by notice on either side
2. None of the employees mentioned above are related to any Director of the Company save and except Ms. Ashni Biyani. Ms. Ashni Biyani is the daughter of Mr. Kishore Biyani.

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