FUTURE CONSUMER LIMITED

FUTURE CONSUMER

for the Fast Moving Consumer Generation

ANNUAL REPORT 2019-20

What's Inside

GOVERNANCE

FINANCIAL STATEMENTS

Standalone

Consolidated

CORPORATE INFORMATION

BOARD OF DIRECTORS

G.N. Bajpai
Chairman, Independent Director

Kishore Biyani
Vice Chairman

Ashni Biyani
Managing Director

Adhiraj Harish
Independent Director

Deepak Malik
Nominee Director

Frederic de Mevius
Director

Harminder Sahni
Independent Director

Krishan Kant Rathi
Director

Narendra Baheti
Executive Director

Neelam Chhiber
Independent Director
(Appointed w.e.f 25th June,2020)

STATUTORY AUDITORS

M/s. S R B C & CO LLP

BANKERS

State Bank of India
RBL Bank Limited
Kotak Mahindra Bank Limited
Cooperatieve Rabobank U.A.
HDFC Bank Limited

REGISTERED OFFICE

Knowledge House, Shyam Nagar,
Off Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai- 400 060.
Tel No.: +91 22 6644 2200
Fax No.: +91 22 6644 2201
Email ID : investor.care@futurconsumer.in

CHIEF EXECUTIVE OFFICER

Rajnikant Sabnavis

CHIEF FINANCIAL OFFICER

Sailesh Kedawat

COMPANY SECRETARY & HEAD-LEGAL

Manoj Gagvani

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-101, Embassy 247,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Tel No. : +91 22 4918 6000
Fax: +91 22 4918 6060
Email: rnt.helpdesk@linkintime.co.in

WEBSITE

www.futureconsumer.in

CORPORATE IDENTIFICATION NUMBER

L52602MH1996PLC192090

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 24th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2019-20	FY 2018-19	**FY 2019-20**	FY 2018-19
Total Income	3,09,233.50	3,04,987.89	4,06,641.51	3,91,203.15
Profit / (Loss) before Exceptional Items	(1,054.20)	6,096.62	(8,602.57)	551.96
Share of loss in Associate Company and Joint Venture	NA	NA	(4,697.13)	(2,949.42)
Add/ (Less): Exceptional Items	(29,162.74)	(1,923.14)	(8,533.14)	22.41
Profit / (Loss) Before Tax	(30,216.94)	4,173.48	(21,832.84)	(2,375.05)
Profit / (Loss) After Tax	(30,565.42)	6,053.10	(21,650.28)	(718.31)
Profit / (Loss) After Share of Associates and Minority Interest	NA	NA	(21,582.77)	(638.75)

BUSINESS OPERATIONS

Future Consumer Limited **("FCL"/"Company")** is a next-generation Food and HPC company focusing on emerging categories and value-added space. Your Company is being recognized as "next generation" FMCG company because of the extensive use of data that the Company has applied to understand the consumers and meet their expectations. Your Company is set out to create brands and mixes in the largely unbranded foods business while meeting the challenge of large established brands with differentiated offerings in the HPC segments. Your Company has over the years successfully created a portfolio of differentiated products catering to a wide range of categories spanning across food, home care, personal care and beauty.

During the year under review, your Company focused on sustainable profitable growth. Your Company has emphasized on improving freshness index and increasing velocity by enhancing visibility on offtakes and better demand sensing and forecasting. Your Company has created a smarter product supply chain organization building synergies from back end to market.

The year of 2019-20 was a year of consolidation and introspection. Your Company gets prepared for a sustainable and profitable journey. Along with launching products/brands in new & exciting categories, the Company also initiated the process of rationalizing long tail of slow-moving, low margin SKUs bringing focus to the core and high performing portfolio. Data remains FCL's key tool in this journey as we continue to build as a sharper and an optimum portfolio. The Company has now begun its journey towards sustainable growth and efficient allocation of capital and resources. Your Company believes the consumer proximate nature of our business along with access to rich consumer data on a real-time basis offers a unique advantage to the Company. Strong consumer data analytics is one of the key levers for the decision making in the entire value chain of a brand or category, right from product development to increasing visibility on shelf, pricing, amongst other. This enables your Company in developing a much more scientific and data led approach for its product portfolio leading to higher returns while conserving resources. Data will certainly act as a key differentiator for the Company as we strengthen our FMCG 2.0 positioning.

At the back end, your Company focused on vendor consolidation and re-negotiated terms with vendors. With the help of digital platforms like "Agribid" and "Vendex", the Company initiated sourcing raw material, packing material, etc. using the reverse auction mechanism. This enabled better terms of sourcing quality products at a good value resulting in improvement in gross margins in key products & categories. Going forward, your Company plans on integrating this tool with SAP function creating a much more seamless and efficient model of operations.

Your Company has expanded its distribution footprint to over 56,000 touchpoints. Your Company currently distributes through 304 large format stores, 1,050 small-format stores. Distribution was affected by closure of 170 small stores. While the Company will continue to enhance its presence in the Big Bazaar, Easy Day network, it is also building a controlled distribution model through Aadhaar and Nilgiris channels. Through Aadhaar, your Company is building a rural distribution footprint which has a franchisee based program "Mitra" and has created a presence in over 3 states with 4 centers and has enrolled over 160 Mitras. The rural markets are under penetrated and there is a huge opportunity for the Company to expand its presence in existing locations and also build a network in new locations. The 100 year old heritage brand Nilgiris, with over 116 franchisee stores offers a strong distribution access to Southern Indian markets. The Company is focusing on building on this network and expanding its franchisee base. Further the Company is also distributing its products through 3,500 Canteen Stores Department (CSD). These channels offer an excellent last mile controlled distribution of Company's products adding rich consumer insights to the data ecosystem.

Your Company has created and operates a robust sourcing ecosystem and has built capacities to manufacture products in-house as well as through subsidiaries, joint ventures, and associate companies. The Integrated Food Park at Tumkur continues to enable the Company in end-to-end food processing along the value chain from the farm to the market.

Your Company continues to drive its innovation agenda. This year the Company entered large mainstream categories including detergents, biscuits, potato chips & namkeens (salted snacks). Snacking and munching being a high engagement fast-moving category, "Tasty Treat" revamped and strengthened its portfolio with newly launched products. "Tasty Treat" launched innovative pack sizes and differentiated variants in the biscuit's category. Your Company has partnered with global snacking giant Pladis for manufacturing the products ensuring high standards of quality and taste. The brand "Tasty Treat" further extended its portfolio within the potato chips category with 5 exciting new flavours.

In home care, a crowded category, your Company has launched India's first fashion-forward fabric care brand "Voom" in liquid detergents and powder detergent categories. The mix was created by partnering in the innovation process with leading global industry suppliers. The Brand "Voom" has received strong traction in the modern trade channels. "Voom" has gained a member penetration of 21% with over 74% brand stickiness in Future Retail Limited stores. We are encouraged by the results and the Company will expand the product portfolio to bring consumers newer and more innovative products in the detergent space. The brand "Voom" and "Kara" (wet wipes) won the award for "Product of the Year 2020", world's largest consumer-voted award for product innovation in respective product categories.

The joint venture partnership with global dairy nutrition company Fonterra established last year continues to build scale and has launched five product categories with three in the pipeline. This partnership follows an asset-light model to contain capital investment and is focused on product development and marketing. Similarly, the Hain Future Natural Products Private Limited is slowly and steadily building scale. This joint venture has already launched the brand "Sensible Portions" and "Terra". The joint venture has also initiated manufacturing at the food park facility. Your Company exited the joint venture Mibelle Future Consumer Products A.G. which was set up with Swiss based Mibelle A. G., a division of Migros Group which had launched the brand "Swiss Tempelle". Given the market dynamics of the personal care category and Company's focus on building its own portfolio, the joint venture partners have mutually agreed to exit this brand and discontinue the joint venture. With an aim of further simplifying its organization structure, your Company also plans to merge five manufacturing entities into its wholly owned subsidiary FCL Tradevest Private Limited, subject to necessary approvals.

During the year under review, your Company has recorded revenue from operations of ₹ 4,04,033.02 Lakhs as against revenue from operations of ₹ 3,88,064.97 Lakhs registering year over year growth of 4.1%. EBITDA of the Company reduced by 49% from ₹ 11,543.59 Lakhs in the previous year to ₹ 5,902.23 Lakhs during the year under review. The loss after tax attributable to the Company increased from ₹ 718.31 Lakhs in FY19 to ₹ 21,650.28 Lakhs in FY20 primarily on account of expected credit loss recorded on trade receivables, incremental losses from joint ventures Fonterra Future Dairy Private Limited and Hain Future Natural Products Private Limited which the Company entered in FY 19 and are still in early build up phase, and one time impairment costs of ₹ 8,533.14 lakhs recognised on Goodwill and Brands during the year.

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

FUTURE OUTLOOK

The year 2019-20 has been a challenging year with economic activity in India slowing substantially in 2019, with the deceleration most pronounced in the manufacturing and agriculture sectors, muted consumption drove largely by macro-economic factors.The year ended with significant disruptions due to the impact of COVID-19. The entire Country went into lockdown as mandated by the Government authorities. This significantly impacted the entire value chain with increased challenges on both the demand and supply side. India and the world continue to be in the grasp of the global pandemic. India's burgeoning coronavirus cases resulted in it being amongst the top 10 Countries in the world with an increasing count of infections. While the Government has undertaken stringent containment measures the trajectory and severity of this pandemic are yet to be known. However, the entire economy has seen an unprecedented slowdown. Given the uncertainty of this disruption, near-term visibility is difficult to ascertain.

Your Company strongly believes the medium to long term consumption opportunity in India remains intact. Your Company is built on strong fundamentals and the Company will tide through these challenging times. Your Company will continue its journey of sustainable profitable growth. Sustainable profitability achievement, free cash flow are the key mantras for the Company going forward. Your Company is focusing on various margin expansion initiatives such as selling price optimization, vendor consolidation, better terms of trade, higher utilization of capacities amongst others.

Your Company will continue to grow its portfolio of Food and Home and Personal Care products. Key brands including "Golden Harvest", "Tasty Treat", "Karmiq", "Desi Atta Company", "Mother Earth", "Voom", "Cleanmate" and "Caremate" will continue to drive Company's volume and value growth. Decision making will be driven by data analytics including customer buying habits, brand stickiness, category penetration amongst other. Your Company aims at increasing its penetration in the consumers shopping basket across categories. While the Company will explore opportunities in new generation categories, the prime focus will be on expanding and enhancing the existing portfolio with strong focus on increasing gross margins across food, home and personal care categories.

Your Company will not only leverage Future Retail's retail muscle to expand its distribution reach but also build Nilgiris, Aadhaar into strong distribution channels. The Company believes that there is immense opportunity to further grow these channels of distribution in the select markets and also identifying new locations to establish presence. Nigiris and Aadhaar channels allow the Company to build a Controlled Distribution across categories and brands where Company is present. Controlled distribution assists the Company in building a rich data eco-system which shall act as a key differentiator in the industry. The Company recently entered into a long term partnership agreement with Amazon for expanding Company's online footprint. The Company has not even scratched the surface of this channel and will focus on understanding the nuances and suitably catering the requirements of the online customer.

The fiscal 2021 had begun with disruptions across the value chain due to the on-going COVID -19 pandemic. This disruption further stressed on the need of efficient capital allocation and cash conservation which has further become of paramount important. While the near term looks bleak, the Company is gearing itself to strongly overcome these hard times. The Company strongly believes in the medium to long term consumption opportunity in India. The way forward for FCL is to optimize its costs, drive synergies and judiciously allocate resources, conserve cash and improve liquidity thereby enhancing stakeholder value.

UNCLAIMED SHARES

In terms of the provisions of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended **("SEBI Listing Regulations")**, details about unclaimed shares in suspense account as on 31st March, 2020 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, 2019	1	600
Aggregate number of shareholders who approached the Company for transfer from suspense account upto 31st March, 2020	-	-
Number of shareholders to whom shares were transferred from suspense account upto 31st March, 2020	-	-
Aggregate number of shareholders and outstanding shares in the suspense account as on 31st March, 2020	1	600

The Company has opened separate suspense account with Central Depository Services (India) Limited and has credited the said unclaimed shares to this suspense account. 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.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to reserves.

DIVIDEND

Your Directors have not recommended any dividend on equity shares in respect of the financial year 2019-20, in view of conserving the funds for envisaged business requirements.

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

SCHEME OF ARRANGEMENT

During the year under review, the Board of Directors of the Company had approved acquisition of business undertaking of Athena Life Sciences Private Limited **("Athena")** by way of demerger of the said business undertaking pursuant to the Scheme of Arrangement between the Company, Athena and their respective shareholders and creditors **("Scheme")** with effect from appointed date as mentioned under the Scheme i.e 1st April, 2019.

The Scheme has been filed with Hon'ble National Company Law Tribunal, Mumbai Bench **("NCLT")** under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made there under. The NCLT has admitted the Scheme and the Shareholders meeting for seeking approval of the Scheme is scheduled on 6th August, 2020.

Further, the Board of Directors of the Company had also granted 'in principle' approval for consolidation of few subsidiary companies by way of amalgamation of viz. Affluence Food Processors Private Limited, Genoa Rice Mills Private Limited, Avante Snack Foods Private Limited, FCEL Food Processors Limited and Future Consumer Products Limited ("Transferee Companies") with FCL Tradevest Private Limited, a wholly owned subsidiary of the Company. FCL Tradevest Private Limited is in the process of filing the said Scheme with Hon'ble National Company Law Tribunal, Mumbai Bench.

The Hon'ble NCLT had on 25th July, 2019, approved the Scheme for Reduction of Share Capital of Company by way of utilization of an amount of ₹ 2,86,90,40,797 out of the amount of ₹3,14,27,82,392 standing to the credit of the Securities Premium Account of the Company as on 31st December, 2017, for writing off the Accumulated Losses to the tune of ₹ 2,86,90,40,797 appearing in the books of account of the Company as on 31st December, 2017.

INCREASE IN SHARE CAPITAL

During the year under review, your Company has issued and allotted in aggregate 6,47,000 equity shares of the Company to eligible employees on exercise of options granted under Employees Stock Option Scheme(s) formulated by the Company.

Consequent to the aforesaid, the issued, subscribed and paid–up capital of the Company increased from 1,92,04,62,680 equity shares of ₹ 6/- each to 1,92,11,09,680 equity shares of ₹ 6/- each.

ISSUE OF CONVERTIBLE SECURITIES

During the year under review, your Company has issued and allotted 6,962 and 21,000 Compulsorily Convertible Debentures **("CCDs")** having face value of ₹ 1,00,000/- each to Verlinvest SA and International Finance Corporation respectively, (collectively referred as "**Investors**"), on preferential allotment basis. The CCDs carry a coupon of 4% p.a. compounded on a quarterly basis. The CCDs shall automatically and compulsorily be converted into equity shares at a conversion price of ₹ 45.02 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 ₹ 45.02 for each equity share.

Further, during the year under review, your Company has also issued and allotted 7,000 warrants having face value of ₹ 1,00,000/- each to Illusie Produkt Private Limited, being a member of the Promoter group of the Company **("Illusie")** on preferential allotment basis upon receipt of ₹ 17.50 Crore from Illusie towards 25% of the total consideration price for the warrants. The warrants may be exercised by Illusie 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 Illusie, the warrants shall be converted into equity shares at a conversion price of ₹ 45.02 per equity share.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As at 31st March, 2020, your Company had following Subsidiary and Joint Venture companies:

Sr. No.	Name of the company	Category
1.	Aadhaar Wholesale Trading and Distribution Limited	Subsidiary
2.	Affluence Food Processors Private Limited	Subsidiary of FCL Tradevest
3.	Appu Nutritions Private Limited	Subsidiary of NDFPL
4.	Aussee Oats India Limited *(formerly known as Aussee Oats India Private Limited)*	Subsidiary of FCL Tradevest
5.	Aussee Oats Milling (Private) Limited	Subsidiary
6.	Avante Snack Foods Private Limited	Subsidiary of FCL Tradevest (with effect from 18th March, 2020)
7.	Bloom Foods and Beverages Private Limited	Subsidiary
8	Delect Spices and Herbs Private Limited	Subsidiary of FCL Tradevest (with effect from 18th July, 2019)
9.	FCEL Food Processors Limited	Subsidiary
10.	FCEL Overseas FZCO	Subsidiary
11	FCL Tradevest Private Limited ("FCL Tradevest")	Subsidiary
12.	Future Consumer Products Limited	Subsidiary
13.	Future Food and Products Limited	Subsidiary of FCL Tradevest
14.	Future Food Processing Limited *(formerly known as Future Food Processing Private Limited)*	Subsidiary of FCL Tradevest
15.	Fonterra Future Dairy Private Limited	Joint Venture
16.	Genoa Rice Mills Private Limited	Subsidiary of FCL Tradevest (with effect from 27th September, 2019)
17.	Hain Future Natural Products Private Limited	Joint Venture
18.	Integrated Food Park Limited *(formerly known as Integrated Food Park Private Limited)*	Subsidiary of FCL Tradevest
19.	Mibelle Future Consumer Products A.G.	Joint Venture
20.	MNS Foods Limited *(formerly known as MNS Foods Private Limited)*	Subsidiary of FCL Tradevest

Sr. No.	Name of the company	Category
21.	Nilgiris Franchise Limited *(formerly known as Nilgiris Franchise Private Limited)*	Subsidiary of NDFPL
22.	Nilgiri's Mechanised Bakery Private Limited	Subsidiary of NDFPL
23.	Sublime Foods Limited *(formerly known as Sublime Foods Private Limited)*	Subsidiary of FCL Tradevest
24.	The Nilgiri Dairy Farm Private Limited ("NDFPL")	Subsidiary

During the year under review:

a) Your Company has acquired balance stake of 10% in Future Consumer Products Limited **("FCPL")** by way of purchase of equity shares from the remaining shareholder(s) of FCPL. Consequent to the said acquisition FCPL has now become a wholly owned subsidiary of the Company.

b) FCL Tradevest Private Limited**,** a wholly owned subsidiary of the Company **("FCL Tradevest")** has acquired 50% stake in Genoa Rice Mills Private Limited **("Genoa")** from the joint venture partner LT Foods Limited. Consequent to the same, Genoa has become a wholly owned subsidiary of FCL Tradevest and step-down subsidiary of the Company. Further FCL Tradevest has made an additional investment in Delect Spices and Herbs Private Limited **("Delect").** Consequent to the said investment, Delect has become a subsidiary of FCL Tradevest and step-down subsidiary of the Company.

c) FCL Tradevest has acquired 67.03% stake in Avante Snack Foods Private Limited **("Avante")** from Sublime Foods Limited. Consequent to the same, Avante has become a subsidiary of FCL Tradevest and step-down subsidiary of the Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of Subsidiaries 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 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 available on the website of the Company https://futureconsumer.in/investors.aspx#policies-code

As on 31st March, 2020, FCL Tradevest Private Limited and Bloom Foods and Beverages Private Limited have been identified as material subsidiary of the Company as per the thresholds laid down under the aforesaid policy.

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, 2020 have been prepared in accordance with IND AS.

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

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

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

RELATED PARTY TRANSACTIONS

The Company has formulated policy on materiality of related party transactions and dealing with related party transactions **("RPT Policy")** in accordance to the provisions of Companies Act, 2013 and SEBI Listing Regulations. The RPT Policy is available on the website of the Company - https://futureconsumer.in/investors.aspx#policies-code

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

All transactions entered into with related parties during the financial year under review were in the ordinary course of business and on an arm's length basis. The disclosure in respect of material contracts or arrangements with related parties, as required under Section 134(3)(h) of the Companies Act, 2013 is made in Form AOC-2 which is annexed to this Report as **Annexure II**.

INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROLS

Your Company has an adequate system of internal controls that is commensurate with the nature of our business and the size and complexity of our operations. Your Company has adopted policies and procedures covering all financial and operating functions. These controls have been designed to provide reasonable assurance over:

- Effectiveness and efficiency of operations
- Prevention and detection of frauds and errors
- Safeguarding of assets from unauthorised use or losses
- Compliance with applicable laws and regulations
- Accuracy and completeness of accounting records
- Timely preparation of reliable financial information

The current system of internal financial controls in the Company is aligned with the requirements of the applicable laws, and is in line with the globally accepted risk-based framework issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission.

Your Company has an internal audit function, which is supported by dedicated outsourced team from KPMG. The internal audit plan is approved by the Audit Committee at the beginning of every year. Every quarter, the Audit Committee is presented with key control issues and the actions taken on issues highlighted in the previous reports.

The Audit Committee deliberates with the management, considers the systems as laid down, and meets the internal auditors and statutory auditors to ascertain their views on the internal financial control systems. The Internal Auditors assist in setting industry benchmarks and help us drive and implement best industry practice within our organization.

Based on the assessment carried out by the Company, the internal financial controls were adequate and effective and no reportable material weakness or significant deficiencies in the design or operation of internal financial controls were observed, during the financial year ended 31st March, 2020.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The Board of Directors of the Company **("Board")** on recommendation of the Nomination and Remuneration/ Compensation Committee **("Committee")** had appointed Ms. Neelam Chhiber as an Additional Independent Women Director of the Company with effect from 25th June, 2020. In terms of provisions of Section 161 of the Companies Act, 2013, Ms. Neelam Chhiber shall hold office as such upto the date of forthcoming AGM. The Board had also approved appointment of Ms. Neelam Chhiber as an Independent Director of the Company with effect from 25th June, 2020 for a period of five years, subject to approval of the shareholders of the Company.

Pursuant to the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice from a Member, proposing the candidature of Ms. Neelam Chhiber for the office of Director at the forthcoming AGM. The Company has received declaration from Ms. Neelam Chhiber confirming that she meets 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.

The Notice convening forthcoming AGM includes the proposal for appointment /re-appointment of the 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.

As on 31st March, 2020, none of the Directors are disqualified for appointment/re-appointment under Section 164 of the Companies Act, 2013.

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) Mr. Harminder Sahni
c) Mr. Adhiraj Harish

In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Director(s) have confirmed that they are not aware of any circumstance or situation which exists or may be anticipated that could impair or impact their ability to discharge their duties.

During the year under review, Ms. Neha Bagaria resigned as an Independent Director of the Company with effect from 28th March, 2020 due to increase in her other professional activities and she was unable to give time and participate as member of the Board. The Board wish to place on record their appreciation for contributions made by Ms. Neha Bagaria during her tenure as a member of the Board of Directors of the Company.

During the year under review, Mr. Ravin Mody resigned as the Chief Financial Officer of the Company with effect from 31st January, 2020. The Board of Directors wish to place on record their appreciation for the contributions made by Mr. Ravin Mody during his tenure of employment with the Company.

The Board has appointed Mr. Rajnikant Sabnavis as the Chief Executive Officer of the Company with effect from 1st February, 2020 and Mr. Sailesh Kedawat as Chief Financial Officer of the Company with effect from 10th April, 2020.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 6 (Six) times during the financial year 2019-20. The details of composition of the Board and its meetings held during the year under review and the attendance of the Directors at those meetings is provided in the Corporate Governance Report which forms part of this Annual Report.

AUDIT COMMITTEE

As on 31st March, 2020, the composition of Audit Committee has been as under:

a. Mr. G. N. Bajpai

b. Mr. Harminder Sahni

c. Mr. K K Rathi

d. Mr. Adhiraj Harish

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on 31st March, 2020, the composition of Corporate Social Responsibility Committee has been as under:

a. Mr. Kishore Biyani

b. Ms. Ashni Biyani

c. Mr. Harminder Sahni

PERFORMANCE EVALUATION OF BOARD

A formal evaluation of performance of the Board, its Committees, the Chairman and that of the individual Directors was carried out for the financial year 2019-20. The evaluation process was carried out through a web based application in terms of a structured questionnaire in accordance to the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

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

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

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

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORT

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

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism and Whistle Blower Policy 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. The details of said vigil mechanism is given in Corporate Governance Report, which forms part of this Annual Report.

NOMINATION AND REMUNERATION POLICY

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

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

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

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

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

The Policy is available on the website of the Company - https://futureconsumer.in/investors.aspx#policies-code and is annexed to this Report as **Annexure III**.

CORPORATE SOCIAL 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 **("CSR Policy")** for the Company. The CSR Policy is available on the website of the Company - https://futureconsumer.in/investors.aspx#policies-code.

The salient features of CSR Policy *inter-alia* comprises of framing of guidelines to make Corporate Social Responsibility **("CSR")** a key business process for sustainable development of the society to directly/indirectly undertake projects/ programmes which will enhance the quality of life and economic well-being of the communities in and around our operations and society and to generate goodwill and recognition among all stakeholders of 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 IV**.

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

Your Company has Enterprise Risk Management **("ERM")** Policy in place. The aim of this policy is not only to eliminate risks but to also assist Company's personnel to manage the risks involved concerning the business and to achieve maximum opportunities and minimize adverse consequences.

The ERM Policy involves:

- Identifying and taking opportunities to improve performance as well as taking actions to avoid or reduce the chances of adverse consequences;
- A systematic process that can be used when making decisions to improve the effectiveness and efficiency of performance;
- Effective communication; and
- Accountability in decision making.

Risk Management Committee meeting is held once in every six months wherein all the critical risks along with current mitigation plans identified during the period are presented to the Board. This ensures all the critical risks are covered and suitable mitigation plans are in place or needs to be implemented to overcome /avoid the risk to ensure controls are operating effectively. The Audit Committee has additional oversight in the areas of financial risk and controls.

AUDITORS AND AUDITORS' REPORT

M/s. S R B C & CO LLP, Chartered Accountants, have been appointed as the Statutory Auditors of the Company for a period of five years at the 21st Annual General Meeting of the Company held on 29th August, 2017.

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 2019-20 in terms of the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report is annexed to this Report as **Annexure V**. 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 or any instance of default in repayment thereof.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on 31st March, 2020 in Form MGT 9 in terms of provisions of Section 92(3) of the Companies Act, 2013 read with Rules thereto is available on website of the Company https://futureconsumer.in/investors.aspx#financials-id

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, the statement containing particulars of top ten employees and the employees drawing remuneration in excess of limits prescribed under 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 will be available for inspection by the Members upto the date of forthcoming Annual General Meeting. If any Member is interested in obtaining a copy thereof or inspecting the same, 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 and Stock Exchanges.

ANNUAL REPORT

In view outbreak of COVID-19 pandemic and in compliance with circulars issued by the Ministry of Corporate Affairs ("**MCA**"), viz. General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (collectively referred to as "**MCA Circulars**") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India, Notice of AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of AGM and Annual Report 2019-20 will also be available on the Company's website www.futureconsumer.in, website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL https://www.evoting.nsdl.com

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 https://futureconsumer.in/investors.aspx#statutory-documents and are also provided in **Annexure VII**, which is annexed to this Report.

MAINTENANCE OF COST RECORDS

Your Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records have not been maintained by the Company.

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 Company's initiative towards Energy and Carbon Policy sets forth guidelines towards low carbon transformation through energy efficiency and sourcing energy from alternative and renewable sources. The Company's Environment Management Systems **("EMS")** help them in identifying and assessing environmental risks, preventing and mitigating the environmental impact caused due to its operations and products. The Company monitors its environmental performance against key performance indicators and works towards increasing manufacturing efficiency, wastage reduction and enhancing capacity utilization.

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 under taken during the year under review were as under:

(i) the steps taken or impact on conservation of energy:

- Facilities at India Food Park, Tumkur are instrumental in saving energy, each facility took stretched target of 25%

optimization in electrical energy. Each facility implemented TPM, lean manufacturing to optimize the energy and achieved more than set target.

- The overall energy optimized at India Food Park is 0.50 GJ/Ton of production against target of 0.70 GJ/Ton of production. Realization of 29% less consumption for FY 2019-20.
- Controlled shut down of freezer rooms resulted in savings of 450 kwh/ day at F&V facility.
- Rationalization in capacity utilization of freezer and movement of man and materials in the freezer room restricted temperature increase.
- Light circuit modification for auto power cut-off through installation of limit switches at cold chambers has resulted in savings of 115 kwh/ month.
- Effective utilization of steam from boiler by regular monitoring of briquette consumption to steam generation and water consumption to steam generation.
- Auto power factor correction (APFC) resulted in savings of 850 kwh/month.
- PNG is used as fuel for boiler operation and Oven operations by most of facilities at India Food Park.
- Dedicated chimney has been installed for 125 and 250 KVA DG sets, which will help on effective stack monitoring and there by result less power diesel consumption.
- CRS –condensate recovery system has been installed at F&V boiler and resulted in 3440 KL of water savings.

(ii) the steps taken by the Company for utilizing alternate sources of energy:

India Food Park at Tumkur has installed 3MW solar power generating units by third party and solar power caters 45% of overall electricity consumption for Food Park.

(iii) the capital investment on energy conservation equipments:

The total capital investment on energy conservation equipment FY 2019-20 across all the business verticals of the Company and its subsidiaries is approximately ₹ 36.50 lakhs.

(B) **Technology absorption**

In the India Food Park at Tumkur, LPG is replaced by PNG thereby reducing GHG emissions. Various programs are undertaken like environment monitoring, tree planation, providing storm water drains for new buildings, utilizing more amount of treated water for landscaping, gardening there by conserve raw water, implementation of TPM and lean manufacturing resulted in energy savings, small initiatives like switching of lights when not use, ACs, using public transport.

The Company's water stewardship policy encourages water conservation efforts while monitoring, measuring and reporting progress against key performance indicators and complying with the local regulations. The overall water consumption is 0.90 KL/ton of production against target of 1.25 KL/ton production and there by optimized 25% of water usage basis FY 2018-19.

(C) Foreign exchange earnings and outgo

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

Foreign Exchange Earnings: ₹ 514.94 Lakhs

Particulars	Amount (₹ In Lakhs)
Interest Income	428.82
Sale of Goods	72.02
Reimbursement of Expenses	14.10
Total	**514.94**

Foreign Exchange Outgo: ₹ 8,951.67 lakhs

Particulars	Amount (₹ In Lakhs)
Purchases	8,761.90
Retainership Fees	8.49
Royalty Fees	144.68
Sitting Fees	2.50
Professional Fees	34.09
Total	**8,951.66**

GENERAL

1. The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
2. The Managing Director and Executive Director have not received any commission from the Company nor any remuneration in the form of salary/perquisites from any of its subsidiary companies.
3. There are no significant / material orders passed by the regulators/courts/tribunals during the year under review which would otherwise impact the going concern status of your Company and its future operations.
4. The Company has complied with the provisions regarding the constitution of the Internal Complaints Committee **("ICC")** in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereto. To build awareness among the employees, the Company has been conducting inductions / refresher programmes in the organisation on a continuous basis. During the year under review, there were no reported

instances of cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual accounts for the financial year ended 31st March, 2020, 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, 2020 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, 2020, 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 under review.

On behalf of the Board of Directors

G. N. Bajpai
Chairman

Date: 10th July, 2020
Place: Mumbai

DIVIDEND DISTRIBUTION POLICY

Annexure I

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.

Annexure II

FORM AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

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

   The Company has not entered into any contracts or arrangements or transactions with its related parties which are not on arm's length basis during the financial year 2019-20.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the Related Party	Nature of Relationship	Nature of Contract / arrangement/ transactions	Duration of the Contract	Salient Terms of the Contract	Date of Approval by Board if any	Amount (₹ In Lakhs)
Future Retail Limited	Entities Controlled/ Having Significant influence by KMP and their Relatives	Sales	Ongoing	As per Purchase Order placed from time to time	6th February, 2019	263,158.52

On behalf of the Board of Directors of
Future Consumer Limited

G.N. Bajpai
Chairman

Date : 10 July 2020
Place : Mumbai

NOMINATION AND REMUNERATION POLICY

Annexure III

1. PURPOSE OF THIS POLICY:

In terms of requirements prescribed under Section 178 of the Companies Act, 2013 (the **"Act"**), and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) **(**the **"SEBI Listing Regulations")**, Future Consumer Limited (the **"Company"**) had adopted Remuneration Policy for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the **"Policy"**). Pursuant to the amendments in SEBI Listing Regulations, the amended Policy is being adopted by the Company which comes into effect from 1st April, 2019.

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

a) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board (as defined), policies relating to the remuneration (payable in whatever form) of the Directors, Key Managerial Personnel and Senior Management.

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

c) 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.

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

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 Regulation 16(b) of the SEBI Listing Regulations, as amended from time to time.

(c) **"Key Managerial Personnel"** or **"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 Regulation 19 of the SEBI Listing Regulations.

(e) **"Senior Management"** shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and shall comprise all members of management one level below the chief executive officer/managing director/ whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall include the company secretary, chief financial officer and all functional heads of the Company.

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 Regulations 19 or the Accounting Standards shall have the meanings assigned to them in SEBI Listing Regulations.

3. COMPOSITION AND SCOPE OF NOMINATION AND REMUNERATION/COMPENSATION COMMITTEE:

The Nomination and Remuneration/Compensation Committee (**"Committee"**) has been constituted to undertake the functions in accordance to the provisions of Section 178 of the Act and the Regulation 19 of the SEBI Listing Regulations as amended from time to time.

4. APPOINTMENT AND REMOVAL OF DIRECTOR, KMPs AND SENIOR MANAGEMENT:

4.1 Appointment criteria and qualification:

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

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

The appointment of Independent Directors shall be in adherence with the Act and applicable rules thereunder and the provisions of SEBI Listing Regulations.

4.2 Term:

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

The terms and conditions of appointment of Independent Directors shall be in adherence with the Act and applicable rules thereunder and the provisions of SEBI Listing Regulations.

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

4.3 Evaluation:

The Committee shall provide manner for effective evaluation of performance of Board, its Committees and individual Directors, which shall be carried out by the Board or the Committee or an independent external agency. 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 criteria for evaluation of Independent Director shall *inter-alia* include:

(a) Performance of the Directors; and

(b) Fulfillment of the independence criteria as specified in these regulations and their Independence from the management.

4.4 Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, rules and regulations, thereunder, the Committee may recommend, to the Board with reasons to be recorded in writing, removal of a Director, KMPs (other than Managing / Whole- time Director) or Senior Management, subject to the provisions and compliance of the said Act, such other applicable law, rules and regulations.

4.5 Retirement:

The Directors, KMPs (other than Managing / Whole- time Director) and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMPs (other than Managing / Whole-time Director), Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

5. REMUNERATION OF MANAGING / WHOLE-TIME DIRECTOR, KMPs AND SENIOR MANAGEMENT:

The remuneration / compensation / commission, etc., as the case may be, payable to the Managing /Whole time Director, will be determined by the Committee and recommended to the Board for its approval. The same shall be subject to the prior / post approval of the shareholders of the Company and shall be in accordance with the provisions of the Act and Rules and other applicable Regulations made thereunder. The Committee shall recommend to the Board the criteria for remuneration in whatever form payable to KMPs 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 Regulations 19 of SEBI Listing Regulations.

7. MINIMUM REMUNERATION:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole Time Director/ Executive / Managing Director in accordance with the provisions of Section 197 of the Act and Schedule V thereto.

8. REVIEW:

The Committee shall review and recommend to the Board alterations to this Policy as and when necessary, provided they are not inconsistent with the provisions of the applicable laws. In the event of any conflict between the provisions of this Policy and Act or Rules and SEBI Listing Regulations or any other statutory enactments (as amended from time to time), the applicable provisions of Act or Rules and SEBI Listing Regulations or such other statutory enactments, shall prevail over this Policy and shall be construed accordingly.

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

Annexure IV

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 - https://futureconsumer.in/investors.aspx#policies-code

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

   a) Ms. Ashni Biyani - Chairperson
   b) Mr. Kishore Biyani - Member
   c) Mr. Harminder Sahni - Member

3. **Average net profit of the company for last three financial years:** ₹ 3,240.49 lakhs.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹ 64.81 Lakhs

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

   (a) Total amount to be spent for the financial year: ₹ 64.81 lakhs

   (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 projector 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***
1.	For the financial year 2019-20, the Company had transferred an aggregate amount of ₹ 64.83 lakhs on 26th March, 2020 to 'Sone Ki Chidiya Foundation' ("**Foundation**") an implementing agency towards CSR spending as per discussion with the said Foundation. Due to nationwide lockdown owing to COVID -19 pandemic, the implementing agency is not in position to provide certificate of allocation / amount spent towards suitable projects/activities for the amount contributed by the Company. The implementing agency would be providing the certificate for utilising the amount so contributed by the Company for projects/activities, during the financial year 2020-21.					₹ 64.83 lakhs	Through implementing agency – Sone Ki Chidiya Foundation

   *Give details of implementing agency

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

   Not Applicable.

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

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

Ashni Biyani
Managing Director and Chairperson – CSR Committee

SECRETARIAL AUDIT REPORT

Annexure V

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2020

[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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Future Consumer Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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 of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

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 Byelaws 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; - (Not applicable to the Company during the Audit Period);

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

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

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

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

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

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

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

g. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

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

j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

We have also examined compliance with the applicable clauses of Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meetings (SS-2)s issued by the Institute of Company Secretaries of India.

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

We 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.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We 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.

Further we have to state that we have not carried out the physical inspection of any records maintained by the Company due to prevailing lock down conditions owing to COVID 2019 across the country. We have relied on the records as made available by the Company by digital mode and also on the Management Representation Letter issued by the Company.

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

For **Sanjay Dholakia& Associates**

(Sanjay Dholakia)
Practising Company Secretary

Date: 10th July, 2020
Membership No. 2655 /CP No. 1798

UDIN: F002655B000435285

ANNEXURE I TO SECRETARIAL AUDIT REPORT

To,
The Members
Future Consumer Limited
Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. 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 Dholakia)
Practising Company Secretary

Date: 10th July, 2020
Membership No. 2655 /CP No. 1798

UDIN: F002655B000435285

ANNEXURE VI

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 Officer, Company Secretary and Manager during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

Sr. No.	Name of Director/KMP and designation	Remuneration of Director / KMP for Financial Year 2019-20 (₹ In Lakhs)	% increase in Remuneration for Financial Year 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1.	Ashni Biyani Managing Director	216.84	24	72.38
2.	Narendra Baheti Executive Director	150.24	-	50.15
3.	Manoj Gagvani Company Secretary and Head – Legal	85.34*	-	28.49
4.	Rajnikant Sabnavis# Chief Executive Officer	77.28	-	25.80
5.	Ravin Mody& Chief Financial Officer	88.38	-	29.50

*remuneration does not include perquisite value on stock options exercised during the financial year 2019-20 of ₹ 69.62 lakhs
#Appointed as Chief Executive Officer w.e.f. 1st January, 2020 and designated as key managerial personnel w.e.f. 1st February, 2020
&Resigned w.e.f. 31st January, 2020

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

In the financial year 2019-20, there was an increase of 7% in the median remuneration of employees.

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

There were 1,289 permanent employees on the rolls of Company as on 31st March, 2020.

(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. 2019-20 was 6% whereas the increase in the managerial remuneration for the same financial year was 9%.

(v) 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.

ANNEXURE VII

Disclosures relating to Employee Stock Option Scheme(s) in respect of Options granted till 31st March, 2020

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 35 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 *EPS after exceptional item	(₹ 1.60)*	
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 year from the date of Grant: 30% of options Granted At the end of three year 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 year from the date of Grant: 30% of options granted At the end of three year 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 & 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	2,00,000	11,884,000	40,78,000
b)	Number of Options granted during the year	Nil	39,30,000	Nil
c)	Number of Options forfeited / lapsed during the year	Nil	25,46,000	Nil
d)	Number of Options vested during the year.	Nil	24,00,000	37,50,000
e)	Number of Options exercised during the year	2,00,000	5,43,000	4,47,000
f)	Number of shares arising as a result of exercise of Options	2,00,000	5,43,000	4,47,000
g)	Money realized by exercise of Options	₹ 12.00 lakhs	₹ 110.20 lakhs	₹ 95.66 lakhs
h)	Loan repaid by the Trust during the year from exercise price received	Not Applicable	₹ 110.45 lakhs	Not Applicable
i)	Number of options outstanding at the end of the year	Nil	1,27,25,000	36,31,000
j)	Number of Options exercisable at the end of the year.	Nil	59,45,000	36,31,000

Sr. No	Particulars	FVIL ESOP-2011	FCEL ESOP-2014
v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Refer Note 35 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 below	

Sr. No	Particulars	FVIL ESOP-2011	FCEL ESOP-2014
(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	
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 35 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	₹ 317.73 lakhs
4	Amount of loan outstanding (repayable to Company / any company in the group) as at the end of the year	₹ 4,064.85 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;	1,33,20,293
(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	7,05,500 equity shares constituting 0.04% of the paid up equity share capital of the Company as on 31st March, 2019. Weighted average cost of acquisition is ₹ 25.33 per share
(c)	Number of shares transferred to the employees / sold along with the purpose thereof	5,73,000*
(d)	Number of shares held at the end of the year	1,34,52,793

* 30,000 equity shares for options exercised during 2018-19 and transferred after 31st March, 2019.

(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	1,33,20,293	0.80%
b)	Acquired during the year	7,05,500	0.04%
c)	Sold during the year	Nil	-
d)	Transferred to the employees during the year	5,73,000*	0.03%
e)	Held at the end of the year	1,34,52,793	0.81%

* 30,000 equity shares for options exercised during 2018-19 and transferred after 31st March, 2019.

Note 1: Details of Options granted during the year:

Sr. No.	Name of the Employee	Designation	No. of Options granted FCEL ESOP-2014 (Secondary Route)
A	**Key Managerial Personnel / Senior Management Personnel**		
1	Mr. Rajnikant Sabnavis	Chief Executive Officer	18,00,000
2	Mr. Sailesh Kedawat	Chief Financial Officer*	7,30,000
3	Mr. Jude Linhares	Director – Manufacturing	14,00,000

* appointed as Chief Financial Officer with effect from 10^{th} April,2020

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY OVERVIEW

Future Consumer Limited **("FCL")** is a leading data driven FMCG company that is guided by FMCG 2.0 principles to drive imagination, velocity, efficiencies to achieve scale in the business. It is engaged in branding, marketing, sourcing, manufacturing, and distribution of a wide portfolio of established food, home/personal care brands. We combine cutting-edge consumer insights, technology and innovation to develop and grow these brands across multiple categories of Food, Personal Care and Home Care that deliver needs and aspirations of India's next generation, young customers. We are building brands that reflect the shift in thinking of consumers and the category.

ECONOMIC & INDUSTRY OVERVIEW

As per the Economic Survey 2019-20, India is the 5th largest economy in the world in 2019 and is aspiring to be the third largest by 2025. India aspires to become a $5 trillion economy by 2025. This aspiration has been challenged by less than expected growth of India's GDP, mainly due to decline in world output. However, the Indian economy is poised to rebound towards it's $5 trillion aspiration on the back of macroeconomic stability.

2019 has been a difficult and challenging year for the global economy with output growth at 2.9% which has been slowest since the 2009 global financial crisis. The global weak environment has impacted global manufacturing, trade, and demand which has impacted the Indian economy adversely. The estimated GDP of India is 5% in 2019-20 compared to 6.8% in 2018-19. As per the Economic Survey 2019-20, the Government undertook various initiatives to boost the economy. The year 2019-20 witnessed easing of monetary policy with RBI cutting the repo rate, easing of credit, and critical measures to boost investments particularly under the National Infrastructure Pipeline amongst others.

The year 2019-20 ended with the outbreak of global pandemic, COVID-19, resulting in unprecedented disruption across sectors in India and worldwide. The outbreak was followed by lockdown across India with all segments facing the brunt with varying magnitudes. The Government has taken steps to support the economy and the common man. It has increased its spending on healthcare to bolster the Covid-19 response, wage support, in-kind and cash transfers to lower-income households, and deferral of tax payments, as well as loan and liquidity support for small businesses (MSME sector in particular) and financial institutions.

The Indian consumer preferences has been evolving with the macro-economic shifts, health consciousness, exposure to global trends, convenience, indulgence amongst other. Technology/internet savviness, emphasis on hygiene and safety, place of purchase are some of the trends expected to play out over the next decade. Modern trade has been garnering incremental share especially in new age categories.

The market from food, home and personal care is estimated to be around $430 bn and is estimated to grow at 11% to become over $740 bn in next five years. The share of organized channels, offline and online, is estimated to increase disproportionately mainly because of shift of consumer preferences to hygienic and quality product. Modern trade is estimated to play a key role in driving sales of new age products on foods and HPC categories due to higher visibility and availability of products.

BUSINESS AND PERFORMANCE OVERVIEW

FCL has built an integrated value chain with expertise in product development, sourcing and an in house supply chain with access to one of the largest modern trade networks in the Country. FCL has successfully built various brands across multiple categories. The Company is leveraging customer consumption data to better understand consumer needs which has not only helped in product development, launching new products, growing existing categories but also sharpening the product portfolio. Customer data has helped FCL respond better to forecast demand and to track supply in anticipation of seasonal demand based on festivities or special occasions. The business is driven by executing distribution disintermediation and manufacturing integration.

FY 2020 has been a year of consolidation for FCL. FCL undertook an important initiative to sharpen its portfolio and enhance its value proposition for consumers *via* identifying SKUs delivering returns or velocity lower than internal benchmarks. The Company had identified over 800 such SKUs across brands and categories which were rationalized during the year. FCL also leveraged its deep understanding of rich consumer data to further strengthen its product launch framework. Scientific data driven approach to product launches also translated into a stringent and robust opportunity identification leading to higher success rate with much fewer product launches during the year. This essentially translates into increased focus on core brands and categories driving the long term sustainable and profitable growth of the Company. We believe, this will build a strong foundation for delivering higher margins and higher returns to the stakeholders. The Company is focusing on increasing the reach and distribution of its leading brands including Golden Harvest, Tasty Treat, Karmiq, Clean Mate, Care Mate and Voom. FY 2020 witnessed FCL's exciting entry into the liquid detergent category.

FCL is a food led FMCG company with Foods constituting nearly 89% of the topline in fiscal 2019. The food portfolio down by 0.6% on YoY basis with an ongoing impact of Covid, consumer sentiment, conscious call to limit the product launches and portfolio optimization drive. In this category the Company has built leading brands such as Golden Harvest, Tasty Treat, and Karmiq which enjoy strong brand recall from consumers. Two brands in FCL's portfolio Karmiq (dry fruits) and Tasty Treat (snacking & munching) crossed the ₹210 crore sales milestone, adding to the list after Golden Harvest. FCL has also pioneered the unpackaged to packaged conversion in the staples category and also built a niche portfolio of brands. The Company continues to focus on premium and value add portfolio of staples including spices, organic food, dry fruits to enhance the margin profile of the business. The share of this business has been growing at a significantly higher pace as compared to the overall topline growth. The Company continues to enhance its procuring capabilities through digitization of competitive bidding through the "AGRIBID" platform. "AGRIBID" provides a nationwide pricing visibility for sourcing activities leading to an informed purchase decision. FCL will continue to expand the use of this platform for a broader portfolio of products.

"Tasty Treat" revamped its portfolio of potato wafers with the launch of five variants of potato wafers in attractive packaging available at sharper price points. With this re-launch, FCL successfully increased brand stickiness among loyalty members of Future Retail Limited's stores to 77% in 2020. The potato wafer offering under tasty treat also enjoys a member penetration of 36% in the fiscal year 2020. "Tasty Treat" launched innovative pack sizes and differentiated variants along with stricter focus on quality in the biscuits category. Consequently, "Tasty Treat" enjoys a brand stickiness of over 70% in most of the sub-categories under the biscuits portfolio. Wafer biscuit continues to retain its strong position with more than 88% member penetration as well as brand stickiness amongst members. "Tasty Treat" continues to build a core portfolio under main categories which include snacks, biscuits and wafer biscuits brining a sharper focus to the brand.

The home and personal care portfolio witnessed FCL launching India's first fashion-forward fabric care brand "Voom" in liquid detergents and powder detergent categories with ingredients sourced from global industry leaders. "Voom" matic detergents (liquid and powder format) have been co-developed in a first-of-its-kind partnership between scientists and fashion experts who together bring to the brand a deep understanding of the nuances of fabric to make clothes fashionable forever. As a detergent 2.0, "Voom" goes way beyond meeting the base requirements of a laundry product — of removing stains and whitening. "Voom" offers long lasting fragrance and impeccable fashion and fit. The brand has received strong traction in the modern trade channels and the Company will expand the product portfolio to new and innovative categories in the detergent space. "Voom" has gained a member penetration of 21% with over 74% brand stickiness amongst members in Future Retail Limited stores. The brand enjoys 13% share in the liquid detergent category. "Voom" has also co-branded with Bengal Warriors in Pro-Kabaddi League, India's leading league for the sport leading to an increased visibility for the brand. The brand also won the prestigious "Product of the Year 2020", World's Largest Consumer-Voted Award for Product Innovation. "Kara" also won the "Product of the Year 2020" award in wet wipes category.

FCL is focusing its efforts on building its controlled distribution network through Nilgiris and Aadhar. Nilgiris has built a franchisee led distribution network of over 116 stores spread across 19 towns in 3 Southern part of states of the country. Nilgiris network is an underexploited underexplored opportunity for FCL brands, initially the focus was on increasing sale of Nilgiris' dairy and bakery products which is the traditional forte of the brand. FCL aims to increase the penetration in the Nilgiris stores. FCL is also undertaking supply chain optimization initiatives such as Distribution Center (DC) consolidation in Nilgiris to drive operating margin. Nilgiris has a strong brand equity in the South and FCL is also working on significantly expanding the franchisee network in the medium term.

Aadhaar focuses on semi-urban and rural India, where our brands have a "right to shelf space" and a "right to win". Aadhaar is a franchisee-based distribution network in rural and semi-urban areas of Gujarat, Punjab and Rajasthan with over 88 franchised stores. Aadhaar has also built a network of over 159 local entrepreneurs (Mitra) operating the Aadhaar brand stores in these areas, further expanding the distribution reach of FCL. The Mitra network has more than doubled from 60 Mitras at the end of last fiscal year. Aadhaar franchises and hence empowers the local entrepreneur to become a retailer (Mitra), thereby exercising greater control on the last mile. FCL brands have already achieved a penetration of over ~31% in Aadhaar stores. FCL intends to further scale up the franchisee based network in the regions of Gujarat, Punjab and Rajasthan and expand presence outside these states in the medium term. FCL also intends to explore tapping the general trade opportunities in the surrounding areas where Aadhaar stores are present. Aadhaar offers an excellent opportunity to build a General Trade network with low incremental costs. Aadhaar is closely working to expand the network of Mitras along with increasing productivity of each Mitra to build a long term, mutually beneficial relationship. Key areas of focus include improving fill rates for Mitras and reduce inventory in the system. Expansion of controlled distribution network in the form of Aadhaar in rural areas and Nilgiris in Southern India offers a unique opportunity of control over the last mile. This also assists in building a self-sustaining virtuous cycle of consumer insights augmenting the data richness and perfecting our product launch and monitoring framework.

FCL endeavors to focus on three key building blocks in the near to medium term, profitable and sustainable growth, free cash flow generation and stakeholder returns enhancement. In this pursuit, FCL has identified core brands and categories which shall catalyze the long term growth and profitability of the Company. FCL will continue on the journey of Gross Margin enhancement with initiatives such as sourcing efficiencies through automated reverse auction mechanism, product reformulations, packaging initiatives and focus on premium categories. FCL is also working towards re-engineering its supply chain network to drive operating efficiencies. These initiatives shall expedite our journey towards free cash flow generation and stakeholder return enhancement.

HUMAN RESOURCES

FCL had 1,289 employees as on 31st March 2020 vis-à-vis 1,599 on 31st March 2019. FCL strongly believes employees are one of the most critical and important asset of the organization. In order to institutionalize the spirit of being young, FCL undertook first cohort of initiative "Future Consumer 35 Under 35". FCL understands age should not be a constraint in realizing one's potential. The young bring in agility, optimism, speed, dynamism and the spirit of enterprise. The initiative identifies and nurtures talent at early stage across various functions. Members of this community have special access to contribute towards our organization's strategic direction, participate in learning sessions with leaders from outside and within the organization and drive special projects and new initiatives. During the year, the Company also launched an eight month leadership program "Leadership Academy 2019", in which employees underwent a complete leadership training including live strategic projects, classroom training, team building exercises and mentorship programs. FCL has roped in leading talent from the industry across mid and senior leadership positions. The Company undertakes various training and development initiatives across the organization through workshops, online classes amongst other. The Company operates with employee friendly, transparent and fair employee policies. The Company has a fair remuneration system where deserving employees are rightfully rewarded. Systematic wage settlement, a fruitful bonus policy and an encouraging work environment has enhanced the level of engagement of the employees in the organization.

RISK, THREATS, INTERNAL CONTROLS AND ADEQUACY

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

The Company has an adequate internal control system through Internal Audit and Enterprise Risk Management to safeguard all its assets and ensure operational excellence.

Enterprise Risk Management:

FCL has Enterprise Risk Management **("ERM")** Policy in place. The aim of this policy is not only to eliminate risk but to also assist FCL personnel to manage the risks involved concerning the business and to achieve maximum opportunities and minimize adverse consequences.

The ERM Policy involves:

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

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

Internal Audit and Internal Financial Controls

The Company has put in place an adequate internal control system to safeguard all its assets and ensure operational excellence. The system meticulously records all transaction details and ensures regulatory compliance. The Company also has a team of internal auditors to conduct internal audit. KPMG as our Internal Auditors ensures that all transactions are correctly authorised and reported. The reports are reviewed by the Audit Committee. Wherever necessary, internal control systems are strengthened, and corrective actions are initiated. The Internal Auditors assist in setting Industry benchmarks and help us drive implement best Industry practice within our organization.

Internal Audit team conducts Internal Financial Review (IFC) testing on yearly basis as per Companies Act 2013, to ensure adequate and effective Internal Control over Financial Reporting is in place. The same is also being certified by our statutory auditors on a yearly basis.

Key initiatives undertaken during the year

I. Strengthening Access Controls and Segregation of Duties in ERP

The Company operates on SAP HANA. The Company recently implemented Governance Risk & Compliance (GRC) module in SAP resulting in:

- Effective deployment of Segregation of duties (SoD) rules and sensitive access for SAP applications.
- Remediate and mitigate SoD conflicts.
- Enforce compliance to ensure SAP roles designed are without inherent conflicts.
- Periodic access and SoD reviews for governance.

II. Information Technology General Controls

Policies and procedure to identity risk and access management, defining relevant security management process and controls exists and is approved by the Chief Information Security Officer of Future Group which is

Statutory Report

FMCG 2.0

communicated to all the employees. Controls can be segregated into Physical controls, Logical controls and Access Controls.

a) **Physical controls**

- Primary responsibility lies with the employees to maintain and take care of the Laptops/desktops and other accessories allocated to them.
- Periodic e-mail communications with respect to steps to be followed for proper handling of the Company Assets is being circulated by the IT team.
- Physical Assets are always insured.

b) **Logical Controls**

- Ensures safeguarding of organization's systems, including user identification and password access, authenticating, access rights and authority levels.
- Appropriate communication through e-mails by IT team is sent to the employees for safeguarding their login passwords.
- Access to USB is strictly restricted and is given to relevant employees post necessary approvals.

c) **Access Controls:**

- **Monitored through implementation of GRC module in SAP.**

Information Technology General Controls **("ITGC")** audit is being conducted on a yearly basis by statutory audit team.

Business continuity plan (BCP) refers to the activities required to keep the organization running during a period of displacement or interruption of normal operations. BCP helps in continuing the business even after a disaster occurs. Hence an efficient BCP and Disaster Recovery Plan (DRP) can be used to actively run and maintain the business activities. For Future Consumer Limited, DRP and BCP for data stored on Future Group centralised server is in place and is controlled by Centralised IT team of Future Group. Back up of the data stored on the centralised Server is created on a regular basis to ensure there is no loss of data in case of any natural calamities or system failure. This shall effectively ensure no business loss to FCL.

REVIEW OF CONSOLIDATED FINANCIALS

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.

Turnover

The Company has recorded consolidated turnover of ₹ 4,04,033.02 Lakhs in the fiscal year 2020 as against ₹ 3,88,064.97 Lakhs in last fiscal, a growth of 4.1%. 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 87.1% and 86.5% of our turnover for fiscal year 2020 and fiscal year 2019 respectively.

Employee Costs

Employee cost include salaries and bonuses to our employees, ESOP charges, contributions to provident funds and other funds as well as staff welfare expenses. During fiscal year 2020, employee benefit expenses decreased from 3.4% of turnover in previous year to 3.0% of turnover in fiscal 2020. Employee cost decreased by 8.8% compared to last year mainly on account of reversal of ESOP charges and rationalization of employee costs.

Other Expenses

Other Expenses primarily include expenses towards payment of rent and fuel, power, water, advertisement, publicity and selling expenses, travelling expenses, legal and professional charges etc. Other expenses accounted for 8.8% and 7.5% of turnover for fiscal year 2020 and fiscal year 2019, respectively, increasing primarily due to the Expected Credit Loss provision recognized on Trade Receivables during the year. Our overall Other Expenses for fiscal year 2020 increased by 21.6% over fiscal year 2019.

Interest and Financing Charges

Interest and financing cost primarily consist of interest on working capital loans, fixed loans and term loans. FCL incurred interest and financing charges of ₹ 8,705.12 Lakhs in fiscal year 2020 an increase of ₹ 1,357.39 Lakhs over the previous fiscal year. The increase was primarily on account of finance cost recognized on lease liabilities as per Ind AS 116, and increased working capital requirements, capital expenditure and funding for expansion plans of Joint Ventures. Our interest and financing charges accounted for 2.2% and 1.9% of Revenue from Operations for fiscal year 2020 and fiscal year 2019, respectively. Interest and Financing Charges stood at ~11.5% on average borrowing balance.

Depreciation and Amortization

For the year, Depreciation and Amortization expense has increased from ₹ 5,315.49 lakhs in fiscal year 2019 to ₹ 7,045.05 lakhs in fiscal year 2020. The increase is primarily on account of additional depreciation charge pertaining to impact of IND AS 116 accounting standard in fiscal year 2020.

Profit before Tax

FCL incurred a loss of ₹ 21,832.84 Lakhs for fiscal year 2020 vs a loss of ₹ 2,375.05 Lakhs for the fiscal year 2019.

The increase in loss is mainly attributable to Expected Credit Loss of ₹ 8,605.20 Lakhs in the fiscal year 2020 compared to

₹ 253.66 Lakhs in the fiscal year 2019. Further the Company also reported Exceptional items in the fiscal year 2020 amounting to ₹ 8,533.14 Lakhs.

Losses on account of JVs, Subsidiaries and Associates and minority interest

Losses on account of JVs, Subsidiaries and Associates and minority interest stood at ₹ 4,697.13 Lakhs in fiscal year 2020 vs ₹ 2,949.42 Lakhs for fiscal year 2019. The losses increased primarily due to losses pertaining to Hain Future Natural Products Private Limited and Fonterra Future Dairy Private Limited which the Company entered in Fiscal Year 2019 and are still in early build up phase.

Profit after Tax

Loss for fiscal year 2020 was ₹ 21,650.28 Lakhs, vis-a-vis ₹ 718.32 lakhs in fiscal year 2019.

Exceptional Items

The Company has always believed that prudence as one of its key business virtues and has worked towards enhancing corporate governance framework. As guided by Board of Directors the Company in discussion with the JV partner Mibelle A. G has decided to wind up the operations for its JV Mibelle Future Consumer Products A.G. ("Mibelle"). This mutual decision was taken considering the potential capital requirements in building the personal care brand "Swiss Tempelle". This has resulted in one -time loss of ₹ 1,406 Lakhs during fiscal 2020 in FCL Standalone. The Company has also taken a non-recurring non-cash impairment pertaining to investment in Nilgiris ₹ 10,668 Lakhs, Aadhaar ₹ 15,316 Lakhs, Future Food Processing Limited ("FFPRL") ₹ 502 Lakhs, Genoa Rice Mills Private Limited ₹ 125 Lakhs, FCEL Overseas FZCO ₹ 746 Lakhs and ₹ 400 Lakhs on Brand Kara in the standalone books of FCL. In the consolidated books of the Company, the non-recurring impairments recorded amount to ₹ 8,533 Lakhs including ₹ 7,575 Lakhs on goodwill and plant and machinery pertaining to Nilgiris, ₹ 400 Lakhs on Brand Kara, ₹ 317 Lakhs on FCEL Overseas FZCO, ₹ 227 Lakhs net loss on consolidation of Genoa and ₹ 14 Lakhs on goodwill pertaining to Future Consumer Products Limited.

SUMMARY OF BALANCE SHEET FINANCIAL POSITION

Property, Plant & Equipment, Intangibles & Capital Work in Progress (Fixed Assets)

Fixed Assets declined from ₹ 97,604.24 Lakhs at the end of fiscal year 2019 to ₹ 81,818.25 Lakhs at the end of fiscal 2020. There was addition of ₹ 11,482.96 lakhs in Fixed Assets (including ₹ 9,472.01 lakhs Right-to-Use assets recognized in accordance to Ind AS 116) which was offset by depreciation charge of ₹ 7,045.05 lakhs, impairment of Brand, Goodwill and Fixed Assets of ₹ 8,475.77 lakhs and transfer of assets of ₹ 11,992.07 lakhs to Non-Current Assets Held for Sale.

Other Non-Current Assets

Other Non-Current Assets increased from ₹ 5,566.25 Lakhs for fiscal year 2019 to ₹ 6,555.61 lakhs for fiscal year 2020 primarily due to increase in net deferred tax assets.

Financial Assets (Non-Current)

Financial Assets decreased from ₹ 10,298.70 Lakhs for fiscal year 2019 to ₹ 7,955.51 lakhs primarily due to losses and impairments in JVs and Associates.

Other Current Assets

Other Current Assets increased from ₹ 14,471.53 Lakhs for fiscal year 2019 to ₹ 16,619.11 lakhs primarily due to an increase in receivables.

Cash and Bank Balances

Cash & Bank Balances stood at ₹ 5,904.06 Lakhs (fiscal year 2019: ₹ 6,836.08 Lakhs).

Shareholders' Funds

As on 31st March, 2020 (fiscal year 2020), Shareholder's Funds of the Company amounted to ₹ 1,05,424.22 Lakhs (fiscal year 2019: ₹ 98,781.05 Lakhs). Increase is primarily on account of ₹ 26,253.16 recognized as equity component of Compulsorily Convertible Debentures (CCDs) and ₹ 1,750 lakhs against Share Warrants issued, as reduced by losses of ₹ 21,650.28 lakhs incurred during the year.

Net Working Capital

As on 31st March, 2020, the Net Working Capital of the Company amounted to ₹ 62,006.85 Lakhs (fiscal year 2019: ₹ 62,203.22 Lakhs), this included ₹ 16,620.12 Lakhs (fiscal year 2019: ₹ 24,684.80 Lakhs) of Inventories, ₹ 76,287.36 Lakhs (fiscal year 2019: ₹ 67,466.28 Lakhs) of Trade Receivables and ₹ 30,900.63 Lakhs (fiscal year 2019: ₹ 29,947.86 Lakhs) of Trade Payables. Net Working Capital Days increased to 55 days at the end of fiscal year 2020 from 51 days at the end of fiscal year 2019.

Borrowings

As on 31st March, 2020, the Company's Gross Debt stood at ₹ 69,554.57 Lakhs comprising Non-current borrowings of ₹ 22,381.67 Lakhs, short-term borrowings of ₹ 31,537.01 Lakhs, Lease Liabilities of ₹ 8,473.27 lakhs and Current Maturities of long-term borrowings of ₹ 7,162.62 Lakhs (fiscal year 2019 Gross Debt: ₹ 81,366.81 Lakhs; Non- current borrowings: ₹ 27,770.87 Lakhs; Short-term borrowings: ₹ 48,172.92 Lakhs; Lease Liabilities ₹ Nil and Current Maturities of long-term borrowings: ₹ 5,423.02 Lakhs). Long-term borrowing repayment of FCL is split evenly over a tenure of six years providing necessary liquidity in the medium term.

The decrease in borrowings was primarily on account of repayment of NCDs out of CCDs and Share Warrants issued during the year.

Details of Significant Changes in Key Financial Ratios

1. **Debtors Turnover**

   Debtors Turnover ratio increased from 55 days at the end of fiscal year 2019 to 65 days at the end of fiscal year 2020 primarily on account expansion of product portfolio, offset by impact of Expected Credit Loss provision recognized during the year on Trade Receivables.

2. **Inventory Turnover**

   Inventory Turnover ratio improved from 26 days of Cost of Goods Sold (COGS) at the end of fiscal year 2019 to 21 days of COGS at the end of fiscal year 2020.

3. **Payables Turnover**

   Payables Turnover ratio increased from 29 days of COGS for fiscal year 2019 to 32 days for fiscal year 2020.

4. **Interest Coverage Ratio**

   Interest coverage ratio decreased from 0.39x for fiscal year 2019 to -3.7x for fiscal year 2020 primarily on account of top line growth of one time impairment costs and JV and Associate losses incurred during the year.

5. **Current Ratio**

   Current ratio increased from 1.2x for the fiscal year 2019 to 1.4x for the fiscal year 2020, the ratio increased primarily on account of decrease in short term borrowings.

6. **Debt to Equity Ratio**

   Debt to Equity ratio (calculated on net debt) stood at 0.6x for the fiscal year 2020 as compared to 0.8x for the fiscal year 2019. Decrease in the ratio was primarily due to repayment of NCDs and short term borrowings during the current year.

7. **Operating Profit Margin (EBITDA) %**

   EBITDA margin (EBITDA calculated as Earnings before Interest, Taxes, Depreciation and Amortisation, Exceptional Items and including Other Income {excluding interest income}) for the Company reduced from 3.0% for the fiscal year 2019 to 1.5% for the fiscal year 2020 mainly due to Expected Credit Loss provision recognized on trade receivables offset by improvement in operating expenses other than expected credit loss as a % of revenues from 10.9% for the fiscal year 2019 to 9.6% for the fiscal year 2020. EBITDA margin before ECL was 3.6% for the fiscal year 2020.

8. **Net Profit Margin (%)**

   Net profit margin (attributable to owners of the Company) has reduced from -0.2% for the fiscal year 2019 to -5.3% for the fiscal year 2020 primarily due to one-time impairment costs amounting to ₹ 8,533.14 lakhs, Expected Credit Loss provision recognized on Trade Receivables and increase in losses of JVs and Associates during the year.

9. **Return on Net Worth (%)**

   Return on Net Worth reduced from -0.7% for the fiscal year 2019 to -20.5% for the fiscal year 2020 as net losses have increased due to one-time impairment amounting to ₹ 8,533.14 lakhs, Expected Credit Loss provision recognized on Trade Receivables and increase in losses of JVs and Associates.

Performance of Subsidiary, Joint Venture companies 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 primarily fast-moving consumer products of the Company. It is actively pursuing wholesale distribution and franchisee models in this segment. Aadhaar is also pursuing low cost general trade access *via* hub and spoke model in the states of Gujarat, Punjab and Rajasthan. General trade store operating in a 100-kilometre radius of a hub can become a member (“Mitra”). These Mitras in turn will get an access to the Company’s brands along with other FMCG products and shall also benefit from technology and systems expertise. These wholesale centers also cater to other businesses in the radius such as hotel, restaurants and canteens, FCL intends to improve its reach to rural India *via* this digital distribution model. Aadhaar has registered revenues of ₹ 28,890.38 Lakhs during the year (₹ 33,621.47 lakhs in fiscal year 2019). FCL has recorded an impairment in the standalone books of ₹ 15,316 lakhs on its investment in Aadhaar during the year.

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

   With origin in 1905, Niligiris is a leading dairy and bakery brand in South India with a franchisee network of over 200 stores. The brand Nilgiris has grown to become a household name in the south India with consumers spanning successive generations. The brand has a unique portfolio, supported by manufacturing facilities for dairy. Nilgiris also has franchisee operated chain of convenience stores with a strong presence in urban centers across India’s southern states. Nilgiris has registered consolidated revenues of ₹ 17,862.67 Lakhs for the fiscal year 2020 as compared to ₹ 24,533.52 lakhs in fiscal year 2019. The Company has recorded an impairment of ₹ 10,668 lakhs in the standalone books (₹ 7,574.82 lakhs in the consolidated financials) on the investment in Nilgiris during the year.

The subsidiaries of Nilgiris are mentioned as below:

a) Appu Nutritions Private Limited

b) Nilgiri's Mechanised Bakery Private Limited

c) Nilgiris Franchise Limited, *formerly known as Nilgiris Franchise Private Limited*

3. **Bloom Foods and Beverages Private Limited ("Bloom")**

Bloom, a wholly owned subsidiary of the Company, is predominantly engaged in the business of trading in all types of fruits and vegetables. Bloom has registered revenues of ₹ 66,833.80 Lakhs (year over year growth of 38%) and Profit after Tax of ₹ 651.61 Lakhs for the fiscal year 2020 as compared to ₹ 467.53 Lakhs for fiscal year 2019.

4. **Integrated Food Park Limited ("IFPL")**, *formerly known as Integrated Food Park Private Limited*

IFPL, a subsidiary of FCL Tradevest, has in partnership with the Ministry of Food Processing Industries, Government of India, set-up a state-of-the-art India Food Park 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, 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. IFPL is home to several food processing firms where it enables them to work through a single window system. IFPL also houses other facilities such as effluent / sewage treatment plant, central canteen, meeting and conference rooms, office cabin, micrology lab and research and development lab.

IFPL has registered revenues of ₹ 3,065.54 Lakhs as revenues grew by 10% on year over year basis and EBITDA of ₹ 1,108.24 Lakhs for the fiscal year 2020 as compared to previous year EBITDA of ₹ 1,452.59 lakhs.

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

Aussee Oats operates a state-of-the-art "oats based" breakfast cereals manufacturing facility (EOU - Export Oriented Unit) in Sri Lanka through a Joint Venture initiative with SVA India Limited and the Company. The Company holds 50% plus one ordinary share of Aussee Oats. Aussee Oats predominantly focuses on manufacturing and sale of wide range of oats such as flavoured oats, steel cut oats etc.. Aussee Oats has registered revenues of ₹ 6468.22 Lakhs for the fiscal year 2020 as revenues grew by 66% on year over year basis (converted into Indian Rupees at the exchange rate of USD 1= ₹ 70.8791).

6. **Aussee Oats India Limited** *("Aussee Oats India")*, formerly known as Aussee Oats India Private Limited*

Aussee Oats India is engaged in the business of selling, importing, primarily oats and oats based products in India. FCL Tradevest holds 50% plus one equity share of Aussee Oats India. Aussee Oats India has registered revenues of ₹ 2,967.24 Lakhs for the fiscal year 2019-20.

7. **Sublime Foods Limited ("Sublime")*,** *formerly known as Sublime Foods Private Limited*

Sublime is engaged in the business of manufacturing convenient food products such as sauces, chutneys, condiments, dressings and mayonnaise for Company's brand - "Sangi's Kitchen". The manufacturing unit has been set up by Sublime Foods at the India Food Park, Tumkur, which mainly produces dips and sauces such as sweet, chilli garlic, schezwan, mayonnaise, tamarind (imli), coriander & mint and Italian classic arrabiata and alfredo. It has capabilities to produce other variety of such food products such as jams, jellies, confectionery fillings, different types of cheese and few dairy products. These products are made in equipment imported from Italy with an automated manufacturing system to ensure safety and hygiene standards. FCL Tradevest owns 51% stake in Sublime Foods. Sublime has registered consolidated revenues of ₹ 1,514 .15 Lakhs for the fiscal year 2020

Avante Snack Foods Private Limited ("Avante Foods")* Avante Foods was a subsidiary of Sublime Foods engaged in the business of manufacturing, processing, branding, packaging, warehousing and dealing in items in snack food category, fried chips of various fruits and vegetables, nuts and seeds based snacks, dehydrated fruits and vegetables snacks, extruded snacks made from rice and other grains and other food products. Avante Foods has registered revenues of ₹ 29.72 Lakhs for the fiscal year 2020. Avante Foods is now the subsidiary of FCL Tradevest with effect from 18th March, 2020 and shall be merged into FCL Tradevest as part of the proposed Composite Scheme of Arrangement.

8. **MNS Foods Limited ("MNS Foods")***, *formerly known as MNS Foods Private Limited*

MNS Foods, a subsidiary of FCL Tradevest 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. MNS Foods supports manufacturing of Tasty Treat wafer biscuits from its manufacturing facilities set up at India Food Park, Tumkur. FCL Tradevest holds 50.01% stake in MNS Foods. MNS Foods has registered revenues of ₹ 1,618.44 Lakhs for the fiscal year 2020 as the revenues grew by 11% on year over year basis.

9. **Future Food and Products Limited ("FFPL") and Future Food Processing Limited ("FFPRL"),** *formerly known as Future Food Processing Private Limited*

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

10. Future Consumer Products Limited ("FCPL")

FCPL has discontinued the brand "Sach" and - shall be merged into FCL Tradevest as part of the proposed composite Scheme of Arrangement.

11. FCEL Overseas FZCO ("FCEL Overseas")

FCEL Overseas was set up in UAE to undertake the business of dealing in furthering exports of range of Company's products. FCEL Overseas is in the process of closure of its business at UAE.

12. FCEL Food Processors Limited ("FCEL Food Processors")

FCEL Food Processors, a wholly owned subsidiary, has discontinued the business of manufacturing, processing, branding, packaging, warehousing, and/or otherwise dealing in food products. FCEL Food Processors shall be merged into FCL Tradevest as part of the proposed Composite Scheme of Arrangement.

13. FCL Tradevest Private Limited ("FCL Tradevest")

FCL Tradevest is in the process of creating a culture of manufacturing excellence, reorganized the businesses and accordingly, certain investments in entities with manufacturing operations are held by a wholly owned subsidiary, FCL Tradevest. As part of the proposed Composite Scheme of Arrangement, the following companies shall be merged into FCL Tradevest subject to necessary approvals:

- Affluence Food Processors Private Limited
- Avante Snack Foods Private Limited
- FCEL Food Processors Limited
- Future Consumer Products Limited
- Genoa Rice Mills Private Limited

14. Affluence Food Processors Private Limited ("Affluence")

Affluence is a subsidiary of FCL Tradevest which operates a combi mill facility at the India Food Park, Tumkur and has a capacity of 60,000 MTPA. Affluence reported revenues of ₹ 569.35 Lakhs during the fiscal year 2020. The Company shall be merged into FCL Tradevest as part of the proposed composite Scheme of Arrangement.

15. Genoa Rice Mills Private Limited ("Genoa")

Genoa is a wholly owned subsidiary of FCL Tradevest undertaking the business of manufacturing and distribution of rice and with an objective of developing the first national brand outside the Basmati rice space. Genoa is engaged in the business of processing, marketing and distribution of rice and has set up its milling and processing plant at India Food Park, Tumkur. Genoa generated revenues of ₹ 588.00 Lakhs during the fiscal year 2020. The Company shall be merged into FCL Tradevest as part of the proposed composite Scheme of Arrangement.

Genoa was a 50:50 joint venture with LT Foods which became a wholly owned subsidiary of FCL Tradevest effective September 27, 2019, consequent to acquisition of shares from the joint venture partner.

* As per Ind AS 28, these entities are classified as Joint Ventures.

Joint Venture Companies:

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

The Company had entered into a joint venture arrangement with Swiss based Mibelle A. G., a division of Migros Group by forming a 50:50 joint venture company under the name Mibelle Future Consumer Products AG at Switzerland. The brand 'Swiss Tempelle' launched a variety of body wash and lotions in its portfolio. The brand Swiss Tempelle generated revenues of over ~₹ 700 lakhs during the fiscal year 2020. The Company has approved the termination of the Mibelle JV on May 27, 2020.

2. Hain Future Natural Products Private Limited ("Hain")

Hain is a 50:50 joint venture with Tilda Hain India Private Limited. Tilda Hain India Private Limited is part of Hain Celestial Group Inc., a leading organic, natural and better-for-you products and is listed on NASDAQ. Hain Celestial Group participates in almost all-natural categories with nearly 57 brands and introduced brands and products comprising Terra vegetable chips, Sensible Portions etc. Hain has set up a state of art manufacturing facility for brands Terra and Sensible Portions at India Food Park, Tumkur with a frying capacity of over 2 million cases per year. During the fiscal year 2020, Hain has initiated manufacturing of various SKUs of brand Sensible Portions from this facility. Hain incurred a loss of ₹ 1,613.84 Lakhs in fiscal year 2020.

3. Fonterra Future Dairy Private Limited ("Fonterra")

FCL and Fonterra Co-Operative Group, a leading global dairy nutrition company have formed a 50:50 joint venture to meet the growing demand for high- quality dairy nutrition in India. The partnership will leverage Fonterra's global dairy expertise and Future Consumer's strong local consumer insights and distribution scale, to launch a full range of consumer and foodservice dairy products. Fonterra has launched products in 5 categories, including Tetra Pak milk, flavored milk, cheese slices, curd and flavored/Greek yogurt, during mid of year 2019, using both locally sourced milk and imported dairy products from New Zealand. Fonterra incurred a net loss of ₹ 3,883.06 Lakhs for fiscal year 2020.

BUSINESS RESPONSIBILITY REPORT

Overview

Future Consumer Limited (**"FCL"/"Company"**), India's first sourcing-to-supermarket food company caters to the fast moving consumer who shops at modern retail chains.

FCL is a food-led FMCG company, building brands for India's Fast Moving Consumer Generation. The Company understands India's evolving aspiration and needs and is moving consumers into buying branded food categories. Around 30 food and FMCG brands present across mainstream and fast growing categories contribute one-third of the Group's total sales in its food and grocery retail networks.

The Company has been using real-time data to gain deep insights on the Indian consumers, their food habits, and beliefs. The Company has successfully created a branded business out of commodity play in categories like dry fruits, rice, and flours, where very few or no brands exist.

Customers increasingly demand for products that are innovative, economical, healthy, safe and responsible. The Company strives to achieve these aspirations and earn its customer's trust, whilst improving its environmental and social impacts.

The Directors of FCL hereby present the Business Responsibility Report **("BRR")** of the Company for the financial year ended on 31st March, 2020, 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 prescribed 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
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	2019-20
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 India and has presence in UAE and Sri Lanka 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 predominantly serves national markets with exports to few Countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1	Paid up Capital (INR)	INR 115,266.58 Lakhs
2	Total Turnover (INR)	INR 302,608.82 Lakhs (standalone)
3	Total profit /(loss)after taxes (INR)	INR (30,565.42) Lakhs (standalone)

Sr. No.	Particulars	Company Information
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year under review, the Company has spent ₹ 64.83 lakhs on CSR activities (equivalent to 2% of the average net profits of the Company made during the three immediately preceding financial years), as calculated under Section 198 of the Companies Act, 2013 **("the Act")**
5	List of activities in which expenditure in 4 above has been Incurred	The Company has undertaken its CSR activities through an implementing agency "Sone ki Chidiya Foundation".

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

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

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

Sr. No.	Particulars	Details
1	Director Identification Number (if applicable)	00058775
2	Name	Ms. Ashni Biyani
3	Designation	Managing Director
4	Telephone number	+ 9122 6644 2200
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 conform to voluntary sustainability guidelines such as the Global Reporting Initiative (GRI) and is also based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	The functional heads of the respective departments oversee the implementation of the policies.								
6	Indicate the link for the policy to be viewed online?	http://futureconsumer.in/Investors.aspx#policies-code								
7	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
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								

*In the forthcoming financial year with the help of Future Group's sustainability cell, FCL aims to integrate the sustainability guidelines through strengthening of environmental and social performance of significant aspects, and shall be audited by an internal team and disclosed appropriately.

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 1year.	The Board of Directors of the Company/ its Committees assess the various business responsibility initiatives undertaken by the Company on an annual basis.
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it ispublished?	Yes, the BRR for the year 2019-20 forms part of the Annual Report, which is published annually. It is available on the website of the Company at - https://www.futureconsumer.in/investors.aspx#financials-id

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

FCL diligently follows the corporate governance practices, policies and procedures that ensures ethical conduct at all levels.

The Company has been built on a strong corporate governance foundation and seeks to positively impact every stakeholder it works with and the environment it impacts. This has been possible because of a robust governance structure and compliance with the Company's code of conduct and its policies.

These are made available to all stakeholders through the Company website https://www.futureconsumer.in/investors.aspx#company-presentations and vide declarations in the annual report.

Governance

FCL's governance structure, consists of various committees such as Audit Committee, Nomination and Remuneration/ Compensation Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. These committees' *inter-alia* help to address concerns with respect to policies and procedures enforced across the Company's business.

Vigilance Policy

FCL treats any act of fraud, bribery and corruption very seriously and expects its business partners to adopt the same approach. Stakeholders are trained to report any potential or actual instance to compliance.abac@ futureconsumer.in. The policy is also being incorporated in all contracts with stakeholders associated with FCL including employees, manufacturers, vendors, partners and consultants and the Company expects all its stakeholders to respect the policy and abide by its principles, thereby ensure conducting business ethically.

The Company's Vigil mechanism empowers employees to bring to the attention of the management, any concerns about suspected misconduct, unethical behaviour, suspected fraud or violations to come forward and express their concerns without fear of punishment or unfair treatment by reporting at ethics@futureconsumer.in / aapkiaawaaz@futuregroup.in. The mechanism promotes responsible and secure whistle blowing whilst assuring adequate safeguards to the whistle blower.

There were no complaints received by FCL under the Vigil Mechanism and Whistle Blower Policy as on 31st March, 2020.

Grievance Redressal Mechanism

Stakeholder complaints, concerns and queries are addressed vide grievance mechanism processes to ensure that the Company resolves such cases satisfactorily thus improving its relationship with stakeholders and adding value to business though transparency and disclosure.

Employee Grievance Mechanism

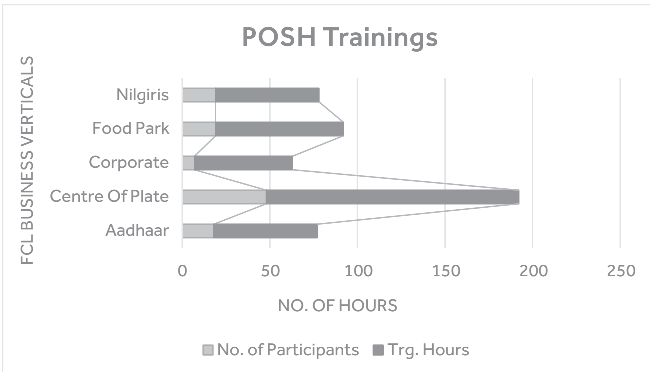
The Company has an established grievance redressal procedure for employees. To enable easy resolution of issues, a grievance box is made accessible to employees. The Internal Complaints Committee **("ICC")** receives the complaints, investigates the issue and resolves the grievance. During the reporting period, no complaints were received by the ICC.

The Prevention of Sexual Harassment (POSH) Policy is accessible to employees vide the intranet. Employees may report cases of sexual harassment by writing at - posh@futuregroup.in or contacting at 022-61994735 and seek redressal of their grievances.

During the year under review, the Company invested significant man-hours in sensitization of employees on awareness raising and the required steps to register and resolve such complaints. At least 9 POSH trainings were undertaken during FY2019-20.

POSH Awareness

Type of Employee	Number of Participants	Training Man hours
Permanent Employees	105	620
Contractual Employees	29	199
Total	134	819



Investor Grievance Mechanism

The Corporate Governance Department regularly engages with the shareholders to resolve queries, grievances, if any, and provides guidance to shareholders for any Company related matter. The Company has a designated e-mail ID- investor.care@futureconsumer.in for addressing the investor complaints.

During the reporting period, the Company and its Registrar and Share Transfer Agents **("RTA")**, have not received any complaints from the investors.

Customer Grievance Mechanism

The Company strives towards improving its customer grievance redressal mechanism. Customers can raise a complaint regarding a product vide the following communication channels available on the product packaging.

a. Electronic mail at care@futureconsumer.in

b. Contacting the toll free number 1800210060

These grievance redressal mechanisms are also disclosed on the Company website including online grievance redressal addresses for any issue escalation through the CRM (Customer Relationship Management).

The product complaints obtained through offline and online interfaces are mapped on the CRM database. Within 3 hours of receipt of complaint the customer service manager connects with the brand manager to investigate the complaint. Customers are updated about the actions taken and the customer service team ensures that necessary actions are taken. The Company endeavours to resolve complaints within 24 hours.

During the reporting period the Customer relations team received 1371 customer complaints which have been resolved in close conjunction with the quality team.

Principle 2: Product Stewardship

The Company recognises its responsibility towards the local economy as also its indirect impacts from supply chain actions and inactions that affects both environment and society over time, FCL has hence developed a road-map for deepening supplier interactions in the coming years.

The Company has begun its journey of sensitizing its employees, customers, and suppliers on the environmental and social impacts of its actions.

Keeping this in mind, the Company will begin engaging with suppliers to self-assess, comply, adapt and create meaningful programs that meet the Company's sustainability goals and create impactful outcomes.

Better –for-you range of Food Products

The Company offers safe, nutritious and organic foods in its product basket. Brands like "Mother Earth" offers a wide range of organic food products across categories like rice, pulses, flours, cereals, spices, and millets. "Mother Earth" products are USDA Organic, India Organic and Control Union certified. This diverse portfolio represents a purer, all-natural way of living, free from synthetic pesticides, chemicals and adulteration.

The Company's brands such as "Desi Atta Company" and "Golden Harvest" flours employ innovative processing techniques and offers flours that are healthy, wholesome, and nutritious.

Desi Atta Company:

With around 50 variants of flour and flour based ready mixes, "Desi Atta Company" is the first food collective in India that makes it possible for the consumer to taste the flavours of India with year-round availability of otherwise seasonal variants.

- Beetroot Wheat Atta: Made from beetroot, no artificial colour added and contains goodness of Sharbati wheat
- Spinach Wheat Atta: Made from Spinach, no added colour, is high in protein and rich in dietary fibre
- Ragi Atta: Gluten free and rich in calcium and dietary fibre
- Whole Groats Oats Atta: Source of protein and the weight watchers special

"Golden Harvest" and "Golden Harvest Premium":

- 9 Grain Atta that contains wheat, oats, chana dal, defatted soya, barley, maize, ragi, jowar and psyllium husk 'Atta' fortified with iron.

Fresh and Pure:

- The cooking oil is fortified with Vitamin A and D.

Healthy Snack and Drink options:

The Company also retails a wide product range of healthy snacks and breakfast meals like cornflakes, rolled oats, dry fruits which addresses health concerns in society like diabetes and cardiovascular diseases.

- Karmiq offers a range of dry fruits, berries, flavoured nuts and seeds that are a blend of nutrition and health combined with great taste.
- Roasted Nuts and Berry Mix: Good source of dietary fibre and iron, rich in zinc
- Trail Mix: Rich in dietary fibre, iron and antioxidants, Zero cholesterol
- Berry Mix: Rich in dietary fibre, iron and antioxidants
- Roasted and Salted Pumpkin Seeds: Good source of dietary fibre and vitamin E, rich in magnesium and zinc
- Sunkist through its detox range of fruit juices ensures fully natural juices with no added sugar.
- Sunkist range of jams contain no added sugar.
- Fresh and Pure tender coconut drink has no added sugar and is 100% coconut water.
- Sensible Portions offers consumers the ability to make sensible decisions as a Better-for-You snack and is available in single serve, sharing and family packs

- Product attributes: 30% less fat than the regular potato chip, gluten free, vegetable flours, and prepared in rice bran oils

Conscious Personal and Home Care Product basket

The personal and home care category brands have begun embedding environmental consciousness during product development stage itself.

- ThinkSkin body wash: Paraben free, also infused with almond oil and glycerine which have moisturizing properties
- TS Beauty Kajal: Paraben free, dermatologically tested, infused with aloe vera and jojoba oil which have anti oxidising properties
- TS Lip Balms (3 variants) : Paraben free, dermatologically tested
- Caremate deluxe kitchen rolls tissues: made from 100% virgin fibre derived from Indonesian pulp that is certified by the Forest Stewardship Council.
- Kara wipes: Viscous fibres that are 100% alcohol free, paraben free, cruelty free and alcohol free.
- Swiss Tempelle hand washers, shower gels, face washes and body lotions: paraben free and do not contain formaldehyde releasing preservatives and micro beads.

  Swiss Tempelle products are subject to a quality management system running throughout the entire process and the Company complies strictly with standards set by regulators for the industry. Certifications:

- ISO 9001:2015 Quality Management System
- ISO 22716:2007 GMP
- ISO 14001:2015 Environmental Management,
- Natrue, aha! (Swiss Allergy Centre)
- BRC/RILA Global Standard for Consumer Products
- The Company also sources incense sticks, agarbattis, dhoop for its brand "Pratha" locally from small co-operatives and women entrepreneurs from Ahmedabad, Bangalore and Delhi.

Product Health and Safety

FCL endeavours to improve and attain the highest standards of quality and food safety.

The Company processes fruits, vegetables and agricultural commodities at the Food Park at Tumkur, Karnataka, India.

Integrated Food Park Limited (IFPL), a subsidiary company, in partnership with the Ministry of Food Processing Industries, Government of India under the Mega Food Park Scheme has set up a Mega Food Park which facilitates end-to-end food processing along the value chain (grading, sorting, pulping, packaging & distribution) from the farm to the market.

The Food Park has 22,000-tonne storage capacity, cold storage unit and in-house pulping, milling, flouring, spice & dal units and is spread across 110 acre land in Tumkur region in Karnataka. Within Food Park , IFPL has its own processing units or IFPL owned units for agricultural commodities and fruits and vegetables. Currently, IFPL is operating its pulping, fruits and vegetables (F&V) packing, frozen F&V, spice grinding and packing, and frozen snacks in the Food Park.

Certifications

- The F&V unit was certified against BRC standard in 2019 by Intertek. This management system is applicable to food testing lab, production line work centres and batch tracking of manufactured products.
- Additionally the F&V units has been certified as conforming to ISO 14001:2015 and ISO 45001:2018 in March 2020, this management system is applicable to storing, processing, pulping of Fruits and Vegetables, quick freezing of ready to cook products.
- The Company's F&V unit was certified for FSSC 22000 V 4.1 standard by Intertek.
- The F&V unit in Food Park cleared the mandatory food safety audit as per the compliance of FSSAI with A plus grade.
- The FCL unit processes whole wheat to create whole wheat flour (Atta), Resultant Atta, Maida (Refined Wheat flour) and Rawa (Semolina). It has received certification against FSSC 22000 V 4.1 standard by TUV NORD.
- Sublime Foods Limited unit in Food Park that manufactures vegetable chutneys, culinary sauces and ketchup including processing and packing of emulsified products got certified for FSSC 22000 V 4.1 standard by TUV NORD.
- MNS Foods Limited unit in Food Park that manufactures cream wafer biscuits got certified for FSSC 22000 V 4.1 standard by Intertek.
- Nilgiris Bakery unit and Nilgiris Dairy unit is certified against ISO 22000 standard.

The Company does not compromise on food safety and undertakes periodic workshops, trainings and internal audits.

Food Safety Trainings

Food Safety Initiatives

- Training provided on Internal auditing, ISO 22K standard, FSSC standard, personal hygiene, facility hygiene.
- FSMS documentation completed in F&V section. Commissioning and Handing over equipments systems and process implemented.

- Sampling plan for RM, In-process checks and FG put in place
- Food safety policy put in place
- Facility improvements - foot dips, hand wash stations, equipment upgradations.
- Provision of PPEs, safety shoes to employees.
- Environment monitoring, swab analysis, equipment swabs monitoring initiated
- Medical check-up and vaccination provided for all food handlers.
- Periodic Fumigation of Pasta at 3P unit & warehouses
- Product handling guidelines at stores
- Store and warehouse audits
- Know your product documents
- Manufacturing guidelines for 3P units
- State of art NPD lab in place for developing new safe products
- Food safety compliance is made through the software "Complinity"
- Temperature monitoring control at cold room and DC to avoid spoilage issue
- Flavoured milk process validation to control curdling issue
- Butter packing validation to control fungus issue

Sustainable Sourcing

The Company sources produce from the second harvest of organic farmers, who are assured of off-take, thereby enhancing their earnings.

The Company's Centre of Plate (COP) division has developed deep understanding of agricultural procurement over the decades including farmer connect at multiple levels. This includes farm gate procurement, establishment of collection centres in a hub and spokes model, empowerment of self-help groups and FPOs, established not-for-profits, procurement via APMC mandis and tie ups with mills that have contract with farmers directly.

Organic produce is sourced through well-established organisations, around fifteen to thirty of them having onward connect with over 10,000 farmers. Overall level of such purchase has varied between 1% and 3% and the team has built strengths to leverage all these channels to scale up such purchases to much higher levels

Almost all critical processing is done in-house to ensure that customers get the best quality at reasonable costs. The warehouses and logistics are planned for minimising the overall supply chain cost, considered in entirety from farm to customer. This is done for the Company's bouquet of own brands, unbranded packaged products and for commodities meant to be sold by weight by retailers. This unique spread across commodities, geographies, pack sizes and price points has helped in improving margins year after year simultaneously whilst offering affordable prices to consumers.

Commodities are sourced by the Company's COP division from over 250 centres, which are cleaned and packaged at five processing centres. The finished goods are sent to a network of 38 integrated distribution centres forming an India Food Grid which in turn feeds it's large and small – format neighbourhood stores located at more than 300 store locations.

The COP division has established transparency in prices of staples, spices, dry-fruits and nuts by managing close to 70% of sourcing vide "Agribid", "a SaaS" application that connects suppliers/ farmers with the buyers, logistics team and quality assurance team. Additional benefits of "Agribid" include ease in vendor registration processes, placing of e-quotations and negotiations which lead to substantial time saving for buyers and cost saving for the Company. Going forward, the price trends being captured will help sourcing product efficiently.

Recycling

In adherence to the Plastic Waste Management Rules, 2016 and on implementation of the rules by Maharashtra Pollution Control Board, the Company has taken steps to comply with the regulatory requirements by ensuring plastic used in product packaging is recyclable and have partnered with local Producer Responsible Organization (PRO) across the Country to recycle the plastic material at the end of its useful life.

The Company continued to participate in "Plastic Lao Paise Kamao", an in-store plastic recycling campaign at Big Bazaar's in Mumbai and parts of Maharashtra. The campaign invites customers to bring back your Company's own brand bottles and in the process are incentivised.

(For further details on the compliance to Plastic Waste Management Rules, 2016, please refer Principle 6).

Principle 3: Employee Welfare

FCL's people strategy aims to create a working environment that is supportive of employees' personal lives, while meeting the Company's business needs in accordance with the laws of the land.

Non Discrimination in recruitment and employment

The Company's recruitment process employs gender neutral job descriptions and removes potential biases in screening, shortlisting and sourcing of candidate which is also consistent with employment related legislation.

The manpower at FCL as on 31st March, 2020 was 2913 employees and workers.

No. of Permanent Employees			No. of Temporary/ contractual workers			Total Manpower		
Male	Female	Total	Male	Female	Total	Male	Female	Total
1154	135	1289	905	719	1624	2059	854	2913

Diversity and Women's Empowerment

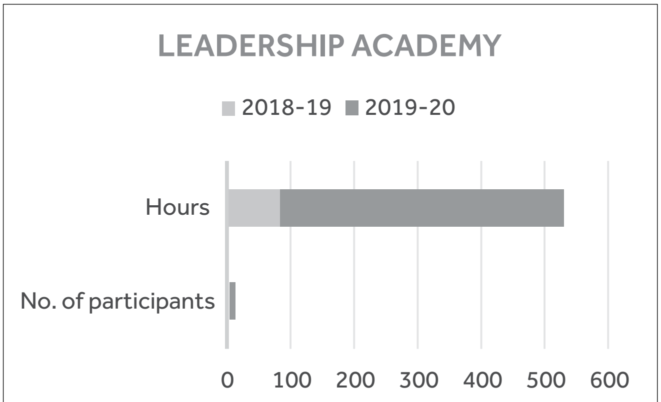
The Company is striving to improve diversity in the workplace. The Company promotes diversity through the "Women in Leadership" Program that aims to identify and groom women having the potential. Currently women occupy 7.7% of the top management positions within the Company, up from 3% in the previous reporting period.

Group	Total Strength	No. of Female Employee	% of female employee to total strength
Band 1	607	52	9%
Band 2	401	38	9%
Band 3	198	38	19%
Band 4	57	5	9%
Band 5	26	2	8%
Total	1289	135	10%

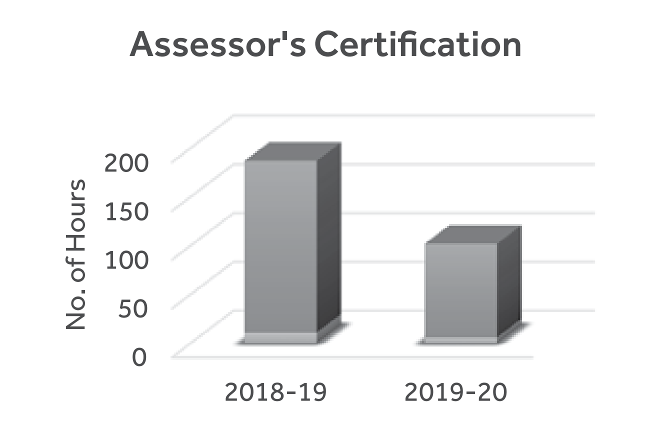
The Company provides several benefits for young women through tie-ups with organizations providing healthcare and crèche facilities under the Khushali program. During the reporting period 9% of female employees availed maternity leave, returned and continue to work during the close of the financial year.

Strengthening the Leadership pipeline

- Leadership Academy: Future Group looks at identifying its leadership pipeline across various businesses through the institution of its Leadership Academy, an intricately curated 10 month intervention for leaders which has been developed to identify employees with leadership potential and strengthen their capacities through adequate training and project exposure. During the reporting period, FCL invested in 450 man hours on 6 employees, participating in the initiative.



- Assessor certification- A 16 hour training programme for senior management is conducted annually. During the year under review the Company invested in 96 man hours for 6 employees, these employees will now be able to participate in recruitment and evaluation processes.



Hiring and Promotion

The Company's promotion process evaluates candidates through their journey on a values based assessment process, Employees are assessed on fair and equal basis through an integrated appraisal system and are rated by their reporting manager against the person's alignment to the Future Group values and set goals and targets for the reporting period.

The Company's campus connect programs with institutions are provided below:

Future Business Innovator Program (FBI):

FCL conducts the Management Trainee Program at Tier 1 B School to hire management graduates for 1 year in a General Management role, whose role is mapped as per business requirement and their preferences based on 3 projects they will undertake with different concepts after a year. In the reporting year 10 FBIs were hired, by the Company.

Future Group Values	No .of Participants	Training Hrs.
Total no of participants	28	48

Future Summer Samurai:

The program provided summer internship to 24 candidates from MICA, IES, MET, MISB Boconni and NDRI (National Dairy Research Institute) in the month of April-May for a period of 2 months wherein they are mentored by Business Heads and get hands on experience. 10 Summer Samurai's were hired in the reporting period.

Future Ready:

An interactive and engaging induction and orientation program for all new joiners which explains them an overview of Future Group, its businesses, its values and culture and prepares them for their journey at Future Group. During the reporting period, the Company invested 48 man-hours for 28 employees beginning their journey at FCL.

Khushali program: Facilities for employee well-being
Employees are benefitted through a host of corporate partnerships under the Group's Khushali program focusing on home, education and health.

Housing benefits:
The Company continues to provide employees with attractive discounts and benefits such as lower EMI (in some cases providing EMI holidays) and flexi-payment plan for houses in partnership with reputed real estate developers. During the reporting period the partnership was extended to various leading developers.

Crèche Facilities:
The Company is providing cost effective crèche facilities for parents in partnership with "Wonderkidz" and the "Learning Curve" to enable a suitable environment for their children to feel at home while they are away at work, and helping them to take decisions that make them financially independent by pursuing career ambitions.

Health:
The Company has forged a partnership with health care institutions like Wockhardt, Fortis and diagnostic centres like Apollo, Motherhood, Devaaya, Dr. Path Lab, Welcome Cure and DocOnline.

Employees and their family members can avail of priority treatment, free ambulance services, availing discounts on consultations, radiological diagnostic services, check-ups and alternative health care packages.

Insurance policies such as Mediclaim, EDLI and Life security plans continue on a group level for eligible employees as per their grade.

Employee Welfare:
The Company ensures access to safe drinking water and sanitary facilities that are adequate based on the working population at it's units and offices and maintains a hygienic work environment.

The Foodpark units including Petunt Foods, Sublime Foods and Rice Mill, Centre of Plate' (COP) 8 processing Centres pan India including Staples & Spices and Desi Atta at Tumkur, have evaluated, and made planned improvements at these sites:

- Every factory have their own wash room facility and periodic breaks are provided as per shift operation.
- The Foodpark units ensure awareness is created amongst workers with regards to non-potable water supply systems and potable (drinking) water in local language.
- Each facility has a RO system and a 100 LPH water purification system at canteen. Drinking water availability is sufficient for all employees & contractor workers.
- Separate wash rooms is made available for both male and female at each factory and in the administration block of IFPL. Wash rooms are periodically cleaned daily as per checklist, pest control is undertaken weekly and related checklist are maintained and monitored by the HR/Admin team.
- Underground water storage facility is cleaned annually. The water treatment plant is maintained and water parameters are regularly checked.

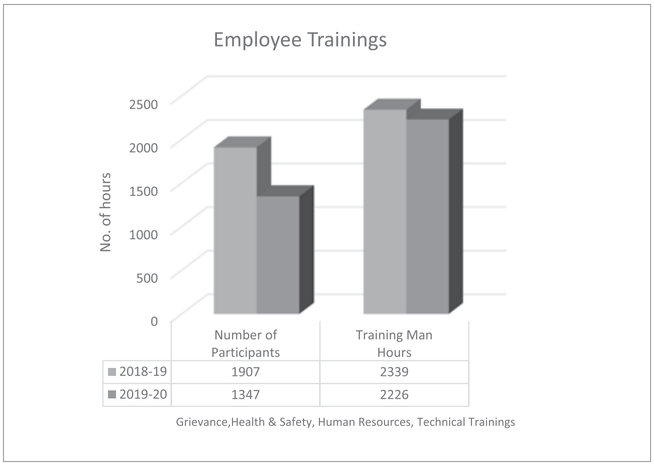
At Nilgiris Dairy and the India Food Park, Tumkur, Karnataka, shuttle and volleyball sports facilities continue to be made available for recreation of staff.

Employee incentives:
The Company provides employee benefits to its employees and dependents* that can be availed at any stores run under the Future Group brand including Big Bazaar, fbb, Central, Brand Factory, Foodhall, Hometown, Easyday, Big Bazaar Gen Next, Nilgiris to name a few. This helps meet the daily and aspirational needs of the employees and its dependents in food, bakery, fashion, homecare, electronics and personal care products categories.

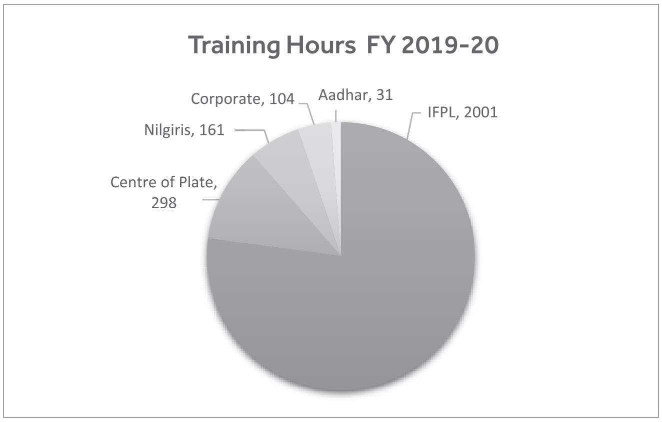
The Company provides its employees an assistance plan to help address personal and professional challenges and situations that might be hindering employee growth and well-being.
*Maximum three dependants

Employee Retention:
FCL believes in overall development of the employee, and develops customized growth plans in tandem with Group level guidelines. Aligned with this, an Employee assistance plan is intended to help employees deal with personal and professional problems that might adversely impact work performance, health and overall well-being.

Employee growth, training and development and overall well- being
Apart from physical and mental health, job skill analysis of employees ensure that they are well equipped with the knowledge and skills required as per their job roles and responsibilities and are kept aware of the latest trends and competitive landscape to adapt themselves to business challenges.



Business Unit	No. of Participants
IFPL and Mfg.	988
Centre of Plate	294
Nilgiris	89
Corporate	10
Aadhaar	24



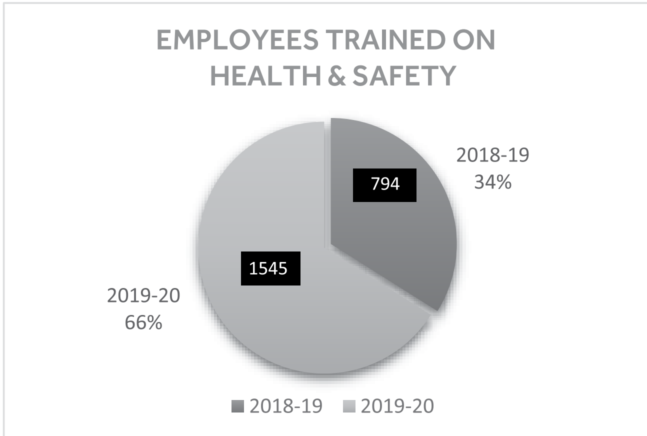
Health and Safety:

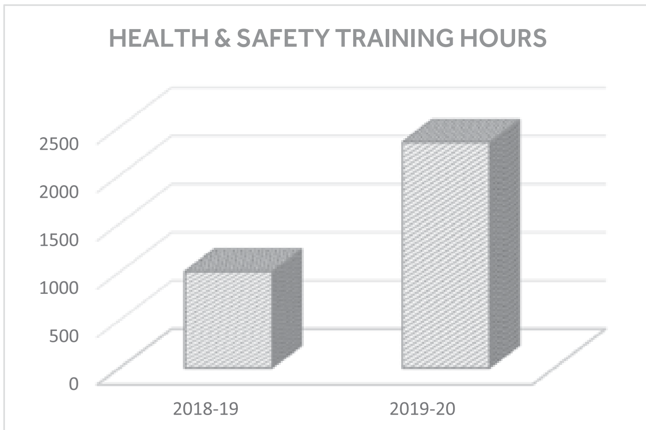
FCL embraces its environment health and safety policy to ensure employee welfare through accident free operations. FCL has a dedicated EHS manager who is responsible for inspection of safety concerns.

Safety committee has been constituted at IFPL, Nilgiris, Centre Of Plate (COP) committee comprises of all the dept. staff, contract labors, and security.

Meetings are regularly held with pre -defined agenda, ESMS action plan, internal audits, improvement areas, issues related to EHS discussed and resolved.

The Company nurtures its employees through trainings that are skill/ knowledge based (including food safety, GMP, Kaizen, Relook PM and KK pillar good health practice, SAP, root cause analysis, recall management process , internal audit, review of gap assessment, audit observation. OPRP / CCP, allergens awareness and management, filling and packing, housekeeping, dispatch checklist filling, water testing and analysis, sample analysis, traceability, chemical analysis, chemical control and behavior based (like anti-corruption and bribery, personal hygiene and safety, electrical safety (TPM basics), fire safety, road accidents, slip – trip and fall hazard, workplace ergonomics, first aid, energy saving, waste disposal), environment monitoring, pressure vessels testing, lifting tools and tackles, 5Y Analysis, prevention, breakdown, maintenance.





Emergency response plan and procedures:

The Company has invested in various processes that improve environment, health and safety conditions and helped every facility respond to a wide range of emergencies.

In doing so it has identified material risks including chemical exposures, medical emergencies, fire and natural calamities severe weather conditions, earthquake, mechanical/ physical emergency and emergency evacuation, developed on-site emergency plans and procedures and invested in adequate training to aid effective integration.

This Emergency Response Framework (ERF) is intended to serve as a guideline for corporate office buildings as well as various processing units under it for preparing an emergency response plan at the respective sites.

Integration of the plan and strengthening processes and procedures have helped minimize employee exposure to injury. The objectives of the Emergency Preparedness Action Plan are:

- To ensure preparedness to control the emergency, localize it and if possible eliminate it.
- To deal with incidences of fire, spillage, flood, earthquake etc.
- To minimize loss of life and property.

While implementing the Emergency Preparedness Action Plan a number of persons from each unit and department in every location were designated and trained in the reporting period to assist in the safe and orderly emergency evacuation of employees.

Procedures are defined in such way that they are simple to understand, more visual, clearly defined. Each manufacturing section, lab, entry, exit, warehouse have clearly defined emergency evacuation routes.

Emergency exits remain unblocked and can be easily identified through appropriate signage for loss prevention during a fire. All the emergency exit route leads to external assembly points.

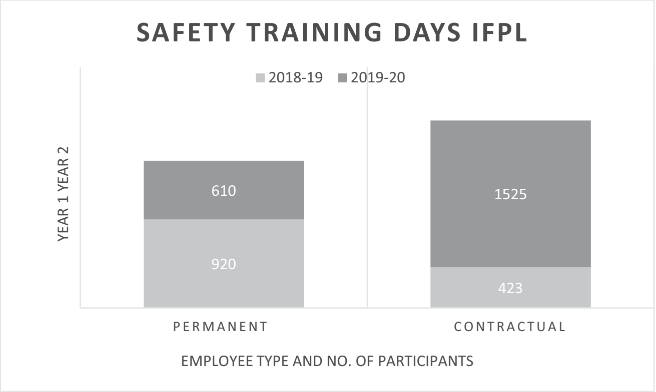
The Company ensures compliance to fire safety as mandated by the local authority requirements. There is well defined mock drill/fire drill schedule and accordingly conducted. The proposed plan is to ensure that drills are conducted at all the facilities once every 6 months.

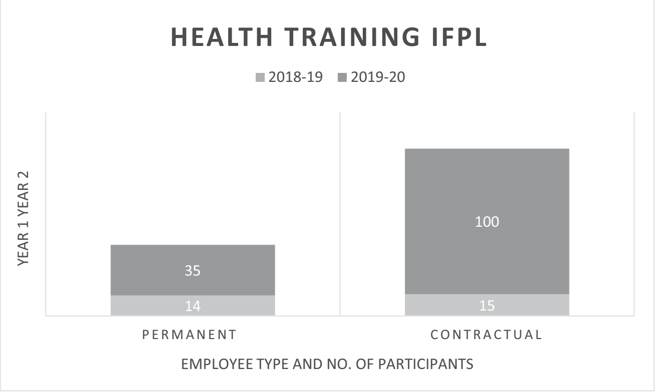
ESMS coordinators play role of Fire Marshall at each facility. Appropriate checks and measures have been incorporated that ensure seamless functioning of all equipment such as sprinklers and fire hydrants at all units. The underground tanks meant for emergency water storage and supply have been approved by the Chief Fire officer of the State.

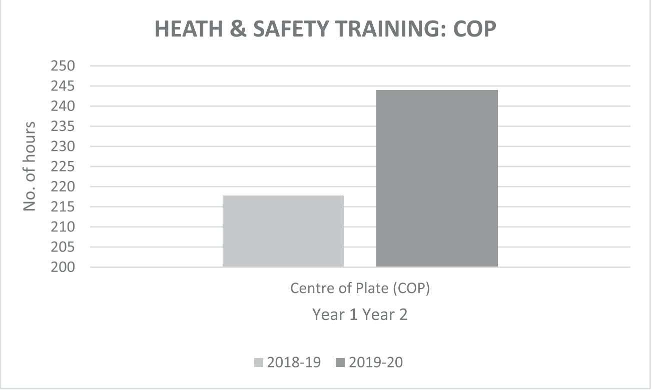
Each facility have appropriate fire extinguishers and safety inventory in stores. The fire extinguishers management is part of internal audit. Fire extinguishers are serviced refilled as per schedule.

During the reporting period, the Company including its various subsidiaries such as the Integrated Food Park Ltd (IFPL), the manufacturing units therein such as Fruits & Vegetables unit and the joint venture units including MNS, Nilgiris (Bangalore and Tumkur) and Centre of Plate (COP) began the process of developing an on-site emergency preparedness plan.

FY 2019- 20
Training on EHS at FoodPark: 284 mandays
Training on Food Safety: 125 mandays







Hazards Identification and Risk Assessment (HIRA) and Environmental Aspect Impact Analysis (EAI)

In May 2019, the Company began the process of implementing fundamental tools for reducing risks in the workplace, the HIRA and EAIR assessments aid appropriate risks identification, assessment and controls at each manufacturing or processing sites.

The scope broadly involved:

1. Identification of workplace hazards and their causes
2. Identification of Occupational Health & Safety (OHS) risks associated with the hazards
3. Identifying existing controls to manage the workplace hazard
4. Risk assessment
5. Determining appropriate controls to address identified aspects

Outcomes:

The workplace hazards and causes, and associated OHS risk studies were undertaken at the following locations:

- Eight units of COP viz., Nimrani, Nerul, Hyderabad, Kolkatta, Lucknow, Barhi, Tumkur (staples and spices), and Desi Atta Tumkur
- IFPL: Pulping Unit, Individually Quick Frozen Unit (IQF), Ready to Cook (RTC), Hi Care, Cold chain, Petunt Foods, Rice Mill / Combi Mill, Sublime Foods Ltd;

Each facility has well identified engineering controls, visual displays, administrative controls in place where risks are identified and its severity assessed.

Each manufacturing location risk based PPE matrix id has been developed. PPEs are issued as per requirement, safe inventory stock maintained. At every facility the Health and Safety policy is clearly displayed.

Safety Program (s) undertaken at the Tumkur Foodpark FY 2019-20

- Celebrated National Safety (4th March to 7th March 2020)
- Conducted mock drills and fire drills at manufacturing units
- HIRA and EAIR completed for all manufacturing facilities
- HIRA and EAIR training imparted to ESMS coordinators (around 60 employees) trained across region
- Quarterly meeting of corporate ESMS committee to review progress on ESMS
- Internal audits for the manufacturing facilities are conducting every quarter to improve the EHS culture
- System for reporting and monitoring of various safety and environment parameters are defined and circulated.
- Various Guidelines are released for all units e.g Machine Guarding, Incident reporting, Electrical Safety, Project Pre- commisioning Checksheets, Safety Shoes Policy, PPE Standards, Permit to Work, Safe Cutter Policy and EHS Clauses for all Purchase orders and Agreements.
- Various Guidelines are in process e.g Contractor Safety Management, Work At Height.
- Roles and responsibilities are defined wrt EHS
- All units have started following PTW (Permit To Work) system and doing various projects on Machine guarding and ammonia safety.
- Safety Committee Meeting has been initiated at Food Park
- Regular trainings are conducted for giving awareness on EMS.

Employee Safety Initiatives

- Training and awareness session, OJT on HIRA and EAIR
- Internal audit committee, GEMBA walks, walk the talk audits
- Contractor safety (project site), daily tool box talks
- Mock drill/fire drills
- Reporting on unsafe conditions, acts, near misses linked to individual KPIs
- Roles and responsibilities defined for EHS co-ordinators

Reporting of incidents/accidents is a KPI and reported within 1 working day

LTI	IFPL	Nilgiris	COP
First aid cases	29	12	15
Injury cases	6	4	8

Lost Days	IFPL	Nilgiris	COP
DAFW, cases	6	4	8
Days Away	12	8	16

Principle 4: Stakeholder Engagement

Proactive engagement with stakeholders allows FCL to identify, prioritize, address and communicate sustainability impacts and opportunities. The Company engages with a wide range of stakeholders including the investors, employees, customers, suppliers, community and media personnel with the purpose of collective resolving challenges that arise due to it's operations.

Investor Engagement

The Board is committed to deliver long term sustainable growth value for it's shareholders.

Senior management and the investor relations team holds regular meetings with its existing and potential shareholders, investors and analysts. During the year under review 4 investor meets were organized or attended. The investor relations team assist the Board on key market issues to keep them informed on the market conditions and provides feedback on their views while taking a decision.

The Annual General Meeting gives the shareholders an opportunity to engage directly with the Board of Directors and the Management. The Management of the Company holds meeting with institutional shareholders, when required, to discuss key issues. During the reporting period some of the key concerns raised by the investors are as follows:-

1. Road map for business of the Company
2. Plans for declaration of dividend
3. Capacity utilization of plants of the Company
4. Reasons for negative EPS

5. Details of miscellaneous expenses reported in the Annual Report
6. Details of donation made by the Company
7. Royalty paid by the Company
8. Details of exercise price of ESOP which were issued last year
9. New products launches to be done in the current year and proposed steps towards brand building
10. Details of shares pledged by the Promoters

The Company announces quarterly results, publishes annual report, through media releases, and on the Company's website.

Statutory bodies
FCL participates and engages with governments, regulators and legislators, both directly and through trade associations, towards legislative framework which may affect the Company's business interests.

Employee Engagement
FCL respects and relies on the experience and expertise of it's employees to deliver on the strategic objective of the organization. The culture of openness and inclusivity resulting from various engagement programs ensure retention of key resources that are pivotal to a happy community. Certain identified activities were undertaken during the year, which are summarized below:

- Birthday Celebrations
- Health Check ups
- Providing surprise gift hampers, rewards and recognition
- Conducting town halls,
- Celebrating days of national importance including the Republic Day and Independence Day and various festivals namely Ganesh Chaturthi, Ayudha Pooja, Eid, Diwali, Christmas and Holi by distributing sweets and conducting competitions for employees and their children.
- Following National Safety Day, World Environment Day, National Safety Day /Safety Week

Supplier Engagement
The Company engages on a regular basis with suppliers to help innovate, create value, build capacity and capability, deliver quality and service and drive market transformation.

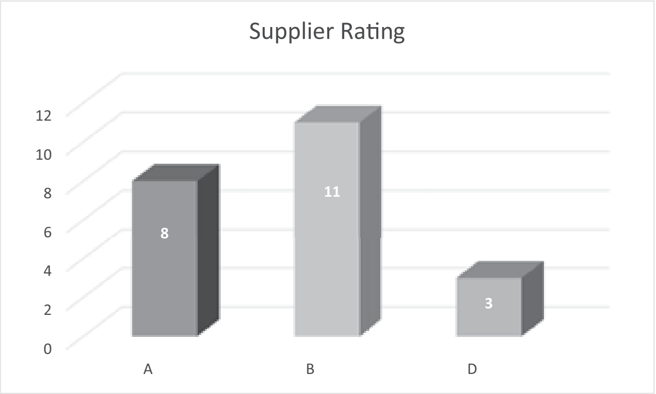
During the year under review at IFPL the following engagements took place with potential suppliers

A training was conducted on poly house management for 160 farmers, including 50 female farmers from Tumkur and Chikkaballapur by Food Tech India, Rijk Zwaan India (seed supplier), Brorekman (Logistics)and Koppert (crop protection).

FCL undertakes internal audit of its suppliers in adherence to supplier code of conduct and benchmarks performance by rating its suppliers on 19 aspects such as statutory requirements, quality control, employee hygiene, pest control, cleaning and sanitation practices, processing control, allergen control, equipment suitability, cleaning and maintenance, traceability and recall process, HACCP, VACCP, TACCP, warehouse and transportation processes, operational risk assessment to name a few. Based on these aspects, the Company rates it's suppliers in 3 categories represented below:

Grade	Status	Score Range
A+	Certified	>90
A	Approved	75-90
B	Needs Improvement	55-74
D	Not Approved	<55

During the year the Company has rated 22 of it's suppliers on the aspects, the grades post evaluation are as follows



The frequency of the audits vary from two months to a year depending on the gradation the supplier achieves.

In the coming reporting period the Company plans to include COVID 19 control practices, environment, social and health and safety parameters as a part of the internal audit process.

Customer Engagement
The Company undertakes surveys and identify unique spaces within existing categories that capture consumption pattern and pursues customers for their valuable feedback in developing new products.

The Company uses a combination of channels, which include product labels, websites, phone numbers and leaflets to communicate with its consumers.

Customer Engagement Campaign	Activations
TS Glitterazzi Campaign	This new product launched for new shades of glitter nail paints was promoted by celebrity Amyra Dastur in video and teasers on social media. Further 'Glam On' Blogger event was organized at FCL hub store which was attended by reputed beauty bloggers and their loyal followers
TS Slay waali Diwali Campaign	In collaboration with FBB, TS created nail art related content with FBBs Diwali Collection and promoted amongst customers on social media as dress up ideas
TS I Love You Valentine's Day Campaign	Promoted different nail art ideas for Valentine's Day, with the wide range of TS nail paints
Kara x FBB Femina Miss India Campaign	Social Media Campaign with Miss India 2019 finalists to highlight the usage and benefits of Kara's range of wipes.
World Handwash day	CareMate celebrated world handwashing day with the objective of increasing consideration and trials for its range of handwashes in stores
Tasty Treat IPL Consumer Promotion	During IPL 2019, on purchase of any Tasty Treat product, customers were able to participate in a contest to win a fully paid trip to IPL Finals along with other exciting prizes.
Tasty Treat World Cup Promotion	In-store cricket game was setup in 30 Big Bazaar stores where customers got a chance to hit a ball towards a board and on maximum runs scored they got free Tasty Treat discount vouchers
Tasty Treat Chai Marie Game	An engagement game with the objective of sensitizing customers about the unique selling point of the new product launched in biscuits portfolio and it's shape on social media handles and Future Pay app. Participants received discount coupons for free product samples

Media Engagement

The Company collaborates with both offline and online media channels to update its key business constituents of the latest developments in product offerings, offers and any other event that invites customer participation.

The Company sponsors various events with an objective to gain visibility for it's brands through media coverages through print advertisements, press release and television advertisements and coverages as a recognized sponsor. Some of the events sponsored during the reporting period are as follows:-

- Tasty Treat, was the official sponsor of the Indian Premier League 2019,
- Tasty Treat, Voom & CleanMate were the official sponsors for Bengal Warriors in Pro Kabaddi League 2019

During the reporting period FCL brands, VOOM and Kara received recognition and appreciation as the 'Product of the Year 2020', the world's largest consumer-voted award for product category.

The Company maintains transparency and accountability in it's actions by positively responding to concerns that impact the stakeholders and commit to their trust in the Company.

Community Engagement

FCL recognizes the social value of its products and leverages its value to address various challenges within the community by working with various "not-for-profits" in co-branded initiatives and addressing the needs of affected communities in partnership with customers vide point of sale promotions.

With an ambition to play a key role in addressing nutrition challenges in the Country, the Company's activities largely focus on improving the health and wellbeing of children from deprived communities that enables growth and development.

During the reporting period at India Foodpark, the Company engaged with the community of Kestur, Batsandra and Kempanadoderi village through :-

- Provision of sanitary pads to 350 women
- Provision of school bags and water bottles to 80 children
- Distribution of over 100 MT of compost to local community engaged in agroforestry and agriculture

IFPL also organized a blood donation camp in partnership which witnessed participation of over 220 volunteers who donated 55 units of blood to Sanjeevini Blood Bank.

FCL brand "Cleanmate" as a part of their Safai Mubarak Diwali campaign, conducted a beach cleanup drive at Juhu beach, Mumbai. *(For more details on community development and inclusive growth refer to Principle 8)*

Principle 5: Human Rights

The Company understands the fundamental obligations to respect and protect human rights. The expectation of the Company are being communicated to all stakeholders through its human rights policy

A legally binding work order, employee contracts, labour contract or a service provider's agreement embraces the human right's policy that recognizes the compliances with reference to the applicable labour laws is signed by both parties on initiating an engagement. The service conditions and remuneration as part of the agreement are briefed to all employees- permanent and contractual.

No Child Labour

The Company's policy shows zero tolerance towards child labour in it's operations. The minimum age as per standard is 18 years. The Company verifies the age of all candidates hired or contracted through scrutiny of their Aadhar card and PAN card before offering employment.

No Forced Labour

FCL prohibits forced labour in it's operations and ensures no candidate is hired based on the individual's bond, debt or obligations towards the facility or any representative of the Company. The Company does not charge deposits or a recruitment fee from the candidate to secure employment. The Company does not restrict the freedom of the individual to resign from employment at any time without penalty, giving reasonable notice.

Non- Discrimination

The Company is committed to fair and equal treatment for all. FCL conducts all recruitment activities through a gender neutral job description, with the evaluation process that is consistent, transparent and unbiased towards caste, race, religion or gender.

A sound appraisal process (Refer to Principle 3) determines the need for training of an individual through nominations with the purpose of improving individual skills and adding value to the organization.

The Company continues to strengthen their approach by ensuring mandatory 16 hours training of managers as part of Assessor's Certification to minimize such risks in evaluation processes.

Working Hours and Fair Wages

FCL is committed to timely provision of wages to meet their basic needs and economic security and in adherence to local State laws. The Company remunerates it's employees based on skills and experience. The Company additionally rewards employees with target based incentives and festive bonuses. Eligible employees are benefitted with PF, ESIC, and EPS schemes.

The Company does not encourage employees to work overtime beyond the prescribed working hours as per the Future Group policy. All workers are entitled to weekly offs. The Company provides the employee with a compensatory day off for services provided on the entitled rest day. All holidays are pre decided based on local customs, national and international importance.

A wage documentation explicitly mentions wage calculations on basis of hours of work with transparency on all bonuses, incentives and deductions. A biometric attendance system maintains records of the shift schedules for all employees.

Freedom of Speech

The Company through an open door policy allows employees to voice their ideas and concerns. A well-defined grievance redressal system (refer to Principle 1) allows concerns to be escalated and resolved through a designated channel. The Aap ki Awaaz web based application supports employees to independently register complaints. The Whistle Blower Policy details out the procedures, confidentiality and the actions to be undertaken while registering the complaint.

Principle 6: Environment

The Company embraces this roadmap in adherence to the Environment Care policies.

During the reporting period, the Company has established the Environmental and Social Management Systems and obtained ISO 14001(Environment Management Systems) at one of it's major facilities, India Foodpark and sensitized relevant stakeholders of the standards, protocols, procedures, institutional and implementation arrangements to be followed for project level management of Environmental and Social (E&S) risks emanating from food processing related activities.

The guidelines are based on internationally accepted standards including the International Financial Corporation (IFC) Performance Standards (PS) on Environmental and Social Sustainability, World Bank Group Environmental, Health and Safety (EHS) Guidelines for Food and Beverage manufacturing and is in alignment with the EHS Toolkit for Food Processing industry.

The Company undertakes risk assessment procedures for the various environmental aspects, measures performance against key performance indicators and is committed in fulfilling the business objectives by remaining compliant to prevalent local laws, statutory and regulatory requirements as well as the aforementioned international policies and reference frameworks.

Energy efficiency and climate stewardship:

Resource efficiency is an important pillar for FCL and is committed towards it's journey of low carbon transformation.

During the reporting period, the Company consumed 1,23,054 GJ of energy. 38% of the electricity sourced at India Foodpark is derived from renewable sources resulting in avoiding 2,436 tCO_2eq annually.

Energy Performance

Key Performance Indicator	India Food Park Limited	Nilgiris Dairy	Centre of Plate (COP)
Electricity Consumption(in KWh)	49,95,000	12,11,640	13,10,842
Renewable Energy (Solar) generated (KWh)	29,71,098	-	-
LPG(in Kg)	2,29,506	0	231
HSD (High Speed Diesel) (Ltr)	26,291	15,450	17,073
Rice Husk (MT)	2,915	-	-
Briquettes (Majorly Corn husk) (MT)	2,118	550	-
Energy Intensity (In GJ/Ton of Production)	1.36	1.82	0.04

During the reporting period, the Company achieved a target of 25% reduction in water intensity with reference to baseline consumptions in 2018-19.

Environmental Risk and Control Measures

Risk Factor(s)	Potential negative impacts/ implications	Existing Control	Additional Measures to be Undertaken
High requirements for power supply at Rice mills, cold storage and sauce manufacturing operations	• Depletion of fossil fuel • Emission of greenhouse gases resulting in global warming	Sourcing 40% power from a 3MW solar power plant	Continuous improvements by establishing energy efficient processes and optimize usage of electricity through process optimization
Energy wastages resulting from • Leakage of steam due to loose fittings/ wearing of joints or physical damage to the pipes • Heat loss from pipes due to lack of insulation	• Depletion of resource to increased need for energy	Maintenance to ensure intactness of insulation	• '-Repair worn insulations and install fresh insulations where repair not possible. • -Conduct preventive maintenance (PM)as per schedule • -Monitor the effectiveness.

Water conservation

The Company's Water Stewardship Policy recognises the importance of water, its necessity to living and economic conditions, ecology and productive processes.

FCL comprehends that the consistent availability of fresh water as a natural resource is limited due to competing demands by users and uses including domestic use, local mandated water conservation and use restrictions, agriculture, industry, biodiversity, pollution and climate variability to increased food prices.

Water Stewardship Performance

Key Performance Indicator	India Food Park Limited	Nilgiris Dairy	Centre of Plate (COP)
Water Consumption (in KL)	68,641.91	32,000.00	13,386.00
Water Intensity (KL/ Ton)	0.90	4.10	0.11

During the reporting period, the Company achieved a target of 20% reduction in water intensity with reference to baseline consumptions in FY2018-19 through installation of flow meters in areas of high water consumption, post water mapping, continuous monitoring and rationalization of operations.

Environmental Risk and Control Measures

Risk Factor(s)	Potential negative impacts/ implications	Existing Control	Additional Measures to be Undertaken
Requirement for large quantities of fresh water.	• Groundwater depletion in the region in case of dependence on ground water; • Contamination of ground or surface water sources in the region due to discharge of effluent; • High energy consumption for treatment of raw or process water	Minimal use of fresh water, recharge of ground water through Rainwater Harvesting pond	To make arrangements for recharge pits on existing water lines, arrest of leakages, re use of used water wherever possible

Wastewater Management

During the reporting period, the Company discharged 64,040 KL of effluents responsibly vide common effluent treatment plants at India Food Park and Nilgiris Dairy having 300 KLD and 80 KLD capacity respectively and reused it for landscaping purposes, which is within the operating consent from the concerned pollution control board. The quality of water discharged is also within the permissible limits.

Parameter	Unit	Nilgiris Dairy	India Foodpark Limited	Permissible Limit
PH		7.14	7.66	5.5-9
TDS	mg/l	2010	1246	2100
COD	mg/l	42	35	50
BOD	mg/l	8	7	10

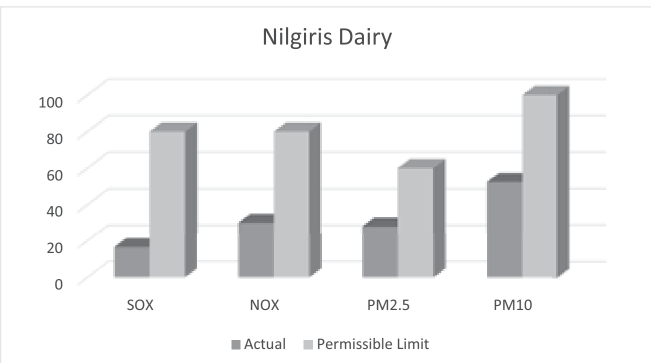
Environmental Risk and Control Measures

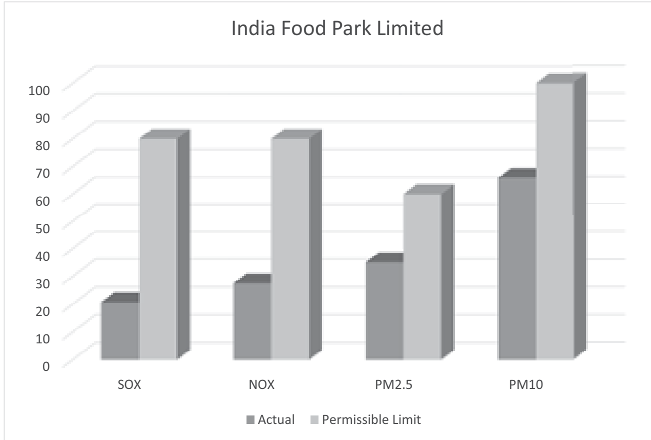
Risk Factor(s)	Potential negative impacts/implications	Existing Control	Additional Measures to be Undertaken
Generation of large (or significant) quantities of wastewater (e.g. raw material washing, processing, floor cleaning, bottle washing, etc.).	• Contamination of ground and/ or surface water due to improper disposal of wastewater • Contamination of receiving water body and aquatic life • Eutrophication due to high biological oxygen demand (BOD) or Chemical oxygen demand (COD)	• The waste water generated within the food park is treated within the in-house common effluent treatment plant. • Wastewater is treated and utilized within the food park premises for washing and domestic purposes and gardening .	Control of quality of discharged water from unit to minimise load on CETP and get ensure quality of treated water discharged comply with environmental norms

Air Emissions

The Company's India Food Park and dairy unit adhere to the emission norms as per the National Air Quality Standards defined by CPCB and undertakes audits on quarterly basis.

Parameter	Unit	Nilgiris Dairy	India Foodpark Limited	Permissible Limit
SOX	mg/Nm3	16.4	20.7	80
NOX	mg/Nm3	30.1	27.5	80
PM2.5	mg/Nm3	28	35.1	60
PM10	mg/Nm3	52.4	65.9	100





Environmental Risk and Control Measures

Risk Factor(s)	Potential negative impacts/ implications	Existing Control	Additional Measures to be Undertaken
Boiler operations resulting to • Smoke due to inefficient burning/ combustion • Generation of ash	Air pollution	• Periodic stack monitoring of boiler and DG • Feeding of briquettes during pressure drops. • -Preventive maintenance of boiler	• 'Assess non-compliance to regulatory requirements. • Explore utilitzation of briquettes of smaller dimensions. • Explore installation of wet scrubbers/ adequate pollution control devices • Explore installation of auto water sprinklers on ash collecting point in the upcoming year • Provide training on boiler operations and prevention of losses

Solid Waste management:

The Company recognizes that every material has value not only at production and use but also at the end of life, the generation of any waste materials is the significant underutilisation of resources and products.

Unlocking this value through effective management of inputs and outputs viz. incorporating environmental considerations into the design of manufacturing processes and finished products, optimizing resource requirement in use, ensuring recycling, recovery of materials that can be reused.

Waste Management Performance

During the reporting period the Company generated 1714 MT of waste.

Key Performance Indicator	India Food Park Limited	Nilgiris	Centre of Plate (COP)
Hazardous Waste (In Kg)	150	150	70
Non Hazardous waste (In Kg)	7,87,399.15	4,53,750	4,72,552
Waste intensity (kg/Ton)	10.34	58.19	3.73

During the reporting period over 650 MT of compost was generated from 947 MT onsite organic waste and used in gardens as manure. Plastic waste is segregated, recyclable plastic sent for recycling and non-degradable plastic waste is sent for end-of-life treatment to a PCB authorised vendor for incineration.

Environmental Risk and Control Measures

Risk Factor(s)	Potential negative impacts/ implications	Existing Control	Additional Measures to be Undertaken
Generation of large (or significant) quantities of organic waste due to • poor quality of raw materials or rotting of material due to prolonged storage.' • Unavailability of process to convert to byproducts, fertilizers or energy.	• Contamination of land, groundwater and/or surface water due to improper disposal of solid and liquid waste	• Waste sent to scrap yard to be segregated for the different types ,if mixed with other waste(E-Waste/Hazardous Waste/Soild Waste etc.) • A composting pit for the solid waste is managed at IFPL • minimising damages to cases by testing bags by falling from height tests	• Procurement of raw materials is to be carried out on a need to need basis and perishable items not to be stored within the site. • To explore use of rejects after sorting/spillages as animal feed
Plastic and paper waste generated from :- • Use of cling wraps on pallets • Storage of frozen items • Dryer and milling division		• Establishing monitoring mechanisms for ensuring labeling and packaging is carried out as per requirements thus preventing over use. • Utilizing cling wrap on pallets stored from third tier onwards in freezer, minimising excess use & wastages. • Segregation of waste into different coloured bins • Disposing waste through registered vendors	• Undertake process trainings • Research on optimizing use of plastic, paper and cardboard for packaging. • Explore use of alternatives to the existing mechanisms • Establish mechanisms for buyback of plastic bottles
Generation of hazardous or toxic waste (e.g. waste chemicals, used/ waste oil/sludge from wastewater treatment plants based on chemical treatment, etc.)		• Preventive maintenance schedules ensure minimal waste is generated. • Segregated storage of waste • Disposal of waste to authorized waste handler which discloses nature of treatment	

Mitigating Environmental Impact of Product Packaging

FCL is sensitive towards pollution caused by packaging waste including plastics, responsible disposal and safe management, its negative impact on ecosystems with increasing customer concerns.

FCL seeks to proactively address these challenges on continuous basis through utilizing packaging materials that balances sustainability criteria with economic feasibility and meet functional requirements viz. quality, hygiene and product integrity as a scalable model .

During the reporting period

- Over 100 MT of edible oil laminates has been replaced with the same family polymer structure.
- Pilots were undertaken with nearly zero base packaging concept for small sachets
- Initiated use of flexo printing technology for laminates to facilitate non-toluene environmental-friendly, consumer-safe inks.

The Company is currently exploring

- To improve the recyclability of it's product packaging by moving towards polyolefin structures which are technically and commercially feasible.
- To eliminate plastic based structure with coatings for sachet of solid products
- To replace glass with plastic bottles for selective products in food
- To optimize on plastic content in packaging by 4% year on year basis for laminates and rigid bottles
- To increase recycling content in packaging for home and personal care products

The Company continues to encourage recycling of packaging materials amongst it's customers through it's partnership with Big Bazaar in Maharashtra thus extending producer responsibility in post-consumer management and use as a part of their commitments to comply with Plastic Waste Management Rules, 2016.

Multi Layered Plastic (MLP) Recycling: Again in adherence with the Plastic Waste Management Rules, 2016, 72 tonnes of tetrapack, used in packaging of Sunkist by the Company was recycled.

Awareness Creation

World Environment Week

This year's World Environment Day theme on June 5, 2019 was #Beat Air Pollution. The World Environment Week was organized between June 5, 2019 to June 12, 2019 at all offices and manufacturing sites with the objective to spread awareness on improving air quality.

Children of employees were encouraged to spread awareness on the theme by posting entries in the form of pictures, poems, paintings and videos on how they can improve the environment. Participating children were rewarded with Tasty Treat goodies by the Company.

Further the Company tied up with Pepaa Products Pvt. Ltd. to encourage recycling of wastepaper including loose sheets of paper, newspaper, cardboards, newsprints, old documentation and rewarded employees with plantable pens made of recycled paper containing tulsi seeds which has an inherent property to purify air around us. Employees were encouraged to consume the pen first, dispose the pen along with seeds in moist soil to allow it to degrade organically and share photos of the plant at maturity.

The Company also participated by taking pledges to conserve the environment and planting saplings at their facilities.

Waste to Art

The Waste to Art initiative was undertaken on the 20th and 21st December 2019 at the FCL head office sensitized employees on the value common waste around us can bring to the society, hence the need to responsibly managing such waste at household end, as it can be reused, recycled and upcycled into products of value that are environment friendly and can also support livelihoods of underprivileged communities.

The event saw the participation of organizations actively working in the areas of making products from waste paper, cardboard, plastics and multi layered plastics, e-waste, textile wastes and coconut shells and thereby completing the loop of a circular economy providing a unique opportunity for employees to gift these to their dear ones and influence the person by educating them with their learnings during Christmas.

Principle 7: Public Advocacy

FCL focuses on building excellence in manufacturing food products, while interacting with key stakeholders. The senior leadership team continue to share invaluable experience to provide incisive insights at various conferences involving industry leaders that give inputs to key decision makers framing policies.

The Company actively advocates along with the We Care **("Waste Efficient Collection & Recycling project")** consortium and represents jointly at various forums organized by the State Pollution Control Board, Green Tribunal and other regulatory bodies with an objective to strengthen the collection, segregation and processing/recycling of multi-layered plastic (MLP) waste as part of it's Extended Producer Responsibility **("ËPR")** commitments under the Plastic Waste Management (Amendment) Rules, 2018. The operational team continue to learn from the best practices of others.

Management and the senior leadership team interacts with various professional bodies and organizations to anticipate and understand the government regulations, economic scenario, industrial environment and advancement of public goods and services.

Principle 8: Inclusive Growth

Inclusive growth and sustainability are key ingredients to achieving 'Happy Communities', hence these pillars form an integral part of the Company's strategy. These pillars not only enable the Company to drive profit but also create positive contribution by responding effectively to local and national needs, thereby building and maintaining trust in and loyalty towards the brand.

KOSH- Address Hunger Challenges

KOSH, the Company's brand for oats products participated in Future Retails' initiative to tie up with not-for-profits across Delhi NCR, Hyderabad, Ranchi and Kolkata to provide oats meals served as breakfasts at children's homes, shelter homes and non-formal education centres. The initiative supported by addressing hunger and nutrition challenges over food for insecure children.

Creating Access to Clean Drinking Water

Water is a human right. The human right to water entitles everyone, without discrimination, to sufficient, safe, acceptable, physically accessible and affordable water.

The primary groundwater quality issues prevalent in our Country are salinity and contamination by arsenic, iron, fluoride, and nitrates.

The Company collaborated with Sone Ki Chidiya Foundation for support in addressing fluoride contamination in groundwater in Kempanedoderi village at Tumkur, one of our immediate communities at India Foodpark. A 50 LPH RO water purifier is now creating access to clean and safe drinking water for 250 households in the village

Corporate Social Responsibility

Pursuant to the requirements detailed in Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by the Ministry of Corporate Affairs **("MCA")**, the Company has in place its Corporate Social Responsibility **("CSR")** policy.

The Company implements its CSR programs through the Group's "Sone Ki Chidiya" Foundation ("SKC Foundation").

SKC Foundation has been set up *inter-alia* with objectives of undertaking projects that support community welfare thus creating social value, economic empowerment and environmental value. It seeks to inspire our employees and value chain members to volunteer and participate on key issues that affects communities in areas where stores, offices and warehouses are located.

During the reporting period, the Company was mandated to spend ₹ 68.41 lakhs on CSR projects as per an agreed plan, which was transferred to the SKC Foundation to be disbursed on projects and activities that improve livelihoods of organic farmers and address the nutritional criteria of their households during the upcoming reporting period.

Principle 9: Customer Value

Creating customer value is primary, the Company consistently works to adhere to the highest standards of product quality, thereby increasing customer loyalty and satisfaction.

The Company proactively interacts with its customers for higher customer centricity and better response (For more details refer to Principle 4) and have set in place a strong grievance mechanism, conducted through CRM software to address complaints. (For more details refer to Principle 1)

FCL has integrated Microsoft CRM with Field Partner CRM for complete transparency and visibility of field service.

All complaints against product quality mentioned by the customer are tagged in e-CRM, out-calling is done by brand manager to address the issue and resolution is provided as per nature of complaint and resolve case by providing replacement to the customer at store or through door step delivery. Contact centre outcalls to customer and confirms the resolution. If customer is satisfied with resolution, case is closed and if the customer is not satisfied with resolution then the case is re-opened and escalated for priority resolution.

Your Company ensures that its marketing and advertising campaign and communications do not mislead the consumers or violate any of the principles in these Guidelines. (For further details refer to Principle 2).

There were no cases filed by any stakeholder against your Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour and pending as on end of the reporting year.

Product Labelling

All Company products comply with the applicable acts and regulations such as the Drugs and Cosmetics Act, Legal Metrology Act, Bureau of Indian Standards Specifications, Trademark Act and Copyright Act, Food Safety and Standards Act, Tea Act, Tea Board Regulations for Labels and Pack Information and Plastic Waste Management (Amendment) Rules, 2018.

Responsible marketing and communication

The Company is committed to building trust by disclosing information truthfully and factually including cautionary statements and through transparent communication.

The Company ensures that its products are safe and provides clear information on the safe and responsible usage of their products. FCL upholds a consumer's right to information about the products by maintaining transparency of ingredients, nutritional values and the health and beauty properties of its products.

FCL ensures that its advertising and communications do not mislead or confuse the consumers or violate any of the principles in these guidelines. The Company adheres to the principles and codes in the area of advertising and marketing developed by Advertising Standards Council of India (ASCI).

There are no cases filed by any stakeholder against the Company regarding irresponsible advertising and/or anti-competitive behaving during the last five years and pending as on end of this financial year.

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report outlines the governance practice followed by Future Consumer Limited **("the Company")** in compliance with the requirements prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time **("SEBI Listing Regulations")**.

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company's philosophy on corporate governance is to achieve business excellence and to create long term value for its stakeholders. Corporate Governance essentially involves balancing the interest of the stakeholders and maximize the value for stakeholders which predominantly includes its shareholders, management, customers, suppliers, financiers, Government and the community at large. The Company believes in adopting best practices to ensure fairness, transparency, accountability and integrity across all its operations and maintaining valuable relationship and trust with the stakeholders, thereby supporting stronger growth for the Company to fulfill its goals and objectives.

The Company constantly strives to generate long term value and trust for its stakeholders by reflecting the professionalism, conduct and ethical values of its management and employees. Corporate Governance for the Company comprises of processes and principles conforming to the highest standards which are reviewed periodically by the Board of Directors of the Company **("the Board")** to facilitate effective entrepreneurial and prudent management that can deliver long-term success to the Company and continuing relevance, effectiveness and responsiveness for all stakeholders.

The Company has established a process of regular dissemination and presentation of information to the Board to ensure comprehensive oversight of the Company's business activities. The Board reviews corporate policies, procedures, overall performance, accounting, reporting and secretarial standards and other significant areas of management, corporate governance and regulatory compliance. The Company's philosophy on Corporate Governance envisages the attainment of highest levels of transparency, accountability and equity, in all facets of its operations.

BOARD OF DIRECTORS

Composition

The Board has an optimum combination of Executive and Non-Executive Directors including Independent Directors in compliance with the provisions of the Companies Act, 2013 **('the Act')** and SEBI Listing Regulations. As on 31st March, 2020, the Board comprises of more than fifty percent Non-Executive Directors, one-third Independent Directors and one women Director.

Mr. G. N. Bajpai is the Non-Executive Chairman of the Board and Mr. Kishore Biyani is the Vice Chairman of the Board. Ms. Ashni Biyani, Managing Director does not serve as an Independent Director of any other listed company.

The profile of each Director of the Company is available on Company's website at https://futureconsumer.in/about-us.aspx#board-member

As on 31st March, 2020, the number of directorship / committee membership / chairmanship of all the Directors is within the respective limits prescribed under the Act 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.

In terms of confirmation received from respective Independent Directors of the Company, the Board is of the opinion that the Independent Directors fulfill the conditions specified under the Act read with Rules thereunder and SEBI Listing Regulations and are independent of management.

Ms. Neha Bagaria resigned as an Independent Director with effect from 28th March, 2020, due to increase in her other professional activities and she was unable to give time and participate as a member of the Board. Further, Ms. Neha Bagaria had confirmed that there is no other material reason other than what is stated in her resignation letter.

The Board on the recommendation of the Nomination and Remuneration/Compensation Committee has appointed Ms. Neelam Chhiber as an Additional Independent Women Director of the Company with effect from 25th June, 2020. In terms of provisions of Section 161 of the Act, Ms. Neelam Chhiber shall hold office as such upto the date of forthcoming Annual General Meeting.

Board Meetings and details of Directorship, Membership/ Chairmanship of Committees

During the financial year 2019-20, Six meetings of the Board of Directors were held on the following dates:

7th April, 2019, 22nd May, 2019, 9th August, 2019, 12th November, 2019, 31st January, 2020 and 25th March, 2020.

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 and Committee(s) at their meetings.

The details of Directorship and Membership/Chairmanship of the Committees of the Board held by the Directors as on 31st March, 2020 and their attendance at the meetings (including meetings attended through electronic mode) during the year are as follows:

<table>
<tr><th rowspan="2">Name of the Director</th><th rowspan="2">Category</th><th rowspan="2">No. of Board Meetings held during the financial year 2019-20</th><th rowspan="2">No. of Board Meetings attended by the Director during the financial year 2019-20</th><th rowspan="2">Attendance at the last AGM</th><th rowspan="2">No. of Directorships in other public limited companies#</th><th colspan="2">No. of Committee positions held including the Company*</th><th rowspan="2">Directorships in other listed company</th></tr>
<tr><th>Chairman of the Committee</th><th>Member</th></tr>
<tr><td>Mr. G. N. Bajpai</td><td>Chairman, Independent Director & Non-Executive Director</td><td>6</td><td>6</td><td>Yes</td><td>4</td><td>1</td><td>6</td><td>Nil</td></tr>
<tr><td>Mr. Kishore Biyani</td><td>Promoter, Vice-Chairman & Non-Executive Director</td><td>6</td><td>6</td><td>Yes</td><td>5</td><td>1</td><td>2</td><td>• Future Retail Limited (Executive Director, Chairman)
• Future Lifestyle Fashions Limited (Non - Independent and Non-Executive Director)
• Future Enterprises Limited (Non - Independent and Non-Executive Director)</td></tr>
<tr><td>Mr. Frederic de Mevius</td><td>Non-Executive Director</td><td>6</td><td>4</td><td>No</td><td>0</td><td>0</td><td>0</td><td>-</td></tr>
<tr><td>Mr. K K Rathi</td><td>Non-Executive Director</td><td>6</td><td>6</td><td>Yes</td><td>4</td><td>1</td><td>6</td><td>• AU Small Finance Bank Limited (Independent and Non-Executive Director)
• Autoline Industries Limited (Non-Executive and Nominee Director)</td></tr>
<tr><td>Ms. Ashni Biyani</td><td>Managing Director</td><td>6</td><td>6</td><td>Yes</td><td>1</td><td>0</td><td>1</td><td>-</td></tr>
<tr><td>Mr. Adhiraj Harish</td><td>Independent Director & Non-Executive Director</td><td>6</td><td>6</td><td>Yes</td><td>2</td><td>0</td><td>5</td><td>• Advani Hotels and Resorts (India) Limited (Independent and Non-Executive Director)</td></tr>
<tr><td>Mr. Deepak Malik</td><td>Non-Executive Director & Nominee Director</td><td>6</td><td>3</td><td>No</td><td>0</td><td>0</td><td>0</td><td>-</td></tr>
<tr><td>Mr. Narendra Baheti</td><td>Executive Director</td><td>6</td><td>4</td><td>Yes</td><td>1</td><td>0</td><td>1</td><td>-</td></tr>
<tr><td>Mr. Harminder Sahni</td><td>Independent Director & Non-Executive Director</td><td>6</td><td>4</td><td>Yes</td><td>0</td><td>0</td><td>1</td><td>-</td></tr>
<tr><td>Ms. Neha Bagaria $</td><td>Independent Director & Non-Executive Director</td><td>6</td><td>3</td><td>No</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

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.

$ Ceased to be Director with effect from 28th March, 2020.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has in place familiarization programme for the Independent Directors to familiarize them with their role and responsibilities and to enable them to understand the nature of industry in which the Company operates and the business model of the Company. 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, 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 Independent Directors at the board meetings of the Company are regularly provided with an insight concerning several aspects of the Company's business and operations.

The Independent Directors are updated on an on-going basis at the Board / Committee meetings, including in respect of the following:

- Business environment in the industry in which the Company operates;
- Company's business strategy and operating plans
- New developments, market opportunities and potential, risk management etc;
- Matters concerning Corporate Governance;
- Regulatory framework and its impact on the Company - compliances, roles and responsibilities of Independent Directors thereto;

The details of the familiarization programme of Independent Directors is placed on the website of the Company – https://futureconsumer.in/investors.aspx#policies-code

MEETING OF INDEPENDENT DIRECTORS

During the financial year 2019-20, a separate meeting of the Independent Directors of the Company was held on 31st January, 2020, without the presence of Executive Directors or Management representatives.

The meeting was attended by all Independent Directors of the Company.

MATRIX SETTING OUT THE SKILLS/ EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

In terms of the requirements prescribed under SEBI Listing Regulations, the Board has identified the following skills/ expertise/competencies for the Directors in the context of the Company's business for effective functioning:

Key Skills	Description
Business Strategies and Planning	Experience in developing strategies, critically assessing strategic opportunities and threats for growth of the business in a sustainable manner, taking into consideration the diverse and varied business environment.
Financial and Accounting Understanding	Financial management skills with an understanding of accounts and financial statements
Understanding of Consumer Insights in varied conditions	Knowledge and experience in managing organisations with consumer interface in varied conditions and leverage consumer insights in the interest of business
Stakeholder Value Creation	Ability to appreciate the process for shareholder value creation, understanding contributing factors and critique interventions towards value creation for the other stakeholders.
Experience and Understanding of Regulatory Landscape	Experience and skills to provide oversight towards all dimensions of business, taking into consideration maintenance of high governance standards, Board accountability and understanding of the changing regulatory framework.
Board Cohesion	Ability to participate in cohesive manner and synergise a range of ideas for benefit of the organisation.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above. The Directors so appointed are drawn from diverse backgrounds and possess special skills in their respective areas their core expertise is given below:

Name of Director	Skills/Expertise/Competencies					
	Business Strategies and Planning	Financial and Accounting Understanding	Understanding of Consumer Insights in varied conditions	Stakeholder Value Creation	Experience and Understanding of Regulatory Landscape	Board Cohesion
Mr. G. N. Bajpai	✓	✓	-	✓	✓	✓
Mr. Kishore Biyani	✓	✓	✓	✓	✓	✓
Ms. Ashni Biyani	✓	✓	✓	✓	✓	✓
Mr. Frederic de Mevius	✓	✓	-	✓	✓	✓
Mr. K K Rathi	✓	✓	-	✓	✓	✓
Mr. Adhiraj Harish	-	-	-	✓	✓	✓
Mr. Deepak Malik	✓	✓	✓	✓	✓	✓
Mr. Narendra Baheti	✓	-	✓	✓	✓	✓
Mr. Harminder Sahni	✓	✓	-	✓	✓	✓
Ms. Neelam Chhiber*	-	-	✓	✓	✓	✓

*Appointed as an Additional Independent Director with effect from 25th June, 2020

COMMITTEES OF THE BOARD

In terms of applicable provisions of the Act and the SEBI Listing Regulations, the terms of reference of the Committees of Board are determined by the Board from time to time, The role and composition of these Committees, including the number of meetings held during the financial year 2019-20 and attendance thereof is provided below.

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.

k. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

l. Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments thereunder and shall verify that the systems for internal control are adequate and are operating effectively.

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, 2020, the composition of the Audit Committee has been as under:

a) Mr. G. N. Bajpai

b) Mr. Harminder Sahni

c) Mr. K K Rathi

d) Mr. Adhiraj Harish

During the financial year 2019-20, five meetings of Audit Committee were held on the following dates: 7th April, 2019, 22nd May, 2019, 9th August, 2019, 12th November, 2019 and 31st January, 2020.

Attendance of the Directors at the Audit Committee Meetings held during the financial year 2019-20 is as under:

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

Mr. G. N. Bajpai Chairman of the Audit Committee was present at the last Annual General Meeting held on 30th July, 2019.

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; and

n. Recommend to the board all remuneration, in whatever form, payable to senior management.

Composition and Attendance at Meetings

As on 31st March, 2020, 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

During the financial year 2019-20, four meeting of Nomination and Remuneration/Compensation Committee was held on 22nd May, 2019, 12th November, 2019, 31st January, 2020 and 25th March, 2020.

Attendance of the Directors at the Nomination and Remuneration/ Compensation Committee Meetings held during the financial year 2019-20 is as under:

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

Performance Evaluation of Board

In compliance with the provisions of the Act 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 through a web-based online software as per the Guidance Note on Board evaluation issued by Securities and Exchange Board of India and framework provided by Nomination and Remuneration/Compensation Committee, setting out parameters for conducting performance evaluation of the Board, its Committees and that of Individual Directors

The details of the performance evaluation undertaken is provided in the Directors' Report, which forms part of this Annual Report.

Remuneration of Directors

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

Details of remuneration paid to the Directors during the Financial Year 2019-20:

Name of the Director	Sitting Fees* (₹)	Remuneration (₹)	Total (₹)	No of Stock Options outstanding as on 31st March, 2020
Mr. Kishore Biyani	450,000	Nil	450,000	Nil
Mr. G. N. Bajpai	550,000	Nil	550,000	Nil
Mr. Frederic de Mevius	200,000	Nil	200,000	Nil
Ms. Ashni Biyani#	Nil	2,16,84,465	2,16,84,465	Nil
Mr. K K Rathi	475,000	Nil	475,000	Nil
Mr. Adhiraj Harish	575,000	Nil	575,000	Nil
Mr. Deepak Malik	Nil	Nil	Nil	Nil
Mr. Narendra Baheti#	Nil	150,24,000	1,50,24,000	25,00,000
Mr. Harminder Sahni	325,000	Nil	325,000	Nil
Ms. Neha Bagaria@	175,000	Nil	175,000	Nil

*Fees paid for Board, Committee and Independent Directors Meetings.

@ Ceased to be Director with effect from 28th March, 2020.

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

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

Non-Executive Directors

The Non-Executive Directors of the Company are not paid any remuneration except by way of sitting fees for attending meetings of Board of Directors and its Committee(s). The Non-Executive Independent Directors of the Company are also 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 2019-20. Details of shares held by Non-Executive Directors are as under:

Sr. No.	Name of the Director	No. of equity shares/ convertible instruments held as on 31st March, 2020 (Own or held by / for other persons on a beneficial basis)
1	Mr. G. N. Bajpai	2,50,000 equity Shares
2	Mr. K K Rathi	2,275 equity Shares
3	Ms. Neelam Chhiber*	18,000 equity shares

* appointed with effect from 25th June, 2020

Except for above, no Non-Executive Director holds any shares in the Company.

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.

h. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

i. Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/ Board/KMPs, as may be required and identifying actionable points for implementation.

j. Review of measures taken for effective exercise of voting rights by shareholders.

k. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

l. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

Composition and Attendance at Meetings

As on 31st March, 2020, the composition of Stakeholders' Relationship and Share Transfer Committee has been as under:

a) Mr. Kishore Biyani

b) Mr. Adhiraj Harish

c) Ms. Ashni Biyani

During the financial year 2019-20, one meeting of Stakeholders' Relationship and Share Transfer Committee was held on 31st January, 2020.

Attendance of the Directors at the Stakeholders' Relationship and Share Transfer Committee Meetings held during the financial year 2019-20 is as under:

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

During the year under review, no complaints/correspondences were received by the Company and Link Intime India Private Limited, Registrar and Share Transfer Agent.

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.

Terms of Reference
The terms of reference of Risk Management Committee includes the following:

a. Identifying, monitoring and managing the strategic risk, financial and reporting risk, credit risk, operational risk, reputation risk, compliance/ legal/ regulatory risks and other risks of the Company.

b. Provide a strategic framework to identify, assess, quantify and manage risk exposures.

c. Providing an integrated view of the risks to the Company and issue specific directives to the respective departments or the business groups for necessary action.

d. Designing Risk Management Policies and MIS framework for integrated risk management in the Company, after taking into account following:

   i. The Company's overall business strategy, lines and changes in the business and operating environment;

   ii. Appropriateness to the size, nature and complexity of the transactions entered into by the Company;

   iii. Changes in the organisation structure;

   iv. The risk tolerance of the Company;

   v. Issues relating to safety, liquidity, exposure limits;

   vi. Quality of internal control procedures;

   vii. The sophistication of the Company's risk monitoring capability, risk management systems and processes;

   viii. Frame limit structure in line with Company's risk appetite and monitor compliance with the limit structure. This limit framework shall be laid down in the policies and monitored by Treasury & Risk Department.

e. Overseeing the execution / implementation of the Risk Management Practices by various executives outlined in the policies approved by the Committee.

f. Ensure that adequate documented internal controls are in place and are complied with.

g. Ensure reliability of the Management Information System.

h. Provide a framework for the Internal Audit that will provide independent assurance to the Audit Committee of the Board on issues relating to operations, risk management and compliance.

i. Provide a framework for risk self-assessment.

j. Provide a framework for management of various risks involved in the business of the Company and report to the Board of Directors on crucial matters.

k. Monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit. Such function shall specifically cover cyber security.

Composition and Attendance at Meetings
As on 31st March, 2020, the composition of Risk Management Committee has been as under:

a) Mr. K K Rathi

b) Ms. Ashni Biyani

c) Mr. Sailesh Kedawat

During the financial year 2019-20, Mr. Ravin Mody ceased to be a member of the Risk Management Committee and Mr. Sailesh Kedawat was appointed as the member of Risk Management Committee with effect from 31st January, 2020.

During the financial year 2019-20, two meetings of the Risk Management Committee were held on 22nd May, 2019 and 19th November, 2019.

Attendance of the Directors/Members at the Risk Management Committee meetings held during the financial year 2019-20 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	Managing Director	1
Mr. Ravin Mody*	Member	Chief Financial Officer	2
Mr. Shailesh Kedawat#	Member	Chief – Corporate Finance$	0

*ceased to be the member of the Committee with effect from 31st January, 2020.
# appointed as the member of the Committee with effect from 31st January, 2020.
$ appointed as Chief Financial Officer of the Company with effect from 10th April, 2020.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013. The Board has also adopted Corporate Social Responsibility Policy, the salient features of which *inter-alia* comprises of framing of guidelines to make Corporate Social Responsibility a key business process for sustainable development of the society to directly/indirectly undertake projects/programs which will enhance the quality of life and economic well-being of the communities in and around our operations and society and to generate goodwill and recognition among all stakeholders of the Company.

Composition and Attendance at Meetings
As on 31st March, 2020, the composition of Corporate Social Responsibility Committee has been as under:

a) Ms. Ashni Biyani

b) Mr. Kishore Biyani

c) Mr. Harminder Sahni

During the financial year 2019-20, one meeting of the Corporate Social Responsibility Committee was held on 31st January, 2020:

Attendance of the Directors at the Corporate Social Responsibility Committee meeting held during the financial year 2019-20 is as under:

Name of Directors	Designation	Category	No. of Meeting(s) Attended
Ms. Ashni Biyani	Chairperson	Managing Director	1
Mr. Kishore Biyani	Member	Promoter, Vice-Chairman & Non-Executive Director	1
Mr. Harminder Sahni	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, 2020, 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 2019-20, no meeting of the Committee of Directors was held. However, various matter(s) have been approved by the Committee of Directors by way of resolution passed through circulation during the financial year 2019-20.

During the financial year 2019-20, the Board of Directors have accepted all recommendation(s) made by Committee(s) as provided from time to time.

GENERAL BODY MEETINGS

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

Year	Day, Date and Time	Venue
2016-17	Tuesday, 29th August, 2017 at 11.30 a.m.	Rangswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2017-18	Wednesday, 29h August, 2018 at 11.30 a.m.	Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Opp. Mantralaya, Mumbai-400 021
2018-19	Tuesday, 30th July, 2019 at 9.30 a.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
21st	29th August, 2017	a) Appointment of Mr. Narendra Baheti (DIN: 00057255) as an Executive Director of the Company and approve payment of remuneration. b) Re-appointment of Ms. Ashni Biyani (DIN: 00058775) as the Whole Time Director of the Company and approve payment of remuneration.
22nd	29th August, 2018	a) Approval for continuation of Mr. G. N. Bajpai (DIN: 00946138) as a Non-Executive Director who has attained the prescribed age. b) Appointment of Ms. Ashni Biyani (DIN: 00058775) as a Managing Director of the Company and payment of remuneration. c) Alteration of object clause of the Memorandum of Association of the Company. d) Adoption of new set of Articles of Association of the Company. e) Approval of the Scheme for Reduction of Capital of the Company.

AGM	AGM Date	Special Resolutions passed
23rd	30th July, 2019	a) Re-appointment of Mr. G. N. Bajpai (DIN: 00946138) as an Independent Director of the Company. b) Re-appointment of Mr. Narendra Baheti (DIN: 00057255) as an Executive Director of the Company. c) Revision in remuneration payable to Ms. Ashni Biyani as Managing Director of the Company. d) Increase in limits of shareholding by Foreign Portfolio Investors.

POSTAL BALLOT

Special Resolution(s) passed through Postal Ballot:
During the financial year 2019-20, no Special Resolution(s) were approved by the Shareholders of the Company through postal ballot process. Further, no special resolution(s) are proposed to be passed by postal ballot at the 24th Annual General Meeting.

During the financial year 2019-20, an Extra-Ordinary General Meeting **("EGM")** was held by the Company and the details of the resolutions passed at the said EGM are as follows:

EGM Date	Resolutions passed
8th May, 2019	a) Issue of Compulsorily Convertible Debentures on a preferential basis b) Issue of Warrants on a preferential basis c) Issue of Non-Convertible Debentures d) Appointment of Mr. Harminder Sahni as an Independent Director e) Appointment of Ms. Neha Bagaria as an Independent Director

DISCLOSURES

Vigil Mechanism and Whistle Blower Policy
The Company believes in honesty, integrity and highest morals from its employees and stakeholders and has framed and adopted 'Vigil Mechanism and Whistle Blower Policy' **("Policy")** for its Directors, Employees and other stakeholders. The Policy promotes openness and encourages reporting of any sort of misconduct. While providing adequate protection to Employees and Other Stakeholders it encourages them to raise concerns and provides them opportunity to receive feedback in relation to the actions taken it that regard. It also plays a vital role in the investigation of cases pertaining to suspected misconduct, unethical behavior, misuse of power, violation of any legal or regulatory requirements.

The Company adheres to the highest standards of ethical, moral and legal conduct of business operations. In order to maintain these standards, the Company encourages its employees and other stakeholders who have concerns about suspected misconduct to come forward and express their concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the Employees, Directors and other stakeholders to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Policy. The Policy also provides for adequate safeguards against victimization of Employees, Directors and other stakeholders in availing 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 Policy.

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 - https://futureconsumer.in/investors.aspx#policies-code

Policy on Material Subsidiary
The Company had adopted a Policy for determining material subsidiary in line with the requirements prescribed under the SEBI Listing Regulations, as amended from time to time. The Policy for determining material subsidiary is available on the website of the Company https://futureconsumer.in/investors.aspx#policies-code

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

a) **Risk management policy of the Company with respect to commodities including through hedging:**

The Company does not undertake material trading activities into commodity derivatives. The Company is generally exposed to commodity price risk since the agricultural products are open to frequent changes in the prices. The commodities are bought against business requirements of the Company. Few commodities are bought on the basis of projected annual requirement mainly to ensure quality consistency. Any variation in sales as compared with procurement is taken care by top up purchase or market disposal at spot prices. With respect to import of commodities, market rates of the commodities and dollar prices are closely monitored and appropriate decisions are made to execute the transactions. Necessary steps are taken to mitigate the price risks in accordance with the policies of the Company.

b) **Exposure of the Company to commodity and commodity risks faced by the Company throughout the year under review:**

i. **Total exposure of the Company to commodities in INR:** ₹ 1,642 Cr (without packing material)

ii. **Exposure of the Company to various commodities:**

Commodity Name	Exposures in INR towards The particulars commodity	Exposures in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Pulses	343.36	49,276.72	-	0.17%	-	-	0.17%
Rice	292.58	81,058.46	-		-	-	
Sugar	136.04	38,526.30	-		-	-	
Oil and Oil Seed	195.12	19,173.27	-		-	-	
Spices	117.52	6,410.50	-	1.49%	-	-	1.49%
Dry Fruits	317.48	7,104.97	-		-	-	
Wheat	51.40	22,817.78	-		-	-	
Total	**1,453.50**	**224,368.00**	-	0.16%	-	-	0.16%

iii. **Commodity risks faced by the listed entity during the year and how they have been managed:**

For select agricultural commodities primarily held for trading, futures contracts are used to hedge price risks till positions in the physical market are matched. Such hedges are generally for short time horizons and recognized in profit or loss account. The Company's net exposure to commodity price risk is not material.

The Company is exposed to foreign exchange risk arising from import of goods and services. The Company manages the foreign exchange risk with appropriate hedging activities. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31st March, 2020 are disclosed in Note No. 34.5 under notes to the Standalone Financial Statements.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s. S R B C & CO LLP, Chartered Accountants, Statutory Auditors of the Company and all the entities in the network firm/network entity of which Statutory Auditor is a part is as under:

Company Name	Relationship	Name of the Auditor	Remuneration (₹ In Lakhs)
Future Consumer Limited	-	S R B C & CO LLP Ernst & Young LLP	97.55 42.51
The Nilgiri Dairy Farm Private Limited	Subsidiary	S. R. Batliboi and Associates LLP	50.28
FCL Tradevest Private Limited	Subsidiary	S R B C & CO LLP	9.00

CONFIRMATION AND AFFIRMATIONS

Details of utilization of funds raised through preferential allotment or qualified institutions placement during the financial year 2019-20

During the financial year 2019-20, the Company has raised ₹ 69.62 Crore from Verlinvest SA and ₹ 210 Crore from International Finance Corporation through issue of Compulsorily Convertible Debentures on preferential basis. The Company has also issued warrants to Illusie Produkt Private Limited, a promoter group entity on preferential basis, upon receipt of ₹ 17.50 Crore being 25% of the total consideration price for the warrants. The funds received by the Company from preferential issue have been utilized for repayment of high cost debt, for capital expenditure, to meet working capital requirements and making investment in joint ventures and business alliances.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards any kind of harassment, including sexual harassment, or discrimination. Your Company has constituted an Internal Complaints Committee **("ICC")** to investigate and resolve sexual harassment complaints. Employees are encouraged to speak up and report any such incidences to the ICC. Your Company has also implemented a Policy on Prevention of Sexual Harassment which is reviewed by the ICC at regular intervals. Any complaint made to the ICC is treated fairly and confidentially. The details as required in respect of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided below:

a. number of complaints filed during the financial year : Nil
b. number of complaints disposed of during the financial year : Nil
c. number of complaints pending as on end of the financial year : Nil

Disclosures of the compliance with Corporate Governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations.

Your Company has made adequate disclosures with respect to the compliance with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations.

Certificate from Practising Company Secretary

The Company has obtained a certificate from Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

Insider Trading

The Company has adopted 'The Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons' **("Code of Conduct")** in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time **("SEBI Insider Regulations").** The Code of Conduct is applicable to Designated Persons and Connected Persons as defined therein.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' **("the Code")** in compliance with the SEBI Insider Regulations. This Code is uploaded on the website of the Company - www.futureconsumer.in. The Company has also formulated "Policy and Procedure for Dealing with leak of Unpublished Price Sensitive Information".

The Company's Code of Conduct *inter alia* prohibits dealing in securities of the Company by the designated persons/ connected persons defined therein, while in possession of unpublished price sensitive information.

The Company regularly monitors the trading of the equity shares of the Company by the Designated Persons covered under the Code and the deviations from the Code are periodically reported to the Board of Directors of the Company and the Securities and Exchange Board of India **("SEBI")**. In compliance with the SEBI Insider Regulations, the Company also monitors the flow of the Unpublished Price Sensitive Information ("UPSI") and has maintained a Structural Digital Database to record the sharing of UPSI for Legitimate Purposes.

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 2019-20. A declaration to this effect in terms of Regulation 26 of the SEBI Listing Regulations, forms part of the Annual Report.

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 BSE Limited **("BSE")** and the National Stock Exchange of India Limited **("NSE")** in accordance with the SEBI Listing Regulations. The extract of financial results of the Company is published in newspapers viz. The Free Press Journal and Navshakti. The financial results are also uploaded on the website of the Company - www.futureconsumer.in.

The Company announcements, news, press releases and presentations made to institutional investors or analysts are submitted to BSE and NSE and 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 December, 2020 , 2:00 p.m.
Mode	The Company is conducting meeting through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), and as such there is no requirement to have a venue for the AGM. For further details please refer to the Notice of this AGM.
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, 2020
Second Quarter Results	By second week of November, 2020
Third Quarter Results	By second week of February, 2021
Fourth Quarter / Annual Results	By end of May, 2021
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 2019-20 has been paid.

Debentures

The Company had issued and allotted 5,000 Senior, Rated, Listed, Redeemable, Secured, Non-Convertible Debentures **("NCDs 1")** in the form of Separately Transferable Redeemable Principal Parts **("STRPP")**, having face value of ₹ 1,00,000/- each on 16th March, 2017. The NCDs 1 were listed on Wholesale Debt Market **("WDM")** of BSE Limited. 3,000 NCDs 1 have been redeemed during the FY 2018-19 and balance 2000 NCDs 1 have been redeemed during the FY 2019-20. The details of NCDs 1 redeemed during the financial year 2019-20 are as under:

Description of NCDs1	Date of Redemption
1000 Series I NCDs STRPP 3	16th March, 2020
1000 Series II NCDs STRPP 3	

Further, the Company had issued and allotted 5,000 Senior, Rated, Listed, Redeemable, Secured, Non-Convertible Debentures **("NCDs 2")** in the form of Separately Transferable Redeemable Principal Parts **("STRPP"),** having face value of ₹ 1,00,000/- each on 5th September, 2017. The NCDs 2 are listed on WDM of BSE Limited. 1500 NCDs 2 were redeemed during the FY 2018-19 and 1500 NCDs 2 were redeemed during FY 2019-20. The details of NCDs 2 redeemed during the financial year 2019-20 are as under:

Description of NCDs2	Date of Redemption
1500 Series III NCDs STRPP 2	5th September, 2019

The Company had also issued 1,500 Senior, Redeemable, Secured, Non-Convertible Debentures **("NCDs 3")** having face value of ₹ 10,00,000/- each and 500 Senior, Redeemable, Secured, Non-Convertible Debentures **("NCDs 4")** having face value of ₹ 10,00,000/- each on 15th February, 2018 and 12th October, 2018 respectively. NCDs 3 and NCDs 4 are redeemable in seventeen installments within seven years from the first date of allotment i.e. 15th February, 2018.

Security Code and ISIN for outstanding NCDs 2, NCDs 3 and NCDs 4:

NCDs		Security Code	ISIN
NCDs 2	2000 Series III NCDs STRPP 3	956887	INE220J07113
NCDs 3	1500 NCDs	Unlisted	INE220J07121
NCDs 4	500 NCDs	Unlisted	INE220J07139

Debenture Trustee(s)

For NCDs 1 and NCDs 2

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

For NCDs 3 and NCDs 4

Catalyst Trusteeship Limited
GDA House, Plot No 85,
Bhusari Colony (Right),
Paud Road,
Pune – 411 038
Tel.: +91 20 2528 0081 / +91 77200 15707

CREDIT RATING

The Credit Rating assigned to the Company by CARE Rating Limited **("CARE")** and CRISIL Limited **("CRISIL")** in respect of Bank Facilities, Non-Convertible Debentures and Commercial Paper are as under:

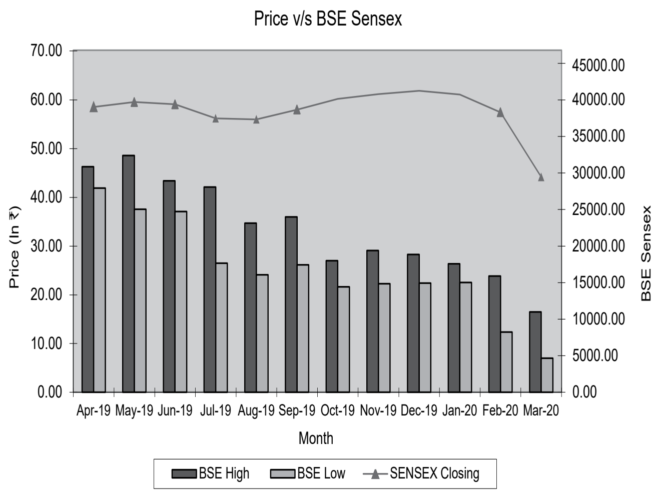
Facilities / Instrument	Name of the Agency	Amount (₹ In Crore)	Rating
Long-term Bank Facilities (Fund Based)	CARE	266.00 (enhanced from ₹ 260 Crore)	CARE A: Stable (Single A; Outlook: Stable)
Short-term Bank Facilities (Fund Based)	CARE	70.00	CARE A1 (A One)
Short-term Bank Facilities (Non-Fund Based)	CARE	25.00	CARE A1 (A One)
Long/ Short-term Bank Facilities (Fund Based)	CARE	109.00 (enhanced from ₹ 95 Crore)	CARE A: Stable/ CARE A1 (Single A; Outlook: Stable/ A One)
Long-term Bank Facilities (Term Loan)	CARE	50.00	CARE A: Stable (Single A; Outlook: Stable)
Non-Convertible Debentures*	CARE	40.00	CARE A: Stable (Single A; Outlook: Stable)
Commercial Paper*	CARE	100.00	CARE A1 (A One)
Commercial Paper*	CRISIL	100.00	CRISIL A1

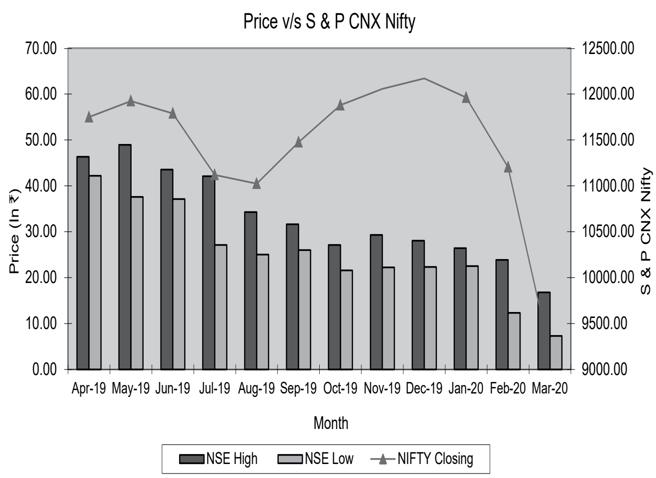
* Placed on credit watch with negative implication

Market Price Data during Financial Year 2019-20:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2019	46.30	41.90	46.30	42.15
May, 2019	48.60	37.55	48.90	37.55
June, 2019	43.40	37.10	43.50	37.10
July, 2019	42.10	26.50	42.10	27.10
August, 2019	34.70	24.10	34.25	25.00
September, 2019	36.00	26.15	31.60	26.00
October, 2019	27.00	21.65	27.10	21.55
November, 2019	29.10	22.30	29.30	22.20
December, 2019	28.30	22.40	28.05	22.30
January, 2020	26.35	22.55	26.40	22.50
February, 2020	23.85	12.35	23.85	12.30
March, 2020	16.50	7.01	16.75	7.30

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, Embasyy 247, L.B.S. Marg,
Vikhroli (West), Mumbai – 400083.
Tel: + 91 22 4918 6000 Fax: +91 22 4918 6060
Email: rnt.helpdesk@linkintime.co.in

Share Transfer System

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

Distribution of Shareholding as on 31st March, 2020

Share holding (Number of Shares)	Number of Shareholders	% to total	No. of Shares	% to total
1 – 500	98,085	66.91	1,70,60,082	0.89
501 – 1000	20,298	13.85	1,68,04,438	0.87
1001 – 2000	12,293	8.39	1,91,84,373	1.00
2001 – 3000	4,672	3.19	1,21,35,072	0.63
3001 – 4000	2,256	1.54	82,11,299	0.43
4001 – 5000	2,278	1.55	1,08,80,404	0.57
5001 – 10000	3,442	2.35	2,62,28,785	1.37
10001 and above	3,262	2.23	1,81,06,05,227	94.25
Total	**1,46,586**	**100.00**	**1,92,11,09,680**	**100.00**

Categories of Shareholding as on 31st March, 2020

Category	No. of Shares	Shareholding %
Promoters and their relatives / Promoter Group Companies	87,05,83,098	45.32
Clearing Members	10,37,034	0.05
Indian Companies	19,05,20,297	9.92
Foreign Company	20,45,87,517	10.65
Financial Institutions	37,59,340	0.20
Hindu Undivided Family	99,52,277	0.52
Mutual Funds	2,36,60,377	1.23
Nationalised Banks	200	0.00
Non Nationalised Banks	6,930	0.00
Non Residents Indians	94,70,938	0.49
Non Residents Indians (Non Repatriable)	50,15,573	0.26
Office Bearers	45,64,374	0.24
Indian Public	24,15,69,312	12.57
Trusts	7,967	0.00
Directors/Relatives of Directors	72,77,422	0.38
Foreign Portfolio Investors (Corporate)	33,38,59,452	17.38
Employee Benefit Trust - under SEBI (Share Based Employee Benefits) Regulations, 2014	1,34,52,793	0.70

Category	No. of Shares	Shareholding %
Alternate Investment Funds	4,00,000	0.02
Insurance Companies	7,56,778	0.04
NBFCs registered with RBI	6,28,001	0.03
Total	**1,92,11,09,680**	**100.00**

Compliance of Share Transfer formalities

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's equity shares to a Stakeholder Relationship and Share Transfer Committee comprising of Mr. Kishore Biyani, Ms. Ashni Biyani and Mr. Adhiraj Harish. The share certificates in physical form are generally processed and returned within 15 days from the date of receipt, if the documents are clear in all respects.

The Certificate of Compliance obtained from the Company Secretary in practice as required under Regulation 40(9) of the SEBI Listing Regulations, confirms the compliance with the share transfer formalities within the timelines prescribed.

Dematerialization of Shares and Liquidity

As on 31st March, 2020, a total of 1,92,09,59,360 equity shares aggregating to 99.99% of the total issued, subscribed and paid-up equity share capital of the Company are in dematerialised form.

SEBI has mandated the transfer of securities of the listed entities, only in demat form with effect from 1st April, 2019. Members are therefore requested to dematarialise their physical share certificates as soon as possible in order to avoid inconvenience in future.

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

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

As on 31st March, 2020, the Company has not issued any GDRs or ADRs.

The Company has on 23rd May, 2019, issued and allotted 6,962 and 21,000 Compulsorily Convertible Debentures **("CCDs")** having face value of ₹ 1,00,000/- each to Verlinvest SA and International Finance Corporation respectively, (collectively referred as "**Investors**") on preferential allotment basis. The CCDs carry a coupon of 4% p.a. compounded on a quarterly basis. The CCDs shall automatically and compulsorily be converted into equity shares at a conversion price of ₹ 45.02 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 ₹ 45.02 for each equity share.

Further, the Company has on 23rd May, 2019, issued and allotted 7,000 warrants having face value of ₹ 1,00,000/- each to Illusie Produkt Private Limited, ("Illusie") a promoter group entity on preferential allotment basis upon receipt of ₹ 17.50 Crore from Illusie towards 25% of the total consideration price for the warrants. The conversion of warrants may be exercised by Illusie 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 Illusie, the warrants shall be converted into equity shares at a conversion price of ₹ 45.02 per equity share.

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 6000
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

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 2019-20. Standard practices and procedures are followed to ensure unmodified financial statements.

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

5. **Reporting of Internal Auditor**
   The Internal Auditor reports to the Audit Committee.

DECLARATION

I, Ashni Biyani, Managing Director of Future Consumer Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended for the financial year ended 31st March, 2020.

For **Future Consumer Limited**

Place: Mumbai
Date: 10th July, 2020

Ashni Biyani
Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), as amended

T**o,**
The Members of
FUTURE CONSUMER LIMITED
Knowledge House, Shyam Nagar,
Off. Jogeshwari Vikhroli Link Road,
Jogeshwari (East), Mumbai-400060

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of FUTURE CONSUMER LIMITED having CIN L52602MH1996PLC192090 and having registered office at Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400060 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status on the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year as ending as on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Further we have to state that we have not carried out the Physical Inspection of any records maintained by the Company due to prevailing lock down conditions owing to COVID 2019 across the country. We have relied on the records as made available by the Company through digital mode and also on the Management Representation Letter issued by the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY DHOLAKIA)
Practising Company Secretary
Proprietor
UDIN:F002655B000435252

Place: Mumbai
Date: 10th July,2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

The Members of Future Consumer Limited

1. The Corporate Governance Report prepared by Future Consumer Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on 31st March, 2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held April 1, 2019 to March 31, 2020:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);

      (d) Nomination and Remuneration Committee;

(e) Stakeholders Relationship Committee;

(f) Risk Management Committee

(g) Corporate Social Responsibility Committee

v. Obtained necessary declarations from the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

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

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

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

per Pramod Kumar Bapna
Partner
Membership Number: 105497
UDIN:F002655B000435252

Place: Mumbai
Date: July 10, 2020

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Future Consumer Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Future Consumer Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 48 of the standalone Ind AS financial statements, which states the impact of Coronavirus disease 2019 (COVID-19) on the operations and financial position of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Impairment of Investments (as described in Note 43 of the Standalone Ind AS financial statements)</td></tr>
<tr><td>During the year, impairment indicators were identified by the management on certain investments wherein net worth is negative or investment value is higher than the Company's share in net worth. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment loss was required to be recognised.

For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows.

Also, the determination of the recoverable amount of the investments involved judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.

Accordingly, the impairment of investments was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</td><td>Our audit procedures included and were not limited to the following:
• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to impairment review processes;
• We assessed the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluated the objectivity and independence of Company's internal and external specialists involved in the process;
• We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates, impact of the Covid 2019 pandemic and its effect on business and terminal growth rates used;
• We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts;
• We involved internal experts to assess the Company's valuation methodology and assumptions around the key drivers of the cash flow forecasts, applied in determining the recoverable amount. In making this assessment, we evaluated the competence and objectivity of the internal experts;
• We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used;
• We assessed the disclosures made in the standalone Ind AS financial statements as per Ind AS 107.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Related Party Transactions (Refer Note 36 of the Standalone Ind AS financial statements)	
The Company has significant transactions with Related Parties which includes sale of products, services, rent, loans and advances given and interest income. Company's top customer which is a related party contributes about 89% of the total revenue of the Company. Considering the high volume of transactions with related parties and determination of arm's length price to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures included and were not limited to the following: • We performed test of controls over related party transactions with respect to approval of transactions by the Board of Directors of the Company, entering into agreements/contracts and recording in books of account; • We read contracts and agreements with related parties to understand the nature of the transactions; • We read the transfer pricing report as prepared by third party consultant to assess whether the transactions are at arm's length; • We read the inputs used in the transfer pricing report as prepared by third party consultant; • We assessed the disclosures made in the standalone Ind AS financial statements as per Ind AS 24.
Recognition of Deferred Tax Assets (as described in Note 8 of the standalone Ind AS financial statements)	
The Company has partially recognized deferred tax asset on carry forward tax losses, considering forecasted future taxable profits. The estimate of future taxable profits is based on the future business plans. The recognition of deferred tax asset is therefore sensitive to changes in the business plan and hence there is inherent uncertainty involved in projecting future profits. This area was important to our audit due to the amount of deferred tax recognized on the tax losses as well as the judgment involved in management's assessment of the likelihood and magnitude of forecasting future taxable profits. This assessment requires the management to make assumptions to be used in the forecasts of future taxable profits, including expectations for future sales and margin developments and overall market and economic conditions. Accordingly, recognition of deferred tax asset was determined to be a key audit matter in an audit of the standalone Ind AS financial statements.	Our audit procedures included and were not limited to the following: • We evaluated the management's assumptions on the projected profit forecasts keeping in view the current economic environment; • We assessed the historical accuracy of management's assumptions and estimation process by comparing the actual financials against previously forecasted financials; • We compared the key inputs used by the Company to forecast future taxable income to externally available data; • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to budget review processes; • We assessed the disclosures made in the standalone Ind AS financial statements as per Ind AS 12.
Impairment of Goodwill (as described in Note 44 of the standalone Ind AS financial statements)	
The Company is required to, at least annually, perform impairment assessments of goodwill recognized in books. The Company performs an annual impairment assessment of Goodwill to determine whether the recoverable value is below the carrying amount. We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied. The current economic climate also increases the complexity of forecasting. Accordingly, the impairment test of goodwill is considered to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures included and were not limited to the following: • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to goodwill impairment review processes; • We assessed the Company's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluated the objectivity and independence of Company's internal and external specialists involved in the process; • We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates, impact of the Covid 2019 pandemic and its effect on business and terminal growth rates used. • We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • We Involved internal experts to assess the Company's valuation methodology and assumptions around the key drivers of the cash flow forecasts, applied in determining the recoverable amount. In making this assessment, we evaluated the competence and objectivity of the internal experts. • We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used; • We assessed the disclosures made in the standalone Ind AS financial statements as per Ind AS 36.

Key audit matters	How our audit addressed the key audit matter
Carrying Value of Trade and Other Receivables (as described in Note 11 and Note 7 of the standalone Ind AS financial statements)	
As at March 31, 2020, Trade and Other Receivables constitutes approximately 31% of total assets of the Company. The Company is required to regularly assess the recoverability of its Trade and Other receivables. Recoverability of Trade and Other receivables was significant to our audit due to the value of amounts which also represents significant portion of the Company's working capital. Considering the adverse impact of the coronavirus outbreak on the operations of all major industries, there is a significant amount of judgment required in making provision of expected credit loss on trade and other receivables. Creation of expected credit loss involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money. Management provide disclosure on expected credit loss in Note 2.19 of Accounting policy section as well as Note 11 of Trade Receivable and Note 7 of Other Financial Assets Accordingly, the recoverability of Trade and Other Receivables is a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures included and were not limited to the following: • We tested the aging of trade and other receivables and receipts subsequent to the year-end; • We evaluated the Management's assessment of the financial circumstances and ability to pay of relevant entities with receivable balances. These considerations include whether there are regular receipts from the customers, past collection history as well as an assessment of the customers' credit ability to make payments; • We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls that the Company has for review of credit loss allowance process; • We assessed the Company's Expected Credit Loss model applied in determining the recoverable amount. In making this assessment, we evaluated the objectivity and independence of Company's personnel involved in the process; • We obtained direct confirmation for all major receivable balances; • We assessed the adequacy of the Company disclosures in relation to Trade and Other receivables included in the standalone Ind AS financial statements as per Ind AS 109.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report, Director's Report and Management Discussion and Analysis, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management 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 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) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial 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.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
   (h) 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 – Refer Note 37 to the standalone Ind AS financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Pramod Kumar Bapna
Partner
Membership Number: 105497
UDIN: 20105497AAAABU4609

Place: Mumbai
Date: July 10, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has given loans and advances, guarantees and securities and made investments in accordance with the provision of section 186 of the Companies Act 2013.

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

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

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

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

(c) According to the records of the Company, the dues of income-tax, sales-tax, goods and services tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on March 31, 2020 on account of any dispute, are as follows:

Name of the Statue	Nature of the dues	Amount (₹ in Lacs)*	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	434.95	2010-11	Commissioner of Income Tax (Appeals)
Kerala – VAT	Sales Tax	1.16	2012-13	Assistant Commissioner of State Taxes
		22.80	2013-14	Assistant Commissioner of State Taxes
		25.33	2014-15	Assistant Commissioner of State Taxes
		18.00	2016-17	Assistant Commissioner of State Taxes
Delhi Value Added Tax Act, 2004	Sales Tax	580.03	2014-15	Commissioner of State Taxes (Appeals)
Uttar Pradesh Value Added Tax Rules, 2008	Sales Tax	9.94	2015-16	Deputy Commissioner of Commerce

Name of the Statue	Nature of the dues	Amount (₹ in Lacs)*	Period to which the amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax Act, 2002	Sales Tax	10.72	2010-11	Joint Commissioner Sales Tax (Appeals)
		19.22	2011-12	Joint Commissioner Sales Tax (Appeals)
		38.87	2012-13	Joint Commissioner Sales Tax (Appeals)

**Net of deposits*

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

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

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

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

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

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

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

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

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

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

per Pramod Kumar Bapna
Partner
Membership Number: 105497
UDIN: 20105497AAAABU4609

Place: Mumbai
Date: July 10, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Future Consumer Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 with Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Pramod Kumar Bapna
Partner
Membership Number: 105497
UDIN: 20105497AAAABU4609

Place: Mumbai
Date: July 10, 2020

BALANCE SHEET
as at 31st March 2020

(₹ In lakhs)

Particulars	Note	As at 31st March 2020	As at 31st March 2019
ASSETS			
1 Non current assets			
(a) Property, plant and equipment	4	14,926.05	16,143.30
(b) Capital work in progress	41	654.19	130.10
(c) Goodwill	4	2,951.82	2,951.82
(d) Other intangible assets	4	12,158.00	13,992.11
(e) Right-of-use assets	4	6,678.53	-
(f) Financial assets			
(i) Investments	5	48,024.81	70,620.35
(ii) Loans	6	452.29	2,125.67
(iii) Other financial assets	7	573.42	725.64
(g) Deferred tax assets (net)	8	2,277.14	1,867.50
(h) Other assets	9	1,790.34	1,329.88
Total non-current assets		**90,486.59**	**109,886.37**
2 Current assets			
(a) Inventories	10	14,281.68	21,880.27
(b) Financial assets			
(i) Trade receivables	11	67,567.49	58,900.32
(ii) Cash and cash equivalents	12	2,982.54	913.45
(iii) Bank balances other than (ii) above	12	1,067.58	1,247.02
(iv) Loans	6	41,825.22	35,956.22
(v) Other financial assets	7	7,503.11	6,817.29
(c) Other assets	9	1,729.18	1,601.19
		136,956.80	**127,315.76**
Asset held for Sale	42	2,035.08	1,626.00
Total current assets		**138,991.88**	**128,941.76**
Total assets		**229,478.47**	**238,828.13**
EQUITY AND LIABILITY			
1 Equity			
(a) Equity share capital	13	114,459.41	114,428.54
(b) Other equity	14	19,821.04	22,352.32
Total equity		**134,280.45**	**136,780.86**
Liability			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	22,320.13	26,343.52
(ii) Lease Liabilities		6,351.61	-
(iii) Other financial liabilities	16	831.15	568.10
(b) Provisions	17	705.04	559.74
Total non-current liabilities		**30,207.93**	**27,471.36**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	29,048.04	43,498.96
(ii) Lease Liabilities		1,261.81	-
(iii) Trade payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		2,881.96	3,040.36
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises		24,067.91	21,628.45
(iv) Other financial liabilities	20	6,344.28	4,584.59
(b) Provisions	17	594.22	1,110.22
(c) Other current liabilities	21	791.87	713.33
Total current liabilities		**64,990.09**	**74,575.91**
Total equity and liability		**229,478.47**	**238,828.13**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements	1- 50		

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No : 105497

Place : Mumbai
Date : 10 July 2020

For and on behalf of the Board of Directors of Future Consumer Limited

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Sailesh Kedawat
Chief Financial Officer

Place : Mumbai
Date : 10 July 2020

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2020

(₹ In lakhs)

	Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
1	**REVENUE**			
	(a) Revenue from operations	22	302,608.82	298,996.39
	(b) Other income	23	6,624.68	5,991.50
	Total income		**309,233.50**	**304,987.89**
2	**EXPENSES**			
	(a) Cost of materials consumed	24	16,157.22	6,223.09
	(b) Purchases of stock-in-trade (traded goods)		234,545.77	252,352.87
	(c) Changes in inventories of finished goods and stock-in-trade	25	7,803.99	(1,980.66)
	(d) Employee benefits expense	26	9,457.10	9,995.16
	(e) Finance costs	27	7,993.45	6,605.50
	(f) Depreciation and Amortisation expense	28	5,112.59	3,486.60
	(g) Other expenses	29	29,217.58	22,208.71
	Total expenses		**310,287.70**	**298,891.27**
3	**(Loss) / Profit before exceptional items(1-2)**		**(1,054.20)**	**6,096.62**
4	**Exceptional items**	43	**(29,162.74)**	**(1,923.14)**
5	**(Loss) / Profit before tax (3+4)**		**(30,216.94)**	**4,173.48**
6	**Tax expense / (benefit)**			
	(a) Current tax	8	-	-
	(b) Tax relating to prior years	8	76.17	-
	(c) Deferred tax	8	272.31	(1,879.62)
	Net tax expense / (benefit)		**348.48**	**(1,879.62)**
7	**(Loss) / Profit for the period (5-6)**		**(30,565.42)**	**6,053.10**
8	**Other comprehensive income (OCI)**			
	(a) (i) Items that will not be reclassified to statement of profit or loss			
	Remeasurement gains on defined benefit plans		2.88	34.70
	(ii) Income tax relating to items that will not be reclassified to statement of profit or loss		(0.72)	(12.12)
	(b) (i) Items that will be reclassified to statement of profit and loss			
	Exchange differences in translating the financial statements of foreign operations		(5.52)	-
	Total other comprehensive income		**(3.36)**	**22.58**
9	**Total comprehensive income for the year, net of tax (7+8)**		**(30,568.78)**	**6,075.68**
	Earnings per share after exceptional item (face value ₹ 6 each)	31		
	(a) Basic (₹)		**(1.60)**	**0.32**
	(b) Diluted (₹)		**(1.60)**	**0.32**
	Earnings per share before exceptional item (face value ₹ 6 each)	31		
	(a) Basic (₹)		**(0.07)**	**0.42**
	(b) Diluted (₹)		**(0.07)**	**0.42**
	Summary of significant accounting policies	2		
	The accompanying notes are an integral part of the financial statements	1- 50		

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No : 105497

Place : Mumbai
Date : 10 July 2020
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors of Future Consumer Limited

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Sailesh Kedawat
Chief Financial Officer

Place : Mumbai
Date : 10 July 2020

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2020

(a) Equity Share Capital (Refer Note 13)

(₹ In lakhs)

Particulars	Amount
Balance as at 31st March 2018	**114,128.91**
Changes in Equity Share capital during the Year :	
Issue of Equity shares under employee share option plan (ESOP) (Refer Note 35)	421.74
Shares purchased (net) by ESOP trust treated as treasury shares	(122.11)
As at 31st March 2019	**114,428.54**
Changes in Equity Share capital during the Year :	
Issue of Equity shares under employee share option plan (ESOP) (Refer note 35)	38.82
Shares purchased (net) by ESOP trust treated as treasury shares	(7.95)
As at 31st March 2020	**114,459.41**

(b) Other Equity (Refer Note 14)

(₹ In lakhs)

Particulars	Equity Component of compound financial instruments	Reserves & Surplus						Money received against share warrants	Foreign Currency Translation Reserve	Other comprehensive income	Total Other Equity
		Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings				
Balance at 31st March 2018	**-**	**314.94**	**40,968.46**	**0.59**	**2,430.29**	**5.20**	**(27,570.74)**	**-**	**-**	**(41.55)**	**16,107.19**
Profit for the year	-	-	-	-	-	-	6,053.10	-	-	-	**6,053.10**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	22.58	**22.58**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**6,053.10**	**-**	**-**	**22.58**	**6,075.68**
Recognition of share-based payments	-	-	-	-	1,263.33	-	-	-	-	-	**1,263.33**
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(1,445.38)	-	-	-	**(1,445.38)**
Transfer to securities premium on exercise of ESOP	-	-	1,318.66	-	(1,318.66)	-	-	-	-	-	**-**
Transfer to retained earnings on exercise of ESOP	-	-	-	-	(267.15)	-	267.15	-	-	-	**-**
Issue of Shares	-	-	351.50	-	-	-	-	-	-	-	**351.50**
As at 31st March 2019	**-**	**314.94**	**42,638.62**	**0.59**	**2,107.81**	**5.20**	**(22,695.87)**	**-**	**-**	**(18.97)**	**22,352.32**
Effect of adoption of Ind AS 116 (Refer note 32)	-	-	-	-	-	-	(463.94)	-	-	-	**(463.94)**
As at 1st April 2019 (Adjusted)	-	314.94	42,638.62	0.59	2,107.81	5.20	(23,159.81)	-	-	(18.97)	**21,888.38**

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2020

(₹ In lakhs)

Particulars	Equity Component of compound financial instruments	Reserves & Surplus						Money received against share warrants	Foreign Currency Translation Reserve	Other comprehensive income	Total Other Equity
		Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings				
Loss for the year	-	-	-	-	-	-	(30,565.42)	-	-	-	(30,565.42)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(5.52)	2.16	(3.36)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(30,565.42)**	**-**	**(5.52)**	**2.16**	**(30,568.78)**
Issue of share warrants	-	-	-	-	-	-	-	1,750.00	-	-	**1,750.00**
Recognition of share-based payments	-	-	-	-	51.76	-	-	-	-	-	**51.76**
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(55.81)	-	-	-	**(55.81)**
Transfer to securities premium on exercise of ESOP	-	-	95.55	-	(95.55)	-	-	-	-	-	**-**
Transfer to retained earnings on exercise of ESOP	-	-	-	-	(39.87)	-	39.87	-	-	-	**-**
Issue of compulsory convertible debentures	26,253.16	-	-	-	-	-	-	-	-	-	**26,253.16**
Transfer to retained earnings as per capital reduction order (Refer note 47)	-	-	(28,690.41)	-	-	-	28,690.41	-	-	-	**-**
Effect on account of Deferred Tax on issue expenses and interest on compulsorily convertible debentures (Refer note 8)	-	-	-	-	-	-	433.49	-	-	-	**433.49**
Issue of Shares	-	-	68.84	-	-	-	-	-	-	-	**68.84**
As at 31st March 2020	**26,253.16**	**314.94**	**14,112.60**	**0.59**	**2,024.15**	**5.20**	**(24,617.27)**	**1,750.00**	**(5.52)**	**(16.81)**	**19,821.04**

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the financial statements (Refer note 1 - 50)

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No : 105497

Place : Mumbai
Date : 10 July 2020
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors of Future Consumer Limited

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Sailesh Kedawat
Chief Financial Officer

Place : Mumbai
Date : 10 July 2020

STATEMENT OF CASH FLOWS
for the year ended 31st March 2020

(₹ in lakhs)

Particulars	Year ended 31st March 2020		Year ended 31st March 2019	
Cash flows from operating activities				
Net (loss) / profit before tax as per the Statement of Profit and Loss		(30,216.94)		4,173.48
Adjustments to reconcile profit before tax to net cash flows:				
Exceptional items (Refer note 43)	29,162.74		1,923.14	
Finance costs (including fair value change in financial instruments)	7,993.45		6,605.50	
Finance income (including fair value change in financial instruments)	(5,247.03)		(4,736.56)	
Interest on income tax refund	(38.82)		(66.01)	
Provision no longer required written back	-		(53.72)	
Net loss / (gain) on disposal of property, plant and equipment	15.10		27.92	
Net loss/ (gain) on financial assets measured at fair value through profit or loss	(243.89)		(241.23)	
Net unrealised exchange (gain)/loss	(5.52)		-	
Impairment allowance on trade and other receivables	7,901.42		23.62	
Amortisation of intangible assets	1,457.72		1,560.33	
Depreciation and Impairment of Property, Plant & Equipment & Right-of-Use Assets	3,654.87		1,926.27	
Share-based payment expenses	(39.21)		392.46	
Net gain on financial guarantees contract	(35.07)		(32.05)	
Gain on termination of Lease Asset	(20.25)	44,555.51	-	7,329.67
		14,338.57		**11,503.15**
Working capital adjustments:				
(Increase) / decrease in trade and other receivables	(17,023.62)		(18,838.79)	
(Increase) / decrease in inventories	7,598.58		(2,028.16)	
(Increase) / decrease other assets	34.51		131.44	
Increase / (Decrease) in trade payables	2,281.08		4,844.64	
Increase / (Decrease) in provisions	(367.82)		(18.68)	
Increase / (Decrease) in other liabilities	125.97	(7,351.30)	(47.32)	(15,956.87)
Cash flow from / (used in) operations		**6,987.27**		**(4,453.72)**
Income taxes (paid)/refund		(537.77)		(358.85)
Net cash flow from / (used in) operating activities		**6,449.50**		**(4,812.57)**
Cash flows from investing activities				
Investment in Subsidiaries/Joint Ventures		(1,700.01)		(4,346.13)
Disposal of Investment		-		5,332.07
Loans given		(43,638.85)		(40,536.32)
Loans refunded		35,409.30		30,442.24
Interest received		4,654.64		3,874.86
Purchase of property, plant and equipment including CWIP		(1,622.15)		(3,057.08)
Proceeds from sale of property, plant and equipment		17.77		16.11
Purchase of intangible assets		(23.60)		(144.95)
Net cash flow used in investing activities		**(6,902.90)**		**(8,419.20)**

STATEMENT OF CASH FLOWS

for the year ended 31st March 2020

(₹ in lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	107.66	791.96
Proceeds from issue of share warrants	1,750.00	-
Purchase of treasury shares	(179.44)	(2,292.68)
Proceeds on exercise of ESOP out of treasury shares	115.67	725.00
Proceeds from issue of convertible debentures (Equity Component)	26,253.16	-
Proceeds from issue of convertible debentures (Debt Component)	1,453.60	-
Proceeds from long term borrowings (Net of expenses)	-	4,987.50
Repayment of long term borrowings	(3,731.23)	(9,485.47)
Repayment of Lease Liabilities	(1,232.63)	-
Proceeds from short term borrowings (net)	(14,450.92)	23,444.74
Interest paid	(7,563.38)	(6,767.34)
Net cash flow from financing activities	**2,522.49**	**11,403.71**
Net increase / (decrease) in cash and cash equivalents	**2,069.09**	**(1,828.06)**
Cash and cash equivalents at the beginning of the year	913.45	2,741.51
Cash and cash equivalents at the end of the year (Refer Note 12)	**2,982.54**	**913.45**

Non-cash investing and financing activities (Refer Note 12)

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the financial statements (Refer note 1 - 50)

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No : 105497

Place : Mumbai
Date : 10 July 2020

For and on behalf of the Board of Directors of Future Consumer Limited

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Sailesh Kedawat
Chief Financial Officer

Place : Mumbai
Date : 10 July 2020

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

1. GENERAL INFORMATION ABOUT THE COMPANY

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

The registered office of the Company is located at Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060 and the corporate office is located at Embassy 247, Tower 'C', LBS Marg, Vikhroli (West), Mumbai 400 083

The financial statements were approved for issue in accordance with a resolution of the Board of directors passed on 10th July, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016(as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial statements ('Standalone INDAS Financial Statements').

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

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit planned – plan assets measured at fair value

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17 'Leases' ("Ind AS 17") and in the scope of Ind AS 116 'Leases' ("Ind AS 116") from 01 April, 2019, and that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' ("Ind AS 2") or value in use in Ind AS 36 'Impairment of Assets' ("Ind AS 36").

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

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

The principal accounting policies are set out below.

The financial statements are presented in ₹, which is the functional currency and all values are rounded up to two decimal points to the nearest lakh (₹ 00,000), except when otherwise indicated.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

Based on the nature of services and the normal time between the acquisition of assets and their realisation into cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

2.3 Business combinations

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

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share–based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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 and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit and loss where such treatment would be appropriate if that interest were disposed off.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' ("Ind AS 37") and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 115 'Revenue from contract with customers' ("Ind AS 115").

2.4 Goodwill and impairment of goodwill

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

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

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The date of annual impairment assessment of goodwill considered by the Company is March 31, 2020. 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 and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

2.5 Revenue from contract with customers

The Company recognises revenue from the following major sources, acting in the capacity of principal:

- Sale of consumer product
- Other operating revenue

Sale of consumer product

The Company sells fast moving consumer goods ("FMCG"), Food and Processed Food Products.

The Company recognizes revenue on the sale of goods, net of discounts, sales incentives, estimated customer returns and rebates granted, if any, when control of the goods is transferred to the customer.

Nature, timing of satisfaction of performance obligation and transaction price (Fixed and variable)

The Company recognises revenue when it transfers control of a product or service to a customer.

The control of goods is transferred to the customer depending upon the terms or as agreed with customer or delivery basis (i.e. at the point in time when goods are delivered to the customer or when the customer purchases the goods from the Company warehouse). Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods.

At inception of the contract, Company assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:

(a) a good or service that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Based on the terms of the contract and as per business practice, the Company determines the transaction price considering the amount it expects to be entitled in exchange of transferring promised goods or services to the customer. It excluded amount collected on behalf of third parties such as taxes.

The Company provides volume discount and rebate schemes, to its customers on certain goods purchased by the customer once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Volume discount and rebate schemes give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Company considers that either the expected value method or the most likely amount method, depending on which of them better predicts the amount of variable consideration for the particular type of contract.

In case where the customer gives non-cash consideration for the goods and services transferred or where customer provides the Company certain materials, equipment, etc. for carrying out the scope of work and the Company obtains control of those contributed goods or service, the fair value of such non-cash consideration given / materials supplied by customer is considered as part of the transaction price.

For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

Rendering of services

Revenue from rendering of services is recognised over time considering the time elapsed. The transaction price

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

of these services is recognised as a contract liability upon receipt of advance from the customer, if any, and is released on a straight line basis over the period of service (monthly basis)

Contract assets, contract liabilities and trade receivables

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues (which we refer to as unearned revenues) and advance from customers are classified as contract liabilities. A receivable is recognised by the Company when the control over the goods is transferred to the customer such as when goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The average credit period on sale of goods is 7 to 90 days.

Dividend and Interest income

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

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

2.6 Leasing

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) Leases

<u>**Policy applicable from 1st April 2019**</u>

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Building 3 to 30 years
- Plant and machinery 3 to 15 years
- Vehicles 3 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.15 Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

The Company lease liabilities are disclosed on the face of Balance sheet under Financial Liabilities.

iii) **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Policy applicable upto 31st March 2019

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

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

The Company as lessor

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

The Company as lessee

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

2.7 Foreign Currency Transactions and Translation

The management of the Company has determined Indian rupee ("₹") 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 translated using the exchange rates at the dates of the initial transactions.

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences for long term foreign currency monetary items recognized in the financial statements for the year ended 31 March, 2016 prepared under previous GAAP, the exchange difference arising on settlement / restatement of long term foreign currency monetary items are capitalised as part of depreciable property, plant and equipment to which the monetary items relates and depreciated over the remaining useful life of such assets.

2.8 Borrowing costs

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

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

All other borrowing costs are recognised in the statement of profit and 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.

2.9 Employee benefits

Post-employment benefits

- Payments to defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund. 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 is immediately recognised in other comprehensive income in Other Equity and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the end 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 and loss in the line item "Employee benefits expense", and the last component in Other Comprehensive Income which is immediately reflected in Other Equity and is not reflected in statement of profit and loss account. 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.

Terminal benefits

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.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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

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

2.10 Earnings per share

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

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

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

2.11 Share-based payment arrangements

Share-based payment transactions of the Company

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

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

Share-based payment transactions among group entities

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

2.12 Taxation

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Ind AS financial statements and the corresponding tax bases used in the computation of taxable profit. While preparing standalone Ind AS financial statements, temporary differences are calculated using the carrying amount as per standalone Ind AS financial statements and tax bases as determined by reference to the method of tax computation.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax 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 and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

2.13 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, for rental to others or for administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated, however, it is subject to impairment.

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.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. 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 and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation on tangible property, plant and equipment has been provided on straight line method as per the useful life prescribed in Schedule II of the Company's Act, 2013, except in case of vehicle, 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 Machinery	15 Years	Furniture and Fixtures	10 Years
Leasehold improvements	Note "a"	Office Equipment	5 Years
Moulds*	2 Years	Motor Vehicles*	10 Years
Roads	5 Years	Hydraullic Works & Pipeline	15 Years

*The Company, based on technical assessment, depreciates Moulds and Motor Vehicles over estimated useful lives which are different from the useful life as prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset are likely to be used.

Note "a"- Lease term or estimated useful lives of assets whichever is lower.

Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Company has selected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

2.14 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 on the same basis as intangible assets that are acquired separately.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

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 and loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset	Useful Life	Asset	Useful Life
Trademark	5 Years	Brand*	10 Years
Software#	3 -6 Years	Brand Usage Rights	25 Years

* Kara Brand has an indefinite useful life.

#The Company, based on technical assessment, amortise Software over estimated useful life which are different from the useful life as prescribed in Schedule II to the Companies Act, 2013. The management believes that the estimated useful life is realistic and reflect fair approximation of the period over which the asset is likely to be used.

Deemed cost on transition to Ind AS

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of the transition date measured as per the previous GAAP and used that carrying value as its deemed cost as of the transition date.

2.15 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

2.16 Inventories

Finished goods and traded goods are stated at the lower of cost and net realisable value. Raw material goods are stated at cost. 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 and Packing materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- 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. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

2.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

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 discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

2.19 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

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 statement of profit and loss for fair value through other comprehensive income ("FVTOCI") debt instruments. For the purposes of recognising foreign exchange revaluation and impairment losses or reversals, 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 and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to statement of profit and loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in statement of profit and 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.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

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 and loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the 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 and loss. The net gain or loss recognised in statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Investments in subsidiaries, associates and joint ventures

The Company has elected to account for its equity investments in subsidiaries, associates and joint ventures under IND AS 27 on Separate Financials Statements, at cost except Investment in Preference shares which is measured at FVTPL. At the end of each reporting period the Company assesses whether there are indicators of diminution in the value of its investments and provides for impairment loss, where necessary.

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.

In accordance with Ind AS 109, the Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVTOCI debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

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 and loss.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

2.20 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 and 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 and loss upon conversion or expiration of the conversion option.

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. However, financial guarantee contracts issued by the 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 115.

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. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.21 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately. The Company does not designate the derivative instrument as a hedging instrument.

2.22 Treasury Shares

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

2.23 Contingent liabilities

A contingent liability is:-

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) a present obligation that arises from past events but is not recognised because:-

i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.24 Operating segment

The management views the Company's operation as a single segment engaged in business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

2.25 Asset held for sale

The Group classifies Assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.
- Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

2.26 Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

3. Key sources of estimation uncertainty and critical accounting judgements

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

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

Key sources of estimation uncertainty

a) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management. Refer Note 4 for further disclosure.

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

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

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. Refer Note 4 for further disclosure.

c) Impairment of investments in subsidiaries, joint ventures and associate and impairment of goodwill

Determining whether the goodwill or investments in subsidiaries, joint ventures and associate are impaired requires an estimate in the value in use. In considering the value in use, the Management have anticipated the future cash flows, discount rates and other factors of the underlying businesses/companies. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In certain cases, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Any subsequent changes to the cash flows could impact the carrying value of investments/goodwill. Refer Note 4 and 5 for further disclosure.

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. Refer Note 37 for further disclosure.

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. Refer Note 8 for further disclosure.

f) Employee benefit plans

The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Refer Note 26 and 33 for further disclosure.

g) Share based payments

The Company initially measures the cost of equity-settled transactions with employees using an appropriate valuation model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note no 35.

h) Lease

The application of Ind AS 116 requires company to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, we must consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Assessing whether a contract includes a lease also requires judgement. Estimates are required to determine the appropriate discount rate used to measure lease liabilities.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

3.1 Change in Accounting policies and disclosures

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 supersedes Ind AS 17 Leases.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.6 Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

The Company has lease contracts for various items of plant, machinery, motor vehicles, warehouse, office premises and buildings. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.6 Leases for the accounting policy prior to 1 April 2019

- Leases previously classified as finance leases

  The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from 1 April 2019.

- Leases previously accounted for as operating leases

  The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 April 2019:

- Right-of -use assets of ₹ 6,223.57 lakhs were recognised and presented separately in Balance Sheet.
- Additional lease liabilities of ₹ 6,913.38 lakhs were recognised and presented separately in Balance Sheet.
- Prepayments of ₹ 23.32 lakhs related to previous operating leases were derecognised.
- Deferred tax liabilities decreased by ₹ 249.20 lakhs because of the deferred tax impact of the changes in assets and liabilities.
- The net effect of these adjustments had been adjusted by reducing retained earnings by ₹ 463.94 lakhs.

Other Ind AS changes

In addition to Ind AS 116 certain other changes to Ind AS have also become applicable from 1st April 2019. However, their application did not have any material impact on the standalone Ind AS financial statements.

4. PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

(₹ In lakhs)

Description of Assets	Gross Block (At cost / deemed cost)						Depreciation / Amortisation						Net Block
	As at 1st April 2019	Adjustment on transition to Ind AS 116 (Refer note 32)	Additions	Deletions	Effect of foreign currency exchange differences	As at 31st March 2020	As at 1st April 2019	For the Period	Deletions	Impairment (Refer note 43)	Effect of foreign currency exchange differences	As at 31st March 2020	As at 31st March 2020
A. Property, plant and equipment													
Freehold land	443.13	-	-	-	-	443.13	-	-	-	-	-	-	**443.13**
Building	3,620.27	-	11.08	-	-	3,631.35	109.52	132.15	-	-	-	241.67	**3,389.68**
Office equipments	353.83	-	13.33	16.38	-	350.78	185.32	71.23	15.02	-	-	241.53	**109.25**
Computers	440.14	-	38.17	42.19	-	436.12	295.99	77.60	39.46	-	-	334.13	**101.99**
Furniture & fixtures	1,845.14	-	167.39	29.88	(0.48)	1,983.13	625.92	211.97	17.76	-	(0.03)	820.16	**1,162.97**
Vehicles	89.91	-	-	1.04	-	88.87	54.10	7.00	0.62	-	-	60.48	**28.39**
Plant & machinery	12,307.40	-	703.48	29.44	-	12,981.44	2,658.02	1,475.16	14.33	-	-	4,118.85	**8,862.59**
Leasehold improvements	902.03	-	38.64	18.42	-	922.25	233.66	124.07	17.28	-	-	340.45	**581.80**
Hydraulic works and pipelines	60.07	-	-	-	-	60.07	2.81	3.80	-	-	-	6.61	**53.46**
Roads	283.86	-	-	-	-	283.86	37.14	53.93	-	-	-	91.07	**192.79**
Subtotal (A)	**20,345.78**	**-**	**972.09**	**137.35**	**(0.48)**	**21,181.00**	**4,202.48**	**2,156.91**	**104.47**	**-**	**(0.03)**	**6,254.95**	**14,926.05**
B. Other intangible assets													
Brands, brand usage rights and trademarks (Refer note ii)	16,613.46	-	-	-	-	16,613.46	4,744.96	963.72	-	400.00	-	6,108.68	**10,504.78**
Software	2,949.93	-	23.61	0.63	-	2,972.91	826.32	494.00	0.63	-	-	1,319.69	**1,653.22**
Subtotal (B)	**19,563.39**	**-**	**23.61**	**0.63**	**-**	**19,586.37**	**5,571.28**	**1,457.72**	**0.63**	**400.00**	**-**	**7,428.37**	**12,158.00**
C. Goodwill (Refer note 44)	3,566.32	-	-	-	-	3,566.32	614.50	-	-	-	-	614.50	**2,951.82**
Subtotal (C)	**3,566.32**	**-**	**-**	**-**	**-**	**3,566.32**	**614.50**	**-**	**-**	**-**	**-**	**614.50**	**2,951.82**
D. Right-of-use assets													
Building	-	5,300.00	2,393.76	441.22	-	7,252.54	-	1,413.52	-	-	-	1,413.52	**5,839.02**
Vehicles (Refer note iii)	-	8.24	0.38	-	-	8.62	-	3.10	-	-	-	3.10	**5.52**
Plant and Machinery	-	915.33	-	-	-	915.33	-	81.34	-	-	-	81.34	**833.99**
Subtotal (D)	**-**	**6,223.57**	**2,394.14**	**441.22**	**-**	**8,176.49**	**-**	**1,497.96**	**-**	**-**	**-**	**1,497.96**	**6,678.53**
Total (A+B+C+D)	**43,475.49**	**6,223.57**	**3,389.84**	**579.20**	**(0.48)**	**52,510.18**	**10,388.26**	**5,112.59**	**105.10**	**400.00**	**(0.03)**	**15,795.78**	**36,714.40**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

4. PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

(₹ In lakhs)

Description of Assets	Gross Block (At cost / deemed cost)				Depreciation / Amortisation					Net Block
	As at 1st April 2018	Additions	Deletions	As at 31st March 2019	As at 1st April 2018	For the Period	Deletions	Impairment (Refer note 43)	As at 31st March 2019	As at 31st March 2019
A. Property, plant and equipment										
Freehold land	443.13	-	-	443.13	-	-	-	-	-	**443.13**
Building	2,129.52	1,490.75	-	3,620.27	19.04	90.48	-	-	109.52	**3,510.75**
Office equipments	374.61	36.47	57.25	353.83	158.93	75.49	49.10	-	185.32	**168.51**
Computers	464.55	83.73	108.14	440.14	316.09	81.92	102.02	-	295.99	**144.15**
Furniture & fixtures	1,326.96	670.38	152.20	1,845.14	569.81	191.32	135.21	-	625.92	**1,219.22**
Vehicles	98.98	3.05	12.12	89.91	57.95	7.46	11.31	-	54.10	**35.81**
Plant & machinery	7,235.14	5,098.69	26.43	12,307.40	1,329.54	1,349.37	20.89	-	2,658.02	**9,649.38**
Leasehold improvements	516.51	411.71	26.19	902.03	166.08	90.36	22.78	-	233.66	**668.37**
Hydraulic works and pipelines	34.70	25.37	-	60.07	0.01	2.80	-	-	2.81	**57.26**
Roads	141.75	142.11	-	283.86	0.07	37.07	-	-	37.14	**246.72**
Subtotal (A)	**12,765.85**	**7,962.26**	**382.33**	**20,345.78**	**2,617.52**	**1,926.27**	**341.31**	**-**	**4,202.48**	**16,143.30**
B. Other intangible assets										
Brands, brand usage rights and trademarks (Refer note ii)	16,614.49	-	1.03	16,613.46	3,262.16	1,083.71	0.91	400.00	4,744.96	**11,868.50**
Software	2,811.03	144.95	6.05	2,949.93	352.86	476.62	3.16	-	826.32	**2,123.61**
Subtotal (B)	**19,425.52**	**144.95**	**7.08**	**19,563.39**	**3,615.02**	**1,560.33**	**4.07**	**400.00**	**5,571.28**	**13,992.11**
C. Goodwill (Refer note 44)	3,566.32	-	-	3,566.32	-	-	-	614.50	614.50	**2,951.82**
Subtotal (C)	**3,566.32**	**-**	**-**	**3,566.32**	**-**	**-**	**-**	**614.50**	**614.50**	**2,951.82**
Total (A+B+C)	**35,757.69**	**8,107.21**	**389.41**	**43,475.49**	**6,232.54**	**3,486.60**	**345.38**	**1,014.50**	**10,388.26**	**33,087.23**

Notes:

(i) For property, plant and equipment pledged as security (Refer note 15 & 18)

(ii) Includes Kara brand of ₹ 809 lakhs (Previous Year : ₹ 1,209 lakhs) with indefinite useful life (Refer note 43)

(iii) Vehicle taken on lease is secured by hypothecation created under said lease

5. NON CURRENT INVESTMENTS

Unquoted

(₹ In lakhs)

Particulars	Number of Units		Amount	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Investment in equity shares				
i) Subsidiaries (At cost, fully paid up)				
Aadhaar Wholesale Trading and Distribution Limited (Refer note 43)	77,400,000	52,400,000	9,208.81	22,020.35
Future Consumer Products Limited (Refer note 43)	1,000,000	900,000	-	-
The Nilgiri Dairy Farm Private Limited (Refer note 43)	241,435	241,435	14,595.38	25,300.58
APPU Nutritions Private Limited	240	240	210.60	210.60
Nilgiri's Mechanised Bakery Private Limited	21,600	21,600	266.52	262.83
Nilgiris Franchise Limited (formerly known as Nilgiris Franchise Private Limited)	-	-	0.57	194.35
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	1,000,000	1,000,000	575.04	447.08
FCEL Food Processors Limited (Partly paid up)	5,000,000	5,000,000	3.50	3.50
FCEL Overseas FZCO (Refer note 43) (A company incorporated in UAE, face value DHS 1000 each)	60	60	-	11.28
FCL Tradevest Private Limited (Refer note 43)	127,686,000	116,936,000	12,141.60	11,693.60
ii) Joint Ventures (At cost, fully paid up)				
Aussee Oats Milling (Private) Limited (Refer note 42) (a company incorporated in Sri Lanka, face value LKR 10 each)	29,453,180	24,569,920	681.27	-
Mibelle Future Consumer Products AG (Refer note 43) (a company incorporated in Switzerland, face value CHF 1000 each)	400	400	-	1,003.56
Hain Future Natural Products Private Limited	19,495,000	14,495,000	1,949.50	1,449.50
Fonterra Future Dairy Private Limited	15,500,000	2,500,000	1,550.00	250.00
iii) Associate (At cost, fully paid up)				
Sarjena Foods Private Limited	324,675	324,675	-	-
iv) Others (At cost, fully paid up)				
Saraswat Co-operative Bank Limited	50	50	0.01	0.01
Investment in preference shares				
i) Subsidiaries (At FVTPL, fully paid up)				
2% cumulative redeemable preference shares of Future Consumer Products Limited (Refer note 43)	145,000	145,000	-	-
1% non cumulative redeemable preference shares of The Nilgiri Dairy Farm Private Limited (Refer note 34.2)	4,684,270	4,684,270	1,865.10	1,621.20
ii) Joint venture (At FVTPL, fully paid up)				
Cumulative redeemable preference shares of Aussee Oats Milling (Private) Limited (a company incorporated in Sri Lanka, face value LKR 10 each) (Refer note 42)	11,380,155	11,380,155	-	-
Investment in debentures				
i) Associate (At cost, fully paid up)				
0.001% Compulsorily Convertible Debentures of Amar Chitra Katha Private Limited (Refer note 43)	4,977	4,977	4,976.91	4,976.91
Total	**293,337,042**	**234,603,782**	**48,024.81**	**69,445.35**
Share application money	-	-	-	1,175.00
Total	**293,337,042**	**234,603,782**	**48,024.81**	**70,620.35**

The above investments are net of impairment, if any.

The list of subsidiaries, joint ventures and associates along with proportion of ownership interest held are disclosed in note 2.3 of consolidated financial statements.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

6. LOANS (UNSECURED, CONSIDERED GOOD)

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Non-current		
Loans to related parties (Refer Note 36)	452.29	2,125.67
Total	**452.29**	**2,125.67**
Current		
Loans to related parties (Refer Note 36)	41,825.22	35,956.22
Total	**41,825.22**	**35,956.22**

7. OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Non-current		
Security deposits	422.65	359.34
Other deposits	10.22	-
Interest accrued on deposits	96.06	301.30
Bank deposits with more than 12 months maturity	44.49	65.00
Total	**573.42**	**725.64**
Current		
Security deposits	104.90	103.90
Other deposits	-	2.00
Interest accrued on deposits	2,986.58	2,473.19
Other receivables (for related party, refer note 36)	4,411.63	4,238.20
Unsecured, considered doubtful		
Other receivables which have significant increase in credit risk (for related party, refer note 36)	3,981.62	-
	11,484.73	6,817.29
Impairment allowance		
Less: Other Receivables which have significant increase in credit risk (refer note 29)	(3,981.62)	-
Total	**7,503.11**	**6,817.29**

8. 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 2020	As at 31st March 2019
Deferred tax assets (DTA)	4,993.78	5,683.15
Deferred tax liabilities (DTL)	(2,716.64)	(3,815.65)
Net	**2,277.14**	**1,867.50**

8.1 Movement of Deferred Tax

Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2020

(₹ In lakhs)

Particulars	Opening Balance	Impact on Other Equity	Difference due to change in tax rate	Recognised in Profit or loss	Recognised in OCI	Closing balance
Deferred tax assets:						
Impairment allowance	14.99	-	(4.19)	1,988.62	-	1,999.42
Provisions for employee benefits	627.80	-	(175.63)	(124.45)	(0.72)	327.00
Issue Expenses on Equity component of compulsorily convertible debentures	-	64.25	-	(64.25)	-	-
Taxable temporary differences on Interest of compulsorily convertible debentures	-	369.24	-	(211.08)	-	158.16
Taxable temporary differences on lease accounting	-	249.19	(69.72)	55.60	-	235.07
Tax losses	5,040.36	-	(1,410.10)	(1,356.13)	-	2,274.13
Total deferred tax assets	**5,683.15**	**682.68**	**(1,659.64)**	**288.31**	**(0.72)**	**4,993.78**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

(₹ In lakhs)

Particulars	Opening Balance	Impact on Other Equity	Difference due to change in tax rate	Recognised in Profit or loss	Recognised in OCI	Closing balance
Deferred tax liabilities:						
Property, plant, equipment and intangible assets	(3,717.15)	-	1,039.92	15.88	-	(2,661.35)
Taxable temporary differences on financial liability measured at amortised cost	(98.50)	-	27.56	15.65	-	(55.29)
Total deferred tax liabilities	**(3,815.65)**	**-**	**1,067.48**	**31.53**	**-**	**(2,716.64)**
Total deferred tax assets (net)	**1,867.50**	**682.68**	**(592.16)**	**319.84**	**(0.72)**	**2,277.14**

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year and re-measured its deferred tax asset/(liability) basis the rate prescribed in the said section. Accordingly, the opening deferred tax asset/(liability) have reduced by ₹ 592.16 lakhs.

Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2019 (₹ In lakhs)

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
Deferred tax assets:				
Impairment allowance	4.72	10.27	-	14.99
Provisions for employee benefits	504.91	135.01	(12.12)	627.80
Tax losses	3,005.09	2,035.27	-	5,040.36
Total deferred tax assets	**3,514.72**	**2,180.55**	**(12.12)**	**5,683.15**
Deferred tax liabilities:				
Property, plant, equipment and intangible assets	(3,425.89)	(291.26)	-	(3,717.15)
Taxable temporary differences on financial liability measured at amortised cost	(88.83)	(9.67)	-	(98.50)
Total deferred tax liabilities	**(3,514.72)**	**(300.93)**	**-**	**(3,815.65)**
Total deferred tax assets (net)	**-**	**1,879.62**	**(12.12)**	**1,867.50**

8.2 Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Tax losses (revenue in nature) (Refer note a)	21,094.10	21,094.10
Tax losses (capital in nature) (Refer note b)	11,925.07	11,925.07
Total	**33,019.17**	**33,019.17**

a) Unused tax losses of revenue nature include losses of ₹ 56.82 lakhs (Previous year ₹ Nil) that are available for offsetting for eight years against future taxable profits of the Company in which the losses arose.

(₹ In lakhs)

Financial Year	As at 31st March 2020	As at 31st March 2019
2016-17	56.82	-
Total	**56.82**	**-**

Further, unutilised tax losses of revenue nature include losses of ₹ 21,037.28 lakhs (Previous Year ₹ 21,094.10 lakhs) which are available for offsetting against future taxable profits indefinitely.

b) Unused tax losses of capital nature will expire by March 2027.

(₹ In lakhs)

Financial Year	As at 31st March 2020	As at 31st March 2019
2017-18	2,455.69	2,455.69
2018-19	9,469.38	9,469.38
Total	**11,925.07**	**11,925.07**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

8.3 The current tax expense for the year can be reconciled to the accounting profit as follows:

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Profit before tax	(30,216.94)	4,173.48
Other Comprehensive Income before tax	2.88	34.70
Total	**(30,214.06)**	**4,208.18**
Income tax expense calculated at 25.17% (Previous year 34.94%)	(7,604.27)	1,470.50
Effect of expenses not allowed for income tax purposes	8,961.83	2,953.73
Effect of additional allowance for tax purpose, limited to net taxable income for the year	(1,357.56)	(4,424.23)
Tax expense relating to earlier years (MAT Expense on Reversal)	76.17	-
Effect of change in rate of tax on Deferred Tax Asset	592.16	-
Effect of DTA on unabsorbed business loss recognised / reversal	(319.13)	(1,867.50)
Total	**349.20**	**(1,867.50)**
Income tax expense/ (income) relating to items that will not be reclassified to statement of profit or loss	0.72	12.12
Tax expense relating to earlier years (MAT Expense on Reversal)	76.17	-
Deferred tax expense recognised in statement of profit or loss	272.31	(1,879.62)
Current tax expense recognised in statement of profit or loss	-	-
Total	**349.20**	**(1,867.50)**

During the year the Company has reassessed the deferred tax asset on unutilised tax losses based on probability of future taxable income.

9. OTHER ASSETS

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Non-current		
Capital advance	9.42	49.38
Advance taxes (net)	1,780.92	1,280.50
Total	**1,790.34**	**1,329.88**
Current		
Advances to employees	10.39	24.45
Advances given to suppliers	660.70	717.86
Other advances	257.08	243.47
Balances with government authorities	786.70	615.41
Others	14.31	-
Total	**1,729.18**	**1,601.19**

10. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Raw materials (at cost)	595.25	411.50
Finished goods (at lower of cost and net realisable value)	361.24	79.88
Stock - in - trade (at lower of cost and net realisable value)	13,163.21	21,248.56
Packing material (at cost)	161.98	140.33
Total	**14,281.68**	**21,880.27**

NOTES:-

i) For Inventory hypothecated as security, refer note 18

ii) The amount of write down of inventories recognised as an expense during the year is ₹ 188.34 lakhs (Previous year: ₹ 172.03 lakhs).

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

11. TRADE RECEIVABLES (UNSECURED)

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Considered good (for related party, refer note 36)	67,567.49	58,900.32
Receivables which have significant increase in credit risk (for related party, refer note 36)	3,962.68	42.88
	71,530.17	**58,943.20**
Impairment Allowance		
Less: Receivables which have significant increase in credit risk (refer note 29)	(3,962.68)	(42.88)
Total	**67,567.49**	**58,900.32**

Movement in Credit impaired (expected credit loss allowance)

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Opening balance	(42.88)	(19.26)
Changes in loss allowance:		
Impairment allowance based on expected credit loss	(3,919.80)	(23.62)
Closing Balance	**(3,962.68)**	**(42.88)**

Note:

(i) For trade receivables hypothecated as security (Refer note 18)

12. CASH AND CASH EQUIVALENTS

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Cash and cash equivalents		
On current accounts	1,231.67	374.97
In fixed deposit accounts	1,717.75	460.00
Cheques on hand	-	39.74
Cash on hand	33.12	38.74
Total	**2,982.54**	**913.45**
Bank balances other than Cash and cash equivalents		
As margin money	1,067.58	1,247.02
Total	**1,067.58**	**1,247.02**

During the current year the Company entered into non-cash investment activity of converting inter corporate deposit amounting to ₹ 2,962.87 lakhs (previous year ₹ 4,961.09 lakhs) into investments, acquisition of ROU assets of ₹ 6,223.57 lakhs (Refer Note 32) and a decrease in investment of ₹ 94.86 lakhs (previous year increase of ₹ 549.96 lakhs) (Refer Note 35). These are not reflected in the statement of cash flows.

Changes in liability due to financial activities

(₹ In lakhs)

Particulars	As at 31st March 2019	Cash flows	Changes in fair value of financial instruments	Lease Liabilities Recognised	As at 31st March 2020
Current borrowings (Refer Note 18)	43,498.96	(14,450.92)	-	-	29,048.04
Non- current borrowings, including current maturities (Refer Note 15)	30,047.13	(2,277.63)	235.58	-	28,005.08
Lease liabilities (Refer Note 32)	-	(1,232.63)	-	8,846.05	7,613.42
Total	**73,546.09**	**(17,961.18)**	**235.58**	**8,846.05**	**64,666.54**

(₹ In lakhs)

Particulars	As at 1st April 2018	Cash flows	Changes in fair value of financial instruments	As at 31st March 2019
Current borrowings (Refer Note 18)	20,054.22	23,444.74	-	43,498.96
Non- current borrowings, including current maturities (Refer Note 15)	34,432.08	(4,497.97)	113.02	30,047.13
Total	**54,486.30**	**18,946.77**	**113.02**	**73,546.09**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

13. EQUITY SHARE CAPITAL

a) Share capital

(₹ In lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	No of shares	Amount	No of shares	Amount
Authorised				
Equity shares of ₹ 6 each	5,650,000,000	339,000.00	5,650,000,000	339,000.00
Unclassified shares of ₹ 10 each	1,670,000,000	167,000.00	1,670,000,000	167,000.00
Total		**506,000.00**		**506,000.00**
Issued, subscribed and fully paid-up capital				
Equity shares of ₹ 6 each	1,921,109,680	115,266.58	1,920,462,680	115,227.76
Less : Shares held by ESOP trust treated as treasury shares	(13,452,793)	(807.17)	(13,320,293)	(799.22)
Total	**1,907,656,887**	**114,459.41**	**1,907,142,387**	**114,428.54**

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

(₹ In lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	1,907,142,387	114,428.54	1,902,148,529	114,128.91
Add : Allotment pursuant to exercise of stock options granted under FVIL - Employees Stock Option Plan - 2011	200,000	12.00	4,625,017	277.50
Add : Allotment pursuant to exercise of stock options granted under Future Consumer Enterprise Limited - Employees Stock Option Plan - 2014	447,000	26.82	2,404,000	144.24
Less : Shares purchased (net) by ESOP trust treated as treasury shares	(132,500)	(7.95)	(2,035,159)	(122.11)
Equity shares at the end of the year	**1,907,656,887**	**114,459.41**	**1,907,142,387**	**114,428.54**

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

Particulars	As at 31st March 2020		As at 31st March 2019	
	No of Shares	% of Holding	No of Shares	% of Holding
Future Capital Investment Private Limited	826,612,246	43.03	845,212,246	44.01
Black River Food 2 Pte. Ltd	146,283,195	7.61	146,283,195	7.62
Verlinvest SA	140,513,969	7.31	140,513,969	7.32
Arisaig India Fund Limited	134,331,586	6.99	134,331,586	6.99

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. 35

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

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

ii) Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.

iii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

iv) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to vote in proportion to his share of the paid-up capital of the Company.

f) During the financial year 2019-20:

i) The Company has also issued and allotted 7,000 warrants having face value of ₹ 100,000/- each to Illusie Produkt Private Limited, being a member of the Promoter group of the Company ("Illusie") on preferential allotment basis upon receipt of ₹ 1,750 lakhs from Illusie towards 25% of the total consideration price for the warrants. The warrants may be exercised by Illusie 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 Illusie, the warrants shall be converted into equity shares at a conversion price of ₹ 45.02 per equity share.

ii) The Company has issued and allotted 6,962 and 21,000 Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 100,000/- each to Verlinvest SA and International Finance Corporation (Individually referred as "Investor" and collectively as "Investors") respectively, on preferential allotment basis. The CCDs carry a coupon of 4% p.a. compounded on a quarterly basis. The CCDs shall automatically and compulsorily be converted into equity shares at a conversion price of ₹ 45.02 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 ₹ 45.02 for each equity share.

g) As at 31st March, 2020, 3,631,000 equity shares (FY 2019: 4,278,000 equity shares) were reserved for issuance towards outstanding employee stock options granted (Refer note 35) for ESOP Primary Scheme.

h) Aggregate number of equity shares allotted as fully paid up without payment being received in cash for the period of 5 years immediately preceding the balance sheet date is 45,918,367 equity shares issued in 2014-15.

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

14. OTHER EQUITY

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Capital reserve for bargain purchase business combinations	314.94	314.94
Securities premium account	14,112.60	42,638.62
General reserve	0.59	0.59
Share options outstanding account	2,024.15	2,107.81
Capital redemption reserve	5.20	5.20
Equity Component of Compound Financial Instruments	26,253.16	-
Money received against share warrants	1,750.00	-
Foreign Currency Translation reserve	(5.52)	-
Retained earnings	(24,617.27)	(22,695.87)
Other comprehensive income	(16.81)	(18.97)
Total	**19,821.04**	**22,352.32**

Description of reserves

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. The same will be utilized as per the provisions of Companies Act 2013 (as amended from time to time) and any other law guiding the utilization of the same, for the time being in force.

Securities premium account

Where the Company issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares was transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

General reserve

General Reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The same will be utilized as per the provisions of Companies Act 2013 (as amended from time to time) and any other law guiding the utilization of the same, for the time being in force.

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 35.

Capital redemption reserve

As per the provisions of the Companies Act, 2013 capital redemption reserve is created out of the general reserve for the amount of share capital reduction in earlier years. The reserve can be utilized for issuing fully paid up equity shares.

Equity component of compound financial instruments

The Company had issued Compulsory Convertible Debentures ("CCD") with each CCD being compulsorily convertible into equity shares of the Company at a fixed conversion price appropriately adjusted for corporate events.

The instrument is a compound instrument and therefore total proceeds is divided into 'equity' and 'liability'. The equity portion is recorded under this reserve.

Money received against share warrants

A share warrant is a financial instrument which gives the holder the right to acquire equity shares. A disclosure of the money received against share warrants is to be made since shares are yet to be allotted against the share warrants.

Foreign Currency Translation reserve

When preparing financial statements, differences arising on translation of the financial statements of foreign operations is transferred to the Foreign Currency Translation Reserve (FCTR), which forms part of Other Comprehensive Income. The same will be utilized as per the provisions of Companies Act 2013 (as amended from time to time) and any other law guiding the utilization of the same, for the time being in force.

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.

Other Comprehensive Income

This relates to the remeasurement impact of defined benefit plans and income tax effect of the same.

15. NON CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Non-Current	Current (Refer note 20)	Non-Current	Current (Refer note 20)
Secured - at amortised cost				
Term loans from banks	3,614.27	910.00	4,516.63	227.50
Debentures :				
10.55% Redeemable non convertible debentures of ₹ 1 lakh each	-	-	-	988.07
11.00% Redeemable non convertible debentures of ₹ 1 lakh each	-	-	-	988.04
9.95% Redeemable non convertible debentures of ₹ 1 lakh each	-	1,994.14	1,977.14	1,500.00
11.07% Redeemable non convertible debentures of ₹ 10 lakh each	18,705.86	1,176.47	19,849.75	-
Unsecured - at amortised cost				
4 % Compulsorily Convertible Debentures of ₹ 1 lakh each				
Verlinvest SA	-	399.42	-	-
International Finance Corporation	-	1,204.92	-	-
Total	**22,320.13**	**5,684.95**	**26,343.52**	**3,703.61**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

Details of security and repayment terms for secured and unsecured Non Current borrowings

(₹ In lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2020	As at 31st March 2019
1	**Term Loan from bank:** a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing. b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering facility amount. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Company.	The loan is repayable in 21 quarterly instalments starting from February 2020. Interest of 10.50% p.a.	4,524.27	4,744.13
2	**10.55% NCD (repaid during the year) :** a) Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee.	Series C of ₹ 1,000 lakhs repaid in March 2020. Interest of 10.55% p.a.	-	988.07
3	**11% NCD (repaid during the year) :** a) Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee	Series C of ₹ 1,000 lakhs repaid in March 2020. Interest of 11.00% p.a.	-	988.04
4	**9.95% NCD:** a) Secured by first pari passu charge on Rice / Combi mills assets of the Company to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee	Series B of ₹ 1,500 lakhs repaid in September 2019. Series C of ₹ 2,000 lakhs repayable in September 2020. Interest of 9.95% p.a. payable annually from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	1,994.14	3,477.14

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

(₹ In lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2020	As at 31st March 2019
5	**11.07 % NCD:** a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing. b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Company.	The NCDs is redeemable in 17 equal quarterly installments starting from February 2021. Interest on the facility will be charged @ 11.07% p.a. Interest will be paid in cash in arrear and on a quarterly basis, inclusive of a cash coupon as follows: year 1 @ 8.00% p.a., year 2 @10.00% p.a. & year 3 @ 11.07% p a. All accrued and unpaid Interest, on the facility will be capitalised quarterly and paid on the final maturity date, or the date on which the facility has been repaid in full.	19,882.33	19,849.75
6	**4 % CCD Verlinvest SA (Verlinvest) :** The CCDs shall be unsecured, and until converted, shall rank pari passu with any other unsecured creditors of the Company.	The CCDs carry a coupon of 4% p.a. compounded on a quarterly basis. The CCDs shall automatically and compulsorily be converted into equity shares at a conversion price of ₹ 45.02 per equity share on the earlier of occurrence of following events – a) Verlinvest electing to convert the CCDs into equity shares and b) the date that is 18 months from the date of issue of CCDs. Verlinvest are also entitled to such number of equity shares, equivalent to the amount of coupons remaining unpaid, if any, at a conversion price of ₹ 45.02 for each equity share.	399.42	-
7	**4 % CCD International Finance Corporation (IFC) :** The CCDs shall be unsecured, and until converted, shall rank pari passu with any other unsecured creditors of the Company.	The CCDs carry a coupon of 4% p.a. compounded on a quarterly basis. The CCDs shall automatically and compulsorily be converted into equity shares at a conversion price of ₹ 45.02 per equity share on the earlier of occurrence of following events – a) IFC electing to convert the CCDs into equity shares and b) the date that is 18 months from the date of issue of CCDs. IFC are also entitled to such number of equity shares, equivalent to the amount of coupons remaining unpaid, if any, at a conversion price of ₹ 45.02 for each equity share.	1,204.92	-
			28,005.08	**30,047.13**
	Less: Current maturities of long term debt (Refer note 20)		(5,684.95)	(3,703.61)
	Total		**22,320.13**	**26,343.52**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

16. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Non-current		
Interest accrued but not due	831.15	568.10
Total	**831.15**	**568.10**

17. PROVISIONS

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Non-current		
Provision for employee benefits:		
Provision for gratuity (Refer note 33.2)	591.25	559.74
Provision for Bonus	113.79	-
Total	**705.04**	**559.74**
Current		
Provision for employee benefits:		
Provision for gratuity (Refer note 33.2)	145.82	124.22
Provision for compensated absences	448.40	373.97
Provision for Bonus	-	612.03
Total	**594.22**	**1,110.22**

18. CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Secured - at amortised cost		
Loans repayable on demand from banks	7,913.40	18,740.43
Term Loans From a Bank	-	3,800.00
Other loans from bank	21,211.27	17,516.24
	29,124.67	**40,056.67**
Less :- Unamortised cost	(76.63)	(85.06)
	29,048.04	**39,971.61**
Unsecured - at amortised cost		
Commercial papers	-	3,527.35
Total	**29,048.04**	**43,498.96**

Details of security and repayment terms for secured current borrowings

Nature of Security	Terms of Interest and repayment
Loans repayable on demand from banks (Cash Credit)	
Loan is secured by a) First pari passu hypothecation charge on all existing and future current assets of the Company b) Second Charge on fixed assets of the Company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	The cash credit is repayable on demand and carries interest at rates varying from 9.50% to 11.50% p.a.
Other Loans from Bank (Bill Discounting, Working capital loan and Buyer's Credit)	
Loan is secured by a) First and/or pari passu charge on all existing and future current assets of the Company b) Second charge on fixed assets of the Company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani.	The other loans from Bank is repayable on due dates within a period of 1 year and carries interest at rates varying from 9.10% to 11.50% p.a.
Short Term Loans from Bank	
Loan is secured by a) First pari passu charge on rice and combi mill of the Company with a minimum asset cover of 1.25 times of outstanding borrowings. b) Unconditional and irrevocable personal guarantee of Mr Kishore Biyani	The loan was repaid in the month of September 2019. Interest at the rate of 10.25% p.a. payable annually.
Details of terms of interest and repayment for unsecured current borrowings	
Commercial Papers carry average interest rate at the rate of 9.14% per annum for the previous year. These were paid within 365 days from the date of drawdown.	

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

19. TRADE PAYABLES

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Total outstanding dues of micro enterprises and small enterprises (Refer note 40)	2,881.96	3,040.36
Total outstanding dues of trade payables other than micro enterprises and small enterprises (for related party, refer note 36)	24,067.91	21,628.45
Total	**26,949.87**	**24,668.81**

20. OTHER CURRENT FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Current maturities of long term debt (Refer note 15)	5,684.95	3,703.61
Interest accrued but not due on borrowing	427.22	495.27
Security and other deposits	140.10	127.75
Payable on purchase of capital goods	92.01	257.96
Total	**6,344.28**	**4,584.59**

21. OTHER CURRENT LIABILITIES

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Statutory dues payable	658.58	560.60
(includes TDS, PF, GST etc)		
Other liabilities	10.21	45.28
Contract liabilities	123.08	107.45
Total	**791.87**	**713.33**

22. REVENUE FROM OPERATIONS

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from Contracts with Customers :		
Sale of products	302,218.87	298,528.14
Other operating revenue	389.95	468.25
Total	**302,608.82**	**298,996.39**

22.1 Details of revenue from contracts with customers recognised by the Company, net of indirect taxes, in its Statement of Profit and loss. The table below presents disaggregated revenues from contracts with customers.

Type of Goods or Services

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Sale of consumer products	302,218.87	298,528.14
Franchisee fees	241.63	238.23
Royalty income	7.79	7.59
Scrap sales	74.20	32.29
Miscellaneous Income	66.33	190.14
Total revenue from contracts with customers	**302,608.82**	**298,996.39**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

Revenue based on Geography

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
India	302,523.49	298,699.03
Outside India	85.33	297.36
Total revenue from contracts with customers	**302,608.82**	**298,996.39**

Timing of revenue recognition

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Goods transferred at a point in time	302,293.07	298,560.44
Services transferred over time	315.75	435.95
Total revenue from contracts with customers	**302,608.82**	**298,996.39**

22.2 The Company derives its revenue from the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single service line. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108. (Refer Note 30 on Operating segment information.)

22.3 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Trade receivables (Refer note 11)	67,567.49	58,900.32
Contract assets	-	-
Contract liabilities (Refer note 21)	123.08	107.45

Trade receivables are non interest bearing and are generally on terms of 7 to 90 days. The Company receives payments from customers based upon contractual billing schedules. Trade receivables are recorded when the right to consideration becomes unconditional.

Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

Set out below is the amount of revenue recognised from:

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Amounts included in contract liabilities at the beginning of the year	107.45	129.61
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	107.45	99.98
Revenue recognised from performance obligations satisfied in previous years	-	-

22.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue as per contracted price	309,729.10	305,438.97
Less: Discounts, rebates, refunds, credits, price concessions	(7,120.28)	(6,442.58)
Revenue from contracts with customers	**302,608.82**	**298,996.39**

22.5 Performance Obligation

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Company has a material right but either not yet transferred control of a product or performing services over the period of time to customers. Transaction price includes the price agreed with customer, variable consideration and changes in transaction price. The transaction price of order related to unfilled, confirmed customer orders is estimated at each reporting date and payment is generally due within 7 to 90 days from delivery.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) is as follows:

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Within one year	123.08	107.45
More than one year	-	-

Open sales order as on 31 March 2020 is ₹ Nil (31 March 2019 is ₹ 48.31 lakhs)

23. OTHER INCOME

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Operating lease rent	539.43	516.18
Interest income		
Inter corporate deposits	5,051.92	4,648.55
Others	233.93	154.02
Provision no longer required written back	-	53.72
Gain on termination of Lease Asset	20.25	-
Net Profit on foreign currency transactions and translation (Refer note 1 below)	401.46	288.67
Net gain on financial assets measured at FVTPL	243.89	241.23
Net gain on financial guarantees contract	35.07	32.05
Miscellaneous income	98.73	57.08
Total	**6,624.68**	**5,991.50**

Note :

1. Net profit on foreign currency transactions and translation includes

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Profit on derivative liability measured at FVTPL	-	23.50

24. COST OF MATERIALS CONSUMED

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening stock of raw materials and others (Refer note 10)	551.83	504.33
Add: Purchases	16,362.62	6,270.59
Closing stock of raw materials and others (Refer note 10)	(757.23)	(551.83)
Total	**16,157.22**	**6,223.09**

25. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening stock:		
Finished goods (Refer note 10)	79.88	55.73
Stock in trade (Refer note 10)	21,248.56	19,292.05
Total (A)	**21,328.44**	**19,347.78**
Closing stock:		
Finished goods (Refer note 10)	361.24	79.88
Stock in trade (Refer note 10)	13,163.21	21,248.56
Total (B)	**13,524.45**	**21,328.44**
Total (A - B)	**7,803.99**	**(1,980.66)**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

26. EMPLOYEE BENEFITS EXPENSE

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Salaries wages & bonus	8,732.01	8,888.81
Contribution to provident and other funds (Refer note 33.1)	479.26	445.23
(Reversal) / Expenses on employee stock option (ESOP) scheme (Refer note 35)	(39.21)	392.46
Staff welfare expenses	285.04	268.66
Total	**9,457.10**	**9,995.16**

27. FINANCE COSTS

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest expense on:		
Loans	7,107.39	6,515.81
Lease expenses (Refer note 32)	710.24	-
Others	43.46	4.15
Other borrowing costs	132.36	85.54
Total	**7,993.45**	**6,605.50**

28. DEPRECIATION AND AMORTISATION EXPENSE

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Depreciation of property, plant & equipment (Refer note 4)	2,156.91	1,926.27
Amortisation of intangible assets (Refer note 4)	1,457.72	1,560.33
Depreciation of right-of-use assets (Refer note 4)	1,497.96	-
Total	**5,112.59**	**3,486.60**

29. OTHER EXPENSES

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Rent expenses (Refer note 32)	1,274.70	2,804.09
Warehousing and distribution expenses	8,060.90	7,510.78
Labour contract charges	3,552.85	2,783.61
Electricity expenses	413.35	400.96
Advertisement, publicity & selling expenses	1,852.86	2,823.85
Repairs and maintenance :		
On plant and machinery	108.14	72.19
On buildings	11.38	16.94
On others	97.04	77.13
Legal and professional charges	1,103.03	1,186.49
Consumables and Packing materials	46.14	84.01
Impairment allowance on trade and other receivables (refer note 11 and 7 respectively)	7,901.42	23.62
Rates and taxes	565.09	652.81
Insurance	131.95	72.10
Auditor's remuneration (Refer note 1 below)	97.55	99.90
Directors sitting fees	27.50	19.75
Loss on sale/retirement of property, plant and equipment (Net)	15.10	27.92
Brand royalty	112.34	136.60
Corporate social responsibilty (Refer note 46)	64.83	2.12
Miscellaneous expenses	3,781.41	3,413.84
Total	**29,217.58**	**22,208.71**

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

Note :

1. Auditor's remuneration included in "Other Expenses"

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Audit fees	49.00	49.00
Tax audit	6.00	6.00
Other services	37.20	37.70
Out of pocket expenses	5.35	7.20
Total	**97.55**	**99.90**

30. 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 '.

The Chief Operating Decision Maker (CODM) monitors the operating results at the Company level for the purpose of making decisions about resource allocation and performance assessment.

30.1 Geographic Information

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from operations from customers within India	302,523.49	298,699.03
Revenue from operations from customers outside India	85.33	297.36
	302,608.82	298,996.39

30.2 Major Customer

Top customer which individually contributes more than 10% of Company's total revenue.

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Future Retail Limited	263,158.52	246,773.68

31. EARNINGS PER SHARE (EPS)

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Profit for the year attributable to equity holders of Company after exceptional items (₹ in lakhs)	(30,565.42)	6,053.10
Profit for the year attributable to equity holders of Company before exceptional item (₹ in lakhs)	(1,402.68)	7,976.24
Weighted average number of equity shares outstanding for Basic EPS	1,907,741,063	1,904,812,833
Add : Weighted average number of potential equity shares on account of employee stock options outstanding	1,879,954	4,396,038
Weighted average number of equity shares outstanding for diluted EPS	1,909,621,017	1,909,208,871
Earnings per share after exceptional item (₹)		
Basic	(1.60)	0.32
Diluted	(1.60)	0.32
Earnings per share before exceptional item (₹)		
Basic	(0.07)	0.42
Diluted	(0.07)	0.42

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

32. LEASING ARRANGEMENT

Company as a lessee

The Company has lease contracts for various items of plant, machinery, vehicles, warehouse, office premises and buildings used in its operations. Leases of plant and machinery, buildings generally have lease terms between 3 and 9 years, while vehicles and other equipment generally have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

32.1 Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹ In lakhs)

Particulars	Plant & Machinery	Vehicles	Buildings	Total
As at 1st April 2019	915.33	8.24	5,300.00	6,223.57
Additions/Deletions	-	-	1,952.92	1,952.92
Depreciation Expenses	81.34	3.10	1,413.52	1,497.96
As at 31st March 2020	**833.99**	**5.14**	**5,839.40**	**6,678.53**

32.2 Set out below are the carrying amounts of lease liabilities (on the face of Balance sheet under Financial Liabilities) and the movements during the period:

(₹ In lakhs)

Particulars	Year ended 31st March 2020
As at 1st April 2019	6,913.38
Additions/Deletions	1,932.68
Accretion of Interest	710.24
Payments	1,942.86
As at 31st March 2020	7,613.42
Current	**1,261.81**
Non-Current	**6,351.61**

32.3 The maturity analysis of lease liabilities are disclosed as below:

(₹ In lakhs)

Maturity analysis of contractual undiscounted cash flow	Upto 3 months	3 months to 6 months	6 months to 12 months	12 months to 2 years	2 years to 5 years	more than 5 years
Lease Liabilities	466.48	458.34	1,001.13	1,844.61	3,916.58	5,462.88

Weighted average lessee's incremental borrowing rate for lease liabilities is 11.70%.

32.4 The following are the amounts recognised in statement of profit and loss:

(₹ In lakhs)

Particulars	Amount	Amount
Depreciation expense of right-of-use assets		1,497.96
Interest expense on lease liabilities		710.24
Rent Expenses (included in other expenses)		
Expense relating to short-term leases	313.40	
Expense relating to leases of low-value assets	29.96	
Variable lease payments	931.34	1,274.70
Total amount recognised in statement of profit and loss		**3,482.90**

The Company had total cash outflows for leases of INR ₹ 1,232.63 lakhs in 31 March 2020.

32.5 Additional information on termination option

Some leases of building contain termination options exercisable by the Company after the end of the non-cancellable contract period. Where practicable, the Company seeks to include termination options in new leases to provide economic viability. The termination options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement whether it is reasonably certain to exercise the termination options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

32.6 Leasing Arrangement (As per Ind AS 17 - March 2019)

The Company has entered into operating lease arrangement for its warehouse and office premises. Lease payments for the year 2018-2019 is ₹ 2,804.09 lakhs and lease income for the year 2018-19 is ₹ 516.18 lakhs.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

33. EMPLOYEE BENEFIT

33.1 Defined Contribution Plans

The Company's contribution to provident fund, employee state insurance are determined under the relevant schemes and / or statutes and charged to the statement of profit and loss.

The Company's contribution to Provident Fund for the year 2019-2020 aggregating to ₹ 423.01 lakhs (Previous Year: ₹ 373.17 lakhs), ₹ 50.17 lakhs (Previous Year: ₹ 65.94 lakhs) for ESIC and ₹ 5.22 lakhs for New Pension Scheme (Previous year: ₹ 5.92 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense. (Refer Note 26).

33.2 Defined Benefit Plans

Gratuity

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

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

Interest risk

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

Longevity risk

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

Salary risk

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2020 by M/s Universal Actuaries and Benefit Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
1. Discount rate	6.15%	7.00%
2. Salary escalation	2% for first two years, 6% thereafter	8.00%
3. Mortality rate	Indian Assured Lives Mortality (2012-04) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
4. Withdrawal rate	20%	20%
5. Retirement age	58 years	58 years

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Balances of defined benefit plan (₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Present value of unfunded defined benefit obligation	737.07	683.96
Fair value of plan assets	-	-
Net liability arising from gratuity	737.07	683.96

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.

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
A. Components of expense recognised in the statement of profit and loss (in employee benefit expenses)		
Current service cost	111.65	99.16
Net interest expenses	43.53	41.62
Total	**155.18**	**140.78**

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
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	(41.16)	5.71
Actuarial (gains) and losses arising from experience adjustments	38.28	(40.41)
Total	**(2.88)**	**(34.70)**

Following is movement in the present value of the defined benefit obligation

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening defined benefit obligation	683.96	641.95
Current service cost	111.65	99.16
Interest cost	43.53	41.62
Remeasurement (gains)/losses:		
Actuarial (Gain) / Loss - Demographic Assumptions	(0.02)	-
Actuarial (Gain) / Loss arising from changes in financial assumptions	(41.16)	5.71
Actuarial (Gain) / Loss arising from experience adjustments	38.28	(40.41)
Past service cost	-	-
Benefits paid	(99.17)	(64.07)
Closing defined benefit obligation	**737.07**	**683.96**

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The result of Sensitivity Analysis on Defined Benefit Obligation due to increase or decrease in discount and salary escalation rate:

(₹ In lakhs)

Assumptions	Year ended 31st March 2020	Year ended 31st March 2019
Impact on discount rate for 100 basis points increase in defined benefit obligation of gratuity	706.40	656.73
Impact on discount rate for 100 basis points decrease in defined benefit obligation of gratuity	770.56	713.57
Impact on salary escalation rate for 100 basis points increase in defined benefit obligation of gratuity	767.71	709.40
Impact on salary escalation rate for 100 basis points decrease in defined benefit obligation of gratuity	708.12	659.47

The rate of mortality and attrition do not have a significant impact on the liability, and hence are not considered for the purpose of sensitivity analysis. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

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 4.84 years (Previous Year: 4.86 years).

Expected Future Cash Flows (₹ In lakhs)

Year	Year ended 31st March 2020	Year ended 31st March 2019
Year 1	143.52	124.22
Year 2	129.54	112.50
Year 3	125.23	104.37
Year 4	97.59	97.69
Year 5	90.54	82.28
Year 6 to 10	244.85	269.32

33.3 The Company has recognised an expense of ₹ 173.87 lakhs (Previous Year ₹ 8.41 lakhs income) for long term compensated absences in the statement of profit and loss. Actuarial Assumption for long-term compensated absences are :

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Discounted rate	6.15%	7.00%
Salary increase	2% for first two years, 6% thereafter	8.00%
Attrition rate	20%	20%
Retirement age	58 Years	58 Years
Mortality tables	Indian Assured Lives Mortality (2012-04) Ultimate	Indian Assured Lives Mortality (2006- 08) Ultimate

34. FINANCIAL INSTRUMENTS AND RISK REVIEW

34.1 Capital Management

The Company being in a working capital intensive industry, its objective is to maintain a strong credit rating, healthy ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capex, working capital, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing capex, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments. The Company manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants.

Gearing ratio

The gearing ratio at end of the reporting period was as follows:

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Debt (i)	64,666.53	73,546.09
Less:- Cash and cash equivalent (iii)	4,094.61	2,225.47
Net debt	60,571.92	71,320.62
Equity (ii)	134,280.45	136,780.86
Net debt to equity ratio	0.45	0.52

(i) Debt is defined as long and short-term borrowings including current maturities of long term debt and Lease Liabilities.

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

(iii) Cash and cash equivalent includes bank deposits with more than 12 months maturity shown under other financial assets.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

34.2 Categories of financial instruments

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Financial assets		
Measured at Amortised Cost		
Cash and cash equivalent	4,050.12	2,160.47
Trade receivables	67,567.49	58,900.32
Loans	42,277.51	38,081.89
Other financial assets	8,076.53	7,542.93
Measured at fair value through profit and loss (FVTPL)		
Investment in preference shares	1,865.10	1,621.20
Financial liabilities		
Measured at Amortised Cost		
Borrowing*	57,053.12	73,546.09
Lease Liabilities	7,613.42	-
Trade payable	26,949.87	24,668.81
Other financial liabilities	1,490.48	1,449.08

* 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.

Fair Value Measurement and related disclosures

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ In lakhs)

Financial assets	Carrying Value / Fair value Year ended 31st March 2020	 Year ended 31st March 2019	Fair value hierarchy
Financial assets at Fair Value Through Profit and Loss (FVTPL)			
1% non cumulative redeemable preference share of The Nilgiris Dairy Farm Limited (Refer note no.5)	1,865.10	1,621.20	Level 2

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instrument by valuation technique:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no transfers between Level 1 and 2 during the period.

Financial assets and financial liabilities that are not measured at fair values (but fair values disclosures are required)

The Company considers that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximates their fair values.

The management assessed that carrying values of financial assets and liabilities other than those disclosed above such as trade receivable, loans, finance lease obligations, cash and cash equivalents, other bank balances and trade payables are reasonable approximations of their fair values.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

34.3 Financial risk management objectives

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

34.4 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.

34.5 Foreign Currency Risk Management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company has a Forex policy approved by the Board of Director.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The Year end unhedged foreign currency exposures are given below :-

(₹ In lakhs)

Particulars	Foreign Currency	As at 31st March 2020		As at 31st March 2019	
		Amount (Foreign Currency)	Amount (INR)	Amount (Foreign Currency)	Amount (INR)
Receivables :					
Trade receivables & loans given	USD	67.51	5,089.29	65.51	4,531.50
Payables :					
Trade payables	USD	2.54	191.80	1.10	75.96
Trade payables	CHF	-	-	2.92	203.28
Total Payables			**191.80**		**279.23**

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 and pre tax equity where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

(₹ In lakhs)

Foreign currency	As at 31st March 2020		As at 31st March 2019	
	10% strengthen	10% weakening	10% strengthen	10% weakening
USD	(489.75)	489.75	(445.55)	445.55
CHF	-	-	20.33	(20.33)

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

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

34.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like commercial paper and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides break-up of Company's fixed and floating rate borrowings:

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Variable interest rate borrowings	29,124.67	36,171.61
Fixed interest rate borrowings	28,005.08	37,374.48
Total	**57,129.75**	**73,546.09**

<u>Interest rate risk sensitivity:</u>

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit and pre-tax equity. A positive is increase in profit and negative is decrease in profit.

(₹ In lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Impact on profit	(145.62)	145.62	(181.28)	181.28

34.7 Other price risks

The Company's exposure to other risks arises from investments in preference shares amounting to ₹ 1,865.10 lakhs (Previous Year ₹ 1,621.20 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 2020 would increase/decrease by ₹ 93.26 lakhs (Previous year by ₹ 81.06 lakhs)

34.8 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, other deposits, other receivables, security deposits and from credit exposures to customers, including outstanding receivables.

The Company has limited credit risk arising from cash and cash equivalents as the deposits are maintained with banks and financial institutions with high credit rating. Further, the loans are given to group entities and they have generally been regular in making the payments as per the loan arrangements. The Company has majority of its security deposits placed with group entities for renting of warehouses and other storage units. The Company has a policy in place whereby it evaluates the recoverability of these financial assets at each quarter ended date and wherever required, a provision is created against the same.

Since most of Company's transactions are done on credit, the Company is exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose the Company to credit risk and can impact profitability. Company's maximum credit exposure is in respect of trade receivables of ₹ 71,530.17 lakhs and ₹ 58,943.20 lakhs as at March 31, 2020 and March 31, 2019, respectively and other receivables of ₹ 8,393.25 lakhs and ₹ 4,238.20 lakhs as at March 31, 2020 and March 31, 2019, respectively. The Company adopted an effective receivable management system to control the Days' Sales Outstanding. Refer below note for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables. Apart from Future Retail Limited, being the largest customer of the company, the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

risk related to Future Retail Limited did not exceed 85% (Previous Year: 85%) 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 average credit period on sales of goods is 7 to 90 days. No interest is charged on trade receivables.

For trade receivables and other receivables, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Age of receivables

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
less than 60 days	64,785.32	45,704.99
61 to 90 days	4,608.28	6,410.98
91 to 180 days	1,326.50	5,405.44
more than 180 days	810.08	1,378.91
Less: Expected credit loss allowance	(3,962.68)	-
Total	**67,567.50**	**58,900.32**

Credit risk from balances with banks is managed by Company's treasury in accordance with the Board approved policy.

34.9 Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure for capex. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ In lakhs)

Particulars	Weighted average effective interest rate	Less than 1 year	1 to 5 years	5 years and above	Total	Carrying amount
<u>As at 31st March 2020</u>						
<u>Variable interest rate borrowings</u>						
Principal	9.87%	29,124.67	-	-	29,124.67	29,124.67
Interest		2,874.39	-	-	2,874.39	-
<u>Fixed interest rate borrowings</u>						
Principal	10.56%	5,690.81	22,458.53	-	28,149.34	28,005.08
Interest		2,848.91	5,187.20	-	8,036.11	-
Lease Liability		1,925.95	5,761.19	5,462.88	13,150.02	-
Financial guarantee contracts		12,473.79	-	-	12,473.79	-
Non interest bearing (Trade payable, deposits etc.)		27,181.98	-	-	27,181.98	27,181.98

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

(₹ 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 2019						
Variable interest rate borrowings						
Principal	10.05%	36,256.67	-	-	36,256.67	36,256.67
Interest		3,645.08	-	-	3,645.08	-
Fixed interest rate borrowings						
Principal	11.32%	11,527.50	26,545.00	-	38,072.50	37,374.48
Interest		3,999.52	8,394.04	-	12,393.57	-
Financial guarantee contracts		12,983.76	-	-	12,983.76	-
Non interest bearing (Trade payable, deposits etc.)		25,054.52	-	-	25,054.52	25,054.52

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 ₹ 12,375 lakhs (Previous Year ₹ 6,243 lakhs) undrawn facilities at its disposal to further reduce liquidity risks.

35. SHARE BASED PAYMENTS

35.1 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 current year, the Nomination and Remuneration / Compensation Committee has at its meeting held on 12th November 2019, 31st January, 2020 and 25th March, 2020, granted 1,000,000, 1,800,000 and 1,130,000 options respectively under secondary market route (ESOP 2014-Secondary) to certain employees of the Company. The options allotted under ESOP 2014-Secondary 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.

In the previous year, there were no grants granted.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

The following share-based payment arrangements were in existence during the current and prior years:

Option scheme	Number of Options Granted	Grant date	Expiry date	Exercise price (₹)	Share Price at Grant date	Fair value at grant date (₹)
ESOP 2011	15,000,000	26.12.2015	Note-1 below	6.00	26.15	22.49
ESOP 2014-Secondary	15,950,000	15.05.2015		Note-2 below	11.20	7.05
ESOP 2014-Secondary	3,500,000	14.08.2017		Note-2 below	41.25	17.71
ESOP 2014-Secondary	4,900,000	08.11.2017		Note-2 below	60.95	31.03
ESOP 2014-Primary	10,000,000	12.08.2016		21.4	21.50	11.42
ESOP 2014-Secondary	1,000,000	12.11.2019		Note-2 below	25.20	5.91
ESOP 2014-Secondary	1,800,000	31.01.2020		Note-2 below	23.95	6.97
ESOP 2014-Secondary	1,130,000	25.03.2020		Note-2 below	8.85	1.19

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.

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

Inputs into the model	ESOP 2011	ESOP 2014-Secondary Grant 1	ESOP 2014-Primary	ESOP 2014-Secondary Grant 2	ESOP 2014-Secondary Grant 3	ESOP 2014-Secondary Grant 4	ESOP 2014-Secondary Grant 5	ESOP 2014-Secondary Grant 6
Expected volatility (%)	56.55%	64.18%	48.88%	38.68%	44.85%	44.08%	47.01%	55.91%
Option life (Years)	4-6	4-6	4-6	4-6	4-6	4-6	4-6	4-6
Dividend yield (%)	0%	0%	0%	0%	0%	0%	0%	0%
Risk-free interest rate (Average)	7.82% - 8.09%	7.55% - 7.91%	7.12%- 7.25%	6.43% - 6.64%	6.67% - 6.88%	5.86% - 6.33%	5.94% - 6.38%	5.56% - 6.04%

35.3 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 2020		Year ended 31st March 2019	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period				
ESOP 2011	200,000	6.00	5,025,017	6.00
ESOP 2014 secondary	11,884,000	Refer Note-2 above	15,441,500	Refer Note-2 above
ESOP 2014 primary	4,078,000	21.40	7,282,000	21.40
Granted during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	3,930,000	Refer Note-2 above	-	-
ESOP 2014 primary	-	-	-	-
Forfeited during the period				
ESOP 2011	-	-	200,000	6.00
ESOP 2014 secondary	2,525,000	Refer Note-2 above	139,980	Refer Note-2 above
ESOP 2014 primary	-	-	800,000	21.40
Exercised during the period				
ESOP 2011	200,000	6.00	4,625,017	6.00
ESOP 2014 secondary	543,000	Refer Note-2 above	3,417,520	Refer Note-2 above
ESOP 2014 primary	447,000	21.40	2,404,000	21.40
Expired during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	21,000	-	-	-
ESOP 2014 primary	-	-	-	-
Balance at end of period				
ESOP 2011	-	6.00	200,000	6.00
ESOP 2014 secondary	12,725,000	Refer Note-2 above	11,884,000	Refer Note-2 above
ESOP 2014 primary	3,631,000	21.40	4,078,000	21.40

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

35.4 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	200,000	Various dates	Wt. Avg- 40.65
ESOP 2014 secondary	543,000	Various dates	Wt. Avg- 36.80
ESOP 2014 primary	447,000	Various dates	Wt. Avg- 34.78

35.5 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 1066 days (Previous year: 1194 days).

Out of the ESOPs outstanding, the number of options exercisable are as under :-

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
ESOP 2011	-	200,000
ESOP 2014 secondary	5,945,000	5,164,000
ESOP 2014 primary	3,631,000	328,000

35.6 The expense recognised for employee services received during the year is shown in the following table:

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Expenses arising from equity settled share based payment transactions	(39.21)	392.46
Total expenses arising from share based transactions	**(39.21)**	**392.46**

36. RELATED PARTY TRANSACTION

36.1 Name of Related Party and Nature of Relationship

a) Subsidiary Companies

Aadhaar Wholesale Trading and Distribution Limited

Affluence Food Processors Private Limited (w.e.f. 6th November 2018)

Appu Nutritions Private Limited

Avante Snack Foods Private Limited (w.e.f 18th March 2020)

Bloom Foods and Beverages Private Limited

Delect Spices and Herbs Private Limited (w.e.f.18th July 2019)

FCEL Food Processors Limited

FCEL Overseas FZCO

FCL Tradevest Private Limited

Future Consumer Products Limited

Future Food and Products Limited

Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)

Genoa Rice Mills Private Limited (w.e.f. 27th September 2019)

Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)

Nilgiri's Mechanised Bakery Private Limited

Nilgiris Franchise Limited (Formerly known as Nilgiris Franchise Private Limited)

The Nilgiri Dairy Farm Private Limited

b) Associate

Sarjena Foods Private Limited
Amar Chitra Katha Private Limited (w.e.f. 14th December 2018)

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

c) **Joint Venture**
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)
Aussee Oats Milling (Private) Limited
Fonterra Future Dairy Private Limited (w.e.f 1st December 2018)
Genoa Rice Mills Private Limited (upto 26th September 2019)
Hain Future Natural Products Private Limited
Mibelle Future Consumer Products AG
Mibelle India Consumer Products Private Limited (w.e.f 22nd May 2018)
MNS Foods Limited (Formerly known as MNS Foods Private Limited)
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)
Amar Chitra Katha Private Limited (upto 13th December 2018)
Avante Snack Food Private Limited (upto 17th March 2020)
Affluence Food Processors Private Limited (upto 5th Nov 2018)

d) **Key Management Personnel (KMP) and their relatives**
Executive Directors
Mr. Narendra Baheti
Ms. Ashni Biyani
Non Executive Directors
Mr. Kishore Biyani
Mr. Ghyanendra Nath Bajpai
Mr. Adhiraj Harish
Ms. Vibha Rishi (Ceased to be director w.e.f 14th September 2018)
Ms. Neha Bagaria (Appointed w.e.f. 20th March 2019 upto 28th March 2020)
Mr. Deepak Malik
Mr. Fredric De Mevius
Mr. K K Rathi
Mr. Harminder Sahni (Appointed w.e.f 14th September 2018)
Relatives of KMP
Mr. Rajendra Baheti
Ms. Archana Baheti
Ms. Sunder Devi Baheti
Mr. Amulya Baheti

e) **Entities controlled / having significant influence by KMP and their relatives**
Future Corporate Resources Private Limited
Future Enterprises Limited
Future Ideas Company Limited
Future Lifestyle Fashion Limited
Future Retail Limited
Future Supply Chain Solutions Limited
Premium Harvest Limited
TDI Textiles Mills Private Limited

36.2 Transactions with Related Party

(₹ In lakhs)

Nature of transactions	Subsidiary	Associate	Joint Venture	Key Management Personnel (KMP) and their relatives	Entities controlled / having significant influence by KMP and their relatives
Purchase of property, plant and equipment	-	-	-	-	2.68
	(7.07)	(-)	(-)	(-)	(38.58)
Investment in Equity Shares	3,480.14	-	2,481.27	-	-
	(14,187.14)	(-)	(1,651.81)	(-)	(-)
Investment in Debentures	-	-	-	-	-
	(-)	(-)	(4,976.91)	(-)	(-)
Inter corporate deposits given	39,109.77	-	4,529.08	-	-
	(32,082.94)	(-)	(8,246.83)	(-)	(-)
Inter corporate deposits received back	46,548.31	150.00	4,990.08	-	-
	(24,554.86)	(-)	(10,997.43)	(-)	(-)

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

(₹ In lakhs)

Nature of transactions	Subsidiary	Associate	Joint Venture	Key Management Personnel (KMP) and their relatives	Entities controlled / having significant influence by KMP and their relatives
Investment Sold	-	-	-	-	-
	(8,651.55)	(-)	(-)	(-)	(-)
Job Work Charges	882.67	-	199.67	-	-
	(12.63)	(-)	(-)	(-)	(-)
Advance Given	-	-	-	-	-
	(1.13)	(-)	(-)	(-)	(75.45)
Corporate guarantees given	-	-	2,503.86	-	-
	(4,255.93)	(-)	(2,413.00)	(-)	(-)
Share application	-	-	-	-	-
	(925.00)	(-)	(250.00)	(-)	(-)
Sale of products	11,291.86	-	94.97	-	263,535.24
	(19,929.89)	(-)	(392.68)	(-)	(250,800.79)
Royalty income	-	-	-	-	2.93
	(-)	(-)	(-)	(-)	(7.59)
Interest income	4,255.29	10.85	843.98	-	-
	(3,529.82)	(5.55)	(1,102.52)	(-)	(-)
Loan Given	-	-	-	-	-
	(-)	(-)	(272.00)	(-)	(-)
Rent income	319.70	-	131.25	-	-
	(90.00)	(-)	(343.13)	(-)	(-)
Franchise fees income	-	-	-	-	241.63
	(-)	(-)	(-)	(-)	(238.23)
Recovery of expenses	137.87	-	549.18	-	5,656.00
	(47.13)	(-)	(506.85)	(-)	(5,398.00)
Purchase of goods	1,719.98	68.15	3,385.85	-	9,085.00
	(1,130.71)	(348.35)	(7,635.06)	(-)	(10,840.54)
Managerial remuneration*	-	-	-	471.00	-
	(-)	(-)	(-)	(1,083.79)	(-)
Rent expenses	838.17	-	-	24.56	1,002.84
	(909.14)	(-)	(-)	(23.69)	(947.23)
Reimbursement of Expenses	36.97	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Royalty expenses	1.89	-	-	-	-
	(4.92)	(-)	(-)	(-)	(-)
Warehousing Distribution and Transportation charges	19.21	-	-	-	2,360.84
	(-)	(-)	(-)	(-)	(2,184.61)
Sitting fees	-	-	-	27.50	-
	(-)	(-)	(-)	(19.75)	(-)
Marketing expenses	-	-	-	-	513.60
	(-)	(-)	(-)	(-)	(1,019.19)
Other expenses	64.68	-	-	-	7.43
	(59.84)	(-)	(-)	(-)	(10.80)

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

Balance as at 31st March, 2020 (₹ In lakhs)

Nature of transactions	Subsidiary	Associate	Joint Venture	Key Management Personnel (KMP) and their relatives	Entities controlled / having significant influence by KMP and their relatives
Trade and other receivable	3,331.24	-	141.48	-	74,101.83
	(5,861.82)	(-)	(505.95)	(-)	(54,542.23)
Interest receivable	2,043.03	20.98	900.56	-	-
	(1,826.00)	(117.77)	(758.03)	(-)	(-)
Prepaid expenses	54.27	-	-	-	-
	(50.79)	(-)	(-)	(-)	(-)
Inter corporate deposits outstanding	36,265.30	-	6,012.21	-	-
	(31,643.30)	(150.00)	(6,016.46)	(-)	(-)
Security deposit given outstanding	157.32	-	-	2.50	-
	(157.32)	(-)	(-)	(-)	(-)
Loan given outstanding	-	-	-	-	-
	(-)	(-)	(272.00)	(-)	(-)
Advances given outstanding	33.60	74.99	4.06	-	-
	(1.13)	(153.37)	(4.06)	(-)	(-)
Security deposit received outstanding	125.00	-	-	-	-
	(-)	(-)	(125.00)	(-)	(-)
Trade payables outstanding	555.36	2.62	162.88	0.40	1,248.30
	(237.28)	(-)	(1,119.51)	(-)	(2,322.01)
Payable on purchase of capital goods	-	-	-	-	0.35
	(-)	(-)	(-)	(-)	(-)
Corporate guarantees outstanding	3,971.16	-	6,713.16	-	-
	(7,820.72)	(-)	(5,163.00)	(-)	(-)

Figures in bracket represent previous year's figures.

36.3 Disclosure in respect of Material Transactions with Related Parties

(₹ In lakhs)

Nature of transactions	2019-20	2018-19
Purchase of property, plant and equipments		
Future Retail Limited	2.68	38.58
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	-	7.07
Reimbursement of Expenses		
FCEL Overseas FZCO	36.97	-
Investment in Equity Shares		
Aadhaar Wholesale Trading and Distribution Limited	2,504.47	916.75
FCL Tradevest Private Limited	1,075.00	11,693.60
The Nilgiri Dairy Farm Private Limited **	(37.20)	20.65
Future Food and Products Limited	-	191.00
Aussee Oats Milling (Private) Limited	681.27	18.84
Fonterra Future Dairy Private Limited	1,300.00	250.00
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	-	970.15
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	-	10.60
Mibelle Future Consumer Products AG	-	285.99
Sale of Investments		
FCL Tradevest Private Limited	-	8,651.55
Investment made in Debentures		
Amar Chitra Katha Private Limited	-	4,976.91
Loan Given		
Mibelle India Consumer Products Private Limited	-	272.00

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

(₹ In lakhs)

Nature of transactions	2019-20	2018-19
Inter corporate deposits given		
Aadhaar Wholesale Trading and Distribution Limited	12,377.00	9,207.50
Amar Chitra Katha Private Limited	-	3,838.50
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	14,937.00	11,347.70
The Nilgiri Dairy Farm Private Limited	7,198.00	5,029.00
Inter corporate deposits received back		
Aadhaar Wholesale Trading and Distribution Limited	14,348.12	6,920.00
Amar Chitra Katha Private Limited	150.00	7,941.82
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	11,314.70	8,171.91
Future Food Processing Limited	6,943.45	2,640.50
The Nilgiri Dairy Farm Private Limited	7,454.00	4,229.90
Job Work Charges		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	44.34	12.63
Affluence Food Processors Private Limited	450.00	-
Geona Rice Mill Private Limited	588.00	-
Advance Given		
Future Enterprises Limited	-	75.45
Corporate guarantees given		
Aussee Oats Milling (Private) Limited	753.86	-
Fonterra Future Dairy Private Limited	1,250.00	-
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	-	825.00
Hain Future Natural Products Private Limited	500.00	1,588.00
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	-	3,805.93
Bloom Foods and Beverages Private Limited (Formerly known as Bloom Fruit and Vegetables Private Limited)	-	450.00
Share application		
FCL Tradevest Private Limited	-	925.00
Fonterra Future Diary Private Limited	-	250.00
Sale of products		
Future Retail Limited	263,158.52	246,773.68
Aadhaar Wholesale Trading and Distribution Limited	5,526.94	10,268.17
The Nilgiri Dairy Farm Private Limited	5,223.30	9,249.84
Royalty income		
Future Lifestyle Fashions Limited	2.93	4.35
Future Retail Limited	-	3.24
Interest income		
Aadhaar Wholesale Trading and Distribution Limited	1,298.07	983.08
Aussee Oats Milling (Private) Limited	532.09	397.45
Amar Chitra Katha Private Limited	10.85	414.19
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	1,635.79	1,266.66
The Nilgiri Dairy Farm Private Limited	805.44	597.22
Rent income		
Aadhaar Wholesale Trading and Distribution Limited	3.75	18.00
Affluence Food Processors Private Limited	180.00	159.00
Genoa Rice Mills Private Limited	267.20	254.48
Franchise fees income		
Future Retail Limited	241.63	238.23
Recovery of expenses		
Fonterra Future Diary Private Limited	-	220.01
Future Corporate Resources Private Limited	5,656.00	5,398.00
Mibelle India Consumer Products Private Limited	495.10	211.75
Hain Future Natural Products Private Limited	1.25	1.21
Mibelle Future Consumer Products AG	-	56.87
Purchase of goods		
Premium Harvest Limited	9,085.00	9,792.97
Genoa Rice Mills Private Limited	-	3,056.64
The Nilgiri Dairy Farm Private Limited	602.70	744.34

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

(₹ In lakhs)

Nature of transactions	2019-20	2018-19
Managerial remuneration		
Ms. Ashni Biyani *	216.84	170.51
Mr. Narendra Baheti *	150.24	806.43
Mr. Rajendra Baheti*	94.43	94.20
Rent expenses		
Future Retail Limited	579.63	549.41
Future Supply Chain Solutions Limited	113.03	181.95
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	838.17	906.23
Royalty expenses		
Future Consumer Products Limited	1.89	4.92
Warehousing Distribution and Transportation charges		
Future Supply Chain Solutions Limited	2,360.84	2,184.61
Sitting fees		
Mr. Ghyanendra Nath Bajpai	5.50	4.25
Mr. Kishore Biyani	4.50	3.25
Mr. Adhiraj Harish	5.75	3.50
Mr. Harminder Sahni	3.25	1.75
Mr. K K Rathi	4.75	4.00
Ms. Vibha Rishi	-	2.00
Marketing expenses		
Future Retail Limited	511.10	887.85
Future Enterprises Limited	-	116.64
Other expenses		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	63.35	59.50
Future Enterprises Limited	5.20	8.33

Balance as at 31st March 2020

(₹ In lakhs)

Nature of transactions	2019-20	2018-19
Trade and other receivable		
Aadhaar Wholesale Trading and Distribution Limited	1,498.55	3,694.68
Future Corporate Resources Private Limited	7,694.43	4,254.00
Future Retail Limited	66,060.64	49,762.73
The Nilgiri Dairy Farm Private Limited	1,337.68	1,464.70
Interest receivable		
Aadhaar Wholesale Trading and Distribution Limited	423.05	414.11
The Nilgiri Dairy Farm Private Limited	396.96	209.25
Amar Chitra Katha Private Limited	20.98	117.77
Aussee Oats Milling (Private) Limited	825.16	648.19
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	100.88	228.82
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	980.60	775.13
Prepaid expenses		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	54.27	50.79
Inter corporate deposits outstanding		
Aadhaar Wholesale Trading and Distribution Limited	10,376.38	9,097.50
Aussee Oats Milling (Private) Limited	4,342.01	3,274.39
Amar Chitra Katha Private Limited	-	150.00
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	14,937.00	11,314.70
The Nilgiri Dairy Farm Private Limited	7,198.00	5,029.00
Loan given Outstanding		
Mibelle India Consumer Products Private Limited	-	272.00

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

(₹ In lakhs)

Nature of transactions	2019-20	2018-19
Security deposit given outstanding		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	157.32	157.32
Advances given outstanding		
Future Consumer Products Limited	-	1.13
Sarjena Foods Private Limited	74.99	153.37
Bloom Foods and Beverages Private Limited	33.60	-
Security deposit received outstanding		
Genoa Rice Mills Private Limited	125.00	125.00
Trade payables		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	278.85	152.01
Future Supply Chain Solutions Limited	1,198.99	750.47
Mibelle Future Consumer Products AG	-	210.23
Premium Harvest Limited	15.80	1,496.08
The Nilgiri Dairy Farm Private Limited	179.45	85.27
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	60.01	236.76
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	79.79	100.81
Trade payables- CAPEX		
Future Retail Limited	0.35	-
Corporate guarantees outstanding		
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	1,357.13	2,839.06
Aussee Oats Milling (Private) Limited	3,109.83	3,118.64
Fonterra Future Dairy Private Limited	1,169.77	-
The Nilgiri Dairy Farm Private Limited	1,385.03	3,591.06
Hain Future Natural Products Private Limited	1,280.71	1,280.78
Bloom Foods and Beverages Private Limited	1,229.00	1,390.60
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	816.96	315.23

*includes share based payments to managerial personnel.

** Reversal of investment due to cancelation of ESOPs on resignation by employees

36.4 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has recorded an impairment loss of ₹ 7,901.42 lakhs receivables relating to amounts owed by related parties (31 March 2019: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

36.5 Loans & Corporate Guarantees to Related Parties

The Company has given loans and corporate guarantees to subsidiaries and relevant joint ventures in the ordinary course of business to meet the working capital requirements of subsidiaries and joint ventures. (Refer note 39)

36.6 Compensation of key management personnel

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Short term employee benefits	471.00	446.66
Share-based payment transactions	-	656.88
Total compensation paid to key management personnel	471.00	1,103.54

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

This do not include the provision made for gratuity and expenses for Leave Encashment as they are determined on an actuarial basis for the Company as a whole.

Directors interest in ESOP

Grant Date	Expiry Date	Exercise Price (₹)	Nos o/s as on March 20	Nos o/s as on March 19
12.08.2016	12.08.2022	21.40	2,500,000	2,500,000

37. CONTINGENT LIABILITIES

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Claims against the company not acknowledged as debt*	40.16	35.45
Disputed income tax demands	-	-
Disputed sales tax and excise matters	130.03	736.22
Corporate guarantees issued to banks and financial institutions are against credit facilities issued to third parties (Loans outstanding as at 31st March 2020 ₹ 10,684.32 lakhs; Previous Year ₹ 12,983.76 lakhs)	21,260.74	21,270.54
	21,430.93	**22,042.20**

* Does not include cases where liability is not ascertainable.

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

38. CAPITAL COMMITMENT

The estimated amount of contracts remaining to be executed on capital account as at 31st March 2020 is ₹ 74.12 lakhs (Previous Year ₹ 105.63 lakhs)

39. DISCLOSURE REQUIREMENT OF LOANS AND ADVANCES/ INVESTMENTS AS PER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

(₹ In lakhs)

Name of the Company	Outstanding Loan Amount		Maximum Loan Amount Outstanding	
	As at 31st March 2020	As at 31st March 2019	During the year ended 31st March 2020	During the year ended 31st March 2019
Subsidiaries:				
Aadhaar Wholesale Trading and Distribution Limited	10,376.38	9,097.50	13,853.00	10,347.50
The Nilgiri Dairy Farm Private Limited	7,198.00	5,029.00	8,286.00	6,054.90
Integrated Food Park Limited	14,937.00	11,314.70	15,583.00	12,437.35
Nilgiris Franchisee Limited	44.00	40.00	84.00	75.00
Bloom Foods and Beverages Private Limited	1,006.00	565.50	1,406.00	1,046.00
FCEL Food Processors Limited	11.50	5.60	17.10	10.60
Future Food Processing Limited	1,359.52	3,020.59	3,085.59	3,249.91
Future Food and Products Limited	775.90	1,245.00	1,245.00	1,443.00
FCL Tradevest Private Limited	41.00	-	41.00	-

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

(₹ In lakhs)

Name of the Company	Outstanding Loan Amount		Maximum Loan Amount Outstanding	
	As at 31st March 2020	As at 31st March 2019	During the year ended 31st March 2020	During the year ended 31st March 2019
FCEL Overseas FZCO	-	553.37	1,182.47	651.82
Genoa Rice Mill Private Limited (w.e.f 26th September 2019)	516.00	-	862.00	-
Affluence Food Processor Private Limited	-	772.17	772.17	980.00
Joint ventures:				
Amar Chitra Katha Private Limited (Upto December 13, 2018)*	-	-	-	5,319.00
Aussee Oats Milling (Private) Limited *	4,342.01	3,274.39	5,550.98	3,324.75
Aussee Oats India Limited *	75.00	381.00	381.00	411.00
Sublime Food Limited*	848.00	658.50	1,120.00	1,089.90
MNS Food Limited*	747.20	725.17	988.20	793.20
Genoa Rice Mills Private Limited (upto 26th September 2019)	-	777.40	777.40	977.40
Mibelle India Consumer Products Private Limited	-	272.00	402.00	272.00
Hain Future Natural Products Limited	-	200.00	375.00	200.00
Associate:*				
Amar Chitra Katha Private Limited (From December 14, 2018)	-	150.00	150.00	150.00
	42,277.51	**38,081.89**		

* These Companies are treated as subsidiaries as per the provision of Section 2(87) of the Companies Act, 2013.

40. 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 2020	As at 31st March 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end*	2,881.96	3,040.36
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	8.00	0.74
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	20.48	12.48
Further interest remaining due and payable for earlier periods	12.48	11.74

* Out of this ₹ 671.43 lakhs is overdue

The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprise as on the basis of information available with the Company

41. The amount of borrowing costs capitalised on Combi Mills during the year ended March 31, 2020 was ₹ NIL (March 31, 2019: ₹ 200.69 lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation was 10.90%, which is the effective interest rate of the specific borrowing.

Capital WIP includes flour warehouse of ₹ 485 lakhs, cookie plant expansion of ₹ 71 lakhs, R&D lab extension of ₹ 97 lakhs and spice machine of ₹ 1.19 lakhs. Total amount of CWIP is ₹ 654.19 lakhs. (March 31, 2019: ₹ 130.10 lakhs).

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

(₹ In lakhs)

42.

Particulars	31st March 2020	31st March 2019
Investment in Aussee Oats Milling Private Limited (refer Note a)	1,626.00	1,626.00
Assets at Dal Mill (refer Note b)	409.08	-
Total	**2,035.08**	**1,626.00**

Note a

The Company has entered into a definitive agreement of sale with respect to its investments in equity and preference shares of Aussee Oats Milling Private Limited at fair value to FCL Tradevest Private Limited. Since the same have not been transferred as on March 31, 2020, these investments have been classified as non-current assets held for sale.

Note b

The Company intends to sell its Land ₹ 222.42 lakhs, Building ₹ 88.88 lakhs and other Plant & Equipment of ₹ 97.78 lakhs have been classified at cost as non-current assets held for sale as on March 31, 2020.

43. EXCEPTIONAL ITEMS

I **In respect of March 2020**

(₹ In lakhs)

Particulars	Year ended 31st March 2020
Impairment of Investments (Refer Note 43.1 to 43.5)	27,625.74
Impairment of Brand (Refer Note 43.6 below)	400.00
Write off of inter Corporate Loans (Refer Note 43.4 & 43.5 below)	1,137.00
Total	**29,162.74**

43.1 Nilgiri Dairy Farm

The Company has recognized an impairment loss of ₹ 10,668 lakhs on its investment in Nilgiri Dairy Farm Limited, a wholly owned subsidiary due to lower business performance and based on the analysis of recoverable value of its subsidiary. The Equity Value is based on a value in use calculation which uses cash flow projections based on financial budget approved by the management covering a five year period, discounted at a rate of 16% per annum, which is the weighted average cost of capital for the entity. Cash flows beyond the period of five years have been extrapolated at a steady rate of 5% per annum, based on the long-term average growth rate for the entity's business.

43.2 Aadhaar

The Company has recognized an impairment loss of ₹ 15,316 lakhs on its investment in Aadhaar Wholesale Trading & Distribution Limited, a wholly owned subsidiary due to lower business performance and based on the analysis of recoverable value of its subsidiary. The Equity Value is based on a value in use calculation which uses cash flow projections based on financial budget approved by the management covering a five year period, discounted at a rate of 16.5% per annum, which is the weighted average cost of capital for the entity. Cash flows beyond the period of five years have been extrapolated at a steady rate of 5% per annum, based on the long-term average growth rate for the entity's business.

43.3 FCL Tradevest Private Limited

Consequent to the impairment in its step-down subsidiaries viz. Future Food processing Private Limited of ₹ 502 lakhs and Genoa Rice Mills Private Limited of ₹ 125 lakhs due to lower business performance and based on the analysis of recoverable value of its subsidiaries, the Company has recognized an impairment loss of ₹ 627 lakhs on its investment in FCL Tradevest Private Limited, a wholly owned subsidiary.

43.4 FCEL Overseas FZCO

During the year, the Company has fully impaired its investment in FCEL Overseas FZCO, a subsidiary of ₹ 11 lakhs based on the management's decision to discontinue its operations in the investee. Further, the inter corporate loan extended to FCEL Overseas FZCO of ₹ 735 lakhs has also been provided.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

43.5 Mibelle Future Consumer Products A.G.

During the year, the Company has fully impaired its investment in Mibelle Future Consumer Products AG, a Joint Venture of ₹ 1,004 lakhs based on the management's decision to discontinue its operations in the investee. Further, the inter corporate loan extended to Mibelle Future Consumer Products A.G. of ₹ 402 lakhs has also been written off.

43.6 Brand KARA

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 carrying value of brand Kara is determined based on a percentage of royalty method which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a comparable royalty percentage of 3% (Previous year: 3%), discount rate of 12.7% per annum respectively. 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. Due to lower business performance of this brand and based on an analysis of the recoverable value, the Company has recognized an impairment loss of ₹ 400 lakhs on this brand during the year.

II In respect of March 2019

(₹ In lakhs)

Particulars	Year ended 31st March 2019
Net gain on sale of investments (Refer Note 43.8 and 43.9)	2,988.41
Impairment on investments (Refer Note 43.10 to 43.11)	(3,897.05)
Impairment on intangibles and goodwill (Refer Note 44.2)	(1,014.50)
Total	**(1,923.14)**

43.7 The Company, in the process of creating a culture of manufacturing excellence, reorganized the businesses and accordingly in continuation to the press release dated November 3, 2018, Investments in entities with manufacturing operations (4 subsidiaries and 5 Joint ventures, have been sold to a newly formed wholly owned subsidiary i.e. FCL Tradevest Private Limited (FTPL) of the Company at fair value and has received equity shares from FTPL equivalent to the fair value of the Investments sold to FTPL.

Fair value of each entity was determined by an independent valuer based on the management's cash flow projections for a period of five years, discounted at the respective Weighted Average Cost of Capital for each entity, ranging from 12-19% per annum. Cash flows beyond the period of five years have been extrapolated at a steady rate of 4%, which is the projected long term average growth rate for manufacturing entities in the industry. The resultant gain of ₹ 2,988.41 lakhs on sale of the said Investments have been included in exceptional items.

Further, the Company is also reorganizing its operational teams to channelize capex, research and new product development and financing to achieve operational efficiency.

43.8 The Company has entered into a definitive agreement of sale with respect to its investments in equity and preference shares of Aussee Oats Milling Private Limited at fair value to FCL Tradevest Private Limited (Refer note 42). Since the same have not been transferred as on March 31, 2019, these investments have been classified as non-current assets held for sale, and a net impairment loss being the difference between the carrying value and fair value as per agreement of sale has been included in the exceptional items during the year ended March 31, 2019 in the Statement of Profit and Loss.

43.9 The Company has recognized an impairment loss of ₹ 49.84 lakhs on its investment in Affluence Food Processors Private Limited, a wholly owned subsidiary based on the fair valuation. The Fair Value of the entity has been determined by an independent valuer based on management's projected cash flows over a five year period, discounted at a rate of 11.71% per annum, which is the weighted average cost of capital for the entity. Cash flows beyond the period of five years have been extrapolated at a steady rate of 3% per annum, based on the long term average growth rate for the entity's business. This loss has been included in the exceptional items during the year.

43.10 The Company has sold its stake in Amar Chitra Katha Private Limited (ACK) during the year, at a fair value price of ₹ 4,439 lakhs, and an impairment of ₹ 2,101.35 lakhs on the same was included in exceptional items for the year in the Statement of Profit and Loss. The Fair Value has been determined by an independent valuer, based on management's projected cash flows over a five year period, discounted at a rate of 18.00% per annum, which is the weighted average cost of capital for the entity. Cash flows beyond the period of five years have been extrapolated at a steady rate of 5% per annum, based on the long term average growth rate for the entity's business. Further, pursuant to the contract of sale and the Shareholders and Debenture Holders Agreement, inter corporate deposits held in ACK were converted by issue of ₹ 4,977 lakhs' 0.001% Compulsorily Convertible Debentures (CCDs), which are convertible into equity shares of ACK at the fair value of those shares on the date of conversion.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

Due to the significant influence exercised by the Company on ACK as per the terms of the Shareholders and Debenture Holders agreement, the Company has identified ACK as an associate entity. Accordingly, the investment in CCDs of ACK are held at amortized cost.

43.11 The accumulated loss of Future Consumer Products Limited ('FCPL'), a subsidiary company, amounting to ₹ 169.60 lakhs at 31st March 2019 has substantially eroded its net worth. The Company does not foresee positive cash flows. Based on a business valuation the Company has fully impaired its investment of ₹ 1,745.86 lakhs (Investment in equity ₹ 1,620 lakhs, in preference shares of ₹ 125.86 lakhs), included in the exceptional items during the year in the Statement of Profit and Loss.

44. GOODWILL

44.1 Brand Centre of Plate (COP) is into the business of procuring, processing and supplying agricultural commodities in loose and packed form under various brands. 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 9.51% per annum. (Previous year 9.51%) Cash flow projections during the budget period are based on the 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 cash-generating unit.

44.2 KBFP represents convenience store chain KB's Fair price and Big Apple. These stores were mainly operated in Delhi, Mumbai and Bangalore. Due to the decline in sales of these stores and based on an analysis of the recoverable value, the Company has fully impaired its Goodwill of ₹ 614.5 lakhs during the current year which is included in exceptional items in Statement of Profit and Loss.

The carrying value of Brand KBFP which was ₹ 1,288.83 lakhs as on March 31, 2019 is based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five year period, and a discount rate of 13.52% per annum. The cash flows beyond that five-year period have been extrapolated using a steady 0.25% per annum growth rate which is the expected growth rate for the convenience stores. Due to the decline in sales of these stores and based on an analysis of the recoverable value, the Company has recognized an impairment loss of ₹ 400 lakhs on this brand during the year, included in exceptional items for the year in the Statement of Profit and Loss.

45. PARTICULARS OF LOANS GIVEN/ INVESTMENTS MADE/ GUARANTEES GIVEN AS REQUIRED BY CLAUSE (4) OF SECTION 186 OF THE COMPANIES ACT, 2013

(₹ In lakhs)

Nature	Amount	Period	Interest Rate	Purpose
Inter corporate deposits	43,638.85 (40,601.76)	365 - 1095 days	12% to 12.5%	General corporate purpose
Investment made*	6,056.28 (20,710.73)	Not applicable	Not applicable	Not applicable
Guarantees given	2,503.86 (6,668.93)	Not applicable	Not applicable	Availment of term loan / working capital

Figures in brackets relate to previous year

*Investment made includes ₹ 3,093.40 lakhs (previous year ₹ 11,693.60 lakhs) transfer of investments to wholly owned subsidiary against consideration of equity shares (Refer note 43.1) and ₹ 2,962.87 lakhs (previous year ₹ 5,127.00 lakhs) Inter Corporate Deposits converted into investments.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

46. DETAILS OF CSR EXPENDITURE

(₹ In lakhs)

Particulars		31 March 2020
a.	Gross amount required to be spent during the year	64.81
b.	Amount spent in cash during the year ending on 31st March, 2020:	
	Construction / acquisition of any asset	-
	Others	64.83
Total		**64.83**
c.	Amount unspent in cash and provided during the year ending on 31st March, 2020	-
	Construction / acquisition of any asset	-
	Others	-
Total		**-**

In previous year, since the Company incurred a loss, computed based on the average profits / (losses) of last three preceding years, the Company was not required to make contribution to CSR initiative.

47. CAPITAL REDUCTION

The Company had filed a Scheme for Reduction of Share Capital with Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") for utilisation of amount of ₹ 28,690.41 lakhs out of the amount of ₹ 31,427.82 lakhs standing to the credit of Securities Premium Account as on 31st December, 2017, for writing off the accumulated losses to the extent of ₹ 28,690.41 lakhs. During the year, the Hon'ble NCLT has approved the said Scheme vide its order dated July 25, 2019. Consequently, the Company has utilised an amount of ₹ 28,690.41 lakhs from Securities Premium account to write off its accumulated losses.

48. COVID NOTE

The outbreak of Coronavirus (COVID-19) pandemic globally and in India impacted the business from mid-March, followed by a nationwide lockdown announced on 24th March, 2020. At FCL and in the rest of the country it caused significant disturbance and slowdown of economic activity. Though, in the latest extension dated effective 1 June 2020, the Government has given several relaxations from lockdown, the level of economic activity in the country continues to be curtailed.

Since the lockdown has started from last week of March 2020, it did not have any significant impact on operations of the Company for FY 19-20. However due to lockdown related restrictions, the sales performance subsequent to March 2020 is impacted. The Company is engaged in the essential commodities and was allowed to carry on certain activities though it has faced issues in the supply chain due to severe transport restrictions and it has also hampered smooth operations of the entire organisation across warehouses, packing centres and administrative offices. Across the value chain, our suppliers faced similar problems impacting our ability to be consistent with supplies and sales. Employees health and safety was an important priority, social distancing efforts and government regulations were adhered to ensure continuous supply of essential products.

Further, during the lockdown period, most of our retail - channel partner stores remained closed for operations and stores that were opened, operated for restricted hours as directed by local authorities and customer footfalls were significantly lower than normal during the lockdown. Hence, it has adversely impacted the sales performance post March 2020.

In finalising these standalone IndAS financial statements, the Company has considered various internal and external sources of information and indicators of economic forecasts, including the impact of Covid-19 while assessing the carrying amounts of current and non-current assets and its repayment obligations on a timely basis upto the date of approval of these financial results. However, the impact of the global health pandemic and other events may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

NOTES TO THE STANDALONE IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

49. EVENTS OCCURING AFTER THE REPORTING PERIOD

The Board of Directors of the Company have at their meeting held on May 16, 2020 considered and approved the raising of funds, up to ₹ 300 Crore, by way of issuing equity shares having face value of ₹ 6/- each of the Company on a rights basis ("Rights Issue") to the eligible equity shareholders of the Company, as on the record date to be determined by the Board (including its duly authorized committee) in due course in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Companies Act, 2013 and the rules framed thereunder, and other applicable laws and subject to receipt of relevant approval from any regulatory authority, as may be required.

50. PREVIOUS YEAR NOTE

Previous year figures have been regrouped and re-classified where necessary to make them comparable.

Summary of significant accounting policies	2
The accompanying notes are an integral part of the financial statements	1- 50

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No : 105497

Place : Mumbai
Date : 10 July 2020

For and on behalf of the Board of Directors of Future Consumer Limited

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Sailesh Kedawat
Chief Financial Officer

Place : Mumbai
Date : 10 July 2020

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Future Consumer Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Future Consumer Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint ventures comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at March 31, 2020, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, associate and joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 51 of the Consolidated Ind AS financial statements, which states the impact of Coronavirus disease 2019 (COVID-19) on the operations and financial position of the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Impairment of Investments (as described in Note 44 of the Consolidated Ind AS financial statements)</td></tr>
<tr><td>During the year, impairment indicators were identified by the management on certain investments wherein net worth is negative or investment value is higher than the Group's share in net worth. As a result, an impairment assessment was required to be performed by the Group by comparing the carrying value of these investments to their recoverable amount to determine whether an impairment loss was required to be recognised.

For the purpose of the above impairment testing, value in use has been determined by forecasting and discounting future cash flows. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows.

Also, the determination of the recoverable amount of the investments involved judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.

Accordingly, the impairment of investments was determined to be a key audit matter in our audit of the Consolidated Ind AS financial statements.</td><td>Our audit procedures included and were not limited to the following:
• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Group has in relation to impairment review processes;
• We assessed the Group's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluated the objectivity and independence of Group's internal and external specialists involved in the process;
• We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates, impact of the Covid 2019 pandemic and its effect on business and terminal growth rates used;
• We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts;
• We involved internal experts to assess the Group's valuation methodology and assumptions around the key drivers of the cash flow forecasts, applied in determining the recoverable amount. In making this assessment, we evaluated the competence and objectivity of the internal experts;
• We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used;
• We assessed the disclosures made in the consolidated Ind AS financial statements as per Ind AS 107</td></tr>
<tr><td colspan="2">Related Party Transactions (Refer Note 38 of the Consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group has significant transactions with Related Parties which includes sale of products, services, rent, loans and advances given and interest income.

Group's top customer which is a related party contributes about 89% of the total revenue of the Group.

Considering the high volume of transactions with related parties and determination of arm's length price to be a key audit matter in our audit of the consolidated Ind AS financial statements.</td><td>Our audit procedures included and were not limited to the following:
• We performed test of controls over related party transactions with respect to approval of transactions by the Board of Directors of the Holding Company, entering into agreements/contracts and recording in books of account;
• We read contracts and agreements with related parties to understand the nature of the transactions;
• We read the transfer pricing report as prepared by third party consultant to assess whether the transactions are at arm's length;
• We read the inputs used in the transfer pricing report as prepared by third party consultant;
• We assessed the disclosures made in the consolidated Ind AS financial statements as per Ind AS 24.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Recognition of Deferred Tax Assets (as described in Note 8 of the Consolidated Ind AS financial statements)	
The Group has partially recognized deferred tax asset on carry forward tax losses, considering forecasted future taxable profits. The estimate of future taxable profits is based on the future business plans. The recognition of deferred tax asset is therefore sensitive to changes in the business plan and hence there is inherent uncertainty involved in projecting future profits. This area was important to our audit due to the amount of deferred tax recognized on the tax losses as well as the judgment involved in management's assessment of the likelihood and magnitude of forecasting future taxable profits. This assessment requires the management to make assumptions to be used in the forecasts of future taxable profits, including expectations for future sales and margin developments and overall market and economic conditions. Accordingly, recognition of deferred tax asset was determined to be a key audit matter in an audit of the consolidated Ind AS financial statements.	Our audit procedures included and were not limited to the following: • We evaluated the management's assumptions on the projected profit forecasts keeping in view the current economic environment; • We assessed the historical accuracy of management's assumptions and estimation process by comparing the actual financials against previously forecasted financials; • We compared the key inputs used by the Group to forecast future taxable income to externally available data; • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Holding Company has in relation to budget review processes; • We assessed the disclosures made in the consolidated Ind AS financial statements as per Ind AS 12.
Impairment of Goodwill (as described in Note 45 of the Consolidated Ind AS financial statements)	
The Group is required to, at least annually, perform impairment assessments of goodwill recognized in books. The Group performs an annual impairment assessment of Goodwill to determine whether the recoverable value is below the carrying amount. We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied. The current economic climate also increases the complexity of forecasting. Accordingly, the impairment test of goodwill is considered to be a key audit matter in our audit of the consolidated Ind AS financial statements.	Our audit procedures included and were not limited to the following: • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Holding Company has in relation to goodwill impairment review processes; • We assessed the Group's valuation methodology applied in determining the recoverable amount. In making this assessment, we evaluated the objectivity and independence of Group's internal and external specialists involved in the process; • We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates, impact of the Covid 2019 pandemic and its effect on business and terminal growth rates used. • We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • We Involved internal experts to assess the Group's valuation methodology and assumptions around the key drivers of the cash flow forecasts, applied in determining the recoverable amount. In making this assessment, we evaluated the competence and objectivity of the internal experts. • We assessed the recoverable value headroom by performing sensitivity testing of key assumptions used; • We assessed the disclosures made in the consolidated Ind AS financial statements as per Ind AS 36.

Key audit matters	How our audit addressed the key audit matter
Carrying Value of Trade and Other Receivables (as described in Note 12 and Note 7 of the Consolidated Ind AS financial statements)	
As at March 31, 2020, Trade and Other Receivables constitutes approximately 37% of total assets of the Group. The Group is required to regularly assess the recoverability of its Trade and Other receivables. Recoverability of Trade and Other receivables was significant to our audit due to the value of amounts which also represents significant portion of the Group's working capital. Considering the adverse impact of the coronavirus outbreak on the operations of all major industries, there is a significant amount of judgment required in making provision of expected credit loss on trade and other receivables. Creation of expected credit loss involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money. Management provide disclosure on expected credit loss in Note 2.22 of Accounting policy section as well as Note 12 of Trade Receivable and Note 7 of Other Financial Assets. Accordingly, the recoverability of Trade and Other Receivables is a key audit matter in our audit of the consolidated Ind AS financial statements.	Our audit procedures included and were not limited to the following: • We tested the aging of trade and other receivables and receipts subsequent to the year-end; • We evaluated the Management's assessment of the customers' financial circumstances and ability to pay. These considerations include whether there are regular receipts from the customers, past collection history as well as an assessment of the customers' credit ability to make payments; • We obtained an understanding, evaluated the design, and tested the operating effectiveness of the controls that the Holding Company has for review of credit loss allowance process; • We assessed the Group's Expected Credit Loss model applied in determining the recoverable amount. In making this assessment, we evaluated the objectivity and independence of Group's personnel involved in the process; • We obtained direct confirmation for all major receivable balances; • We assessed the adequacy of the Group disclosures in relation to Trade and Other receivables included in the Consolidated Ind AS financial statements as per Ind AS 109.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report, Directors' Report and Management Discussion and Analysis, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the

Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a. We did not audit the financial statements and other financial information, in respect of 12 subsidiaries, whose Ind AS financial statements include total assets of ₹ 49,088.97 lakhs as at March 31, 2020, and total revenues of ₹ 99,749.44 lakhs and net cash outflows of ₹ 2,988.80 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 4,488.29 lakhs for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 9 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the report(s) of such other auditors.

b. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ Nil for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate company and joint ventures, none of the directors of the Group's companies, its associate and joint ventures, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate company and joint ventures, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associate and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries, associate and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associate and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint ventures in its consolidated Ind AS financial statements – Refer Note 39 to the consolidated Ind AS financial statements;

ii. The Group, its associate and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associate and joint ventures, incorporated in India during the year ended March 31, 2020.

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

per Pramod Kumar Bapna
Partner
Membership Number: 105497
UDIN: 20105497AAAABT2913

Place: Mumbai
Date: July 10, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of Future Consumer Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Future Consumer Limited (hereinafter referred to as the "Holding Company") 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 Holding Company, its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these 13 subsidiary companies and 3 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and joint ventures incorporated in India.

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

per Pramod Kumar Bapna
Partner
Membership Number: 105497
UDIN: 20105497AAAABT2913

Place: Mumbai
Date: July 10, 2020

CONSOLIDATED BALANCE SHEET

as at 31st March 2020

(₹ In lakhs)

Particulars	Note	As at 31st March 2020	As at 31st March 2019
ASSETS			
1 Non current assets			
(a) Property, plant and equipment	4	37,480.79	58,170.52
(b) Capital work-in-progress		3,604.09	3,062.93
(c) Investment property	4	693.56	701.82
(d) Goodwill	4	6,911.02	14,234.65
(e) Other intangible assets	4	19,449.33	21,434.32
(f) Right-of-use assets	4	13,679.46	-
(g) Financial assets			
(i) Investments	5	6,583.71	7,284.62
(ii) Loans	6	452.29	2,125.67
(iii) Other financial assets	7	919.51	888.41
(h) Deferred tax assets (net)	8	2,281.59	1,899.75
(i) Other assets	9	4,274.02	3,666.50
Total non-current assets		**96,329.37**	**113,469.19**
2 Current assets			
(a) Inventories	10	16,620.12	24,684.80
(b) Financial assets			
(i) Investments	11	1.50	3.56
(ii) Trade receivables	12	76,287.36	67,466.28
(iii) Cash and cash equivalents	13	4,828.98	5,582.98
(iv) Bank balances other than (iii) above	13	1,075.08	1,253.10
(v) Loans	6	6,037.90	4,735.48
(vi) Other financial assets	7	7,965.18	7,038.68
(c) Other assets	9	2,614.53	2,693.81
		115,430.65	**113,458.69**
Assets held for sale	43	11,992.07	-
Total current assets		**127,422.72**	**113,458.69**
Total assets		**223,752.09**	**226,927.88**
EQUITY AND LIABILITY			
1 Equity			
(a) Equity share capital	14	114,459.41	114,428.54
(b) Other equity	15	(9,036.45)	(15,407.47)
Equity attributable to owners of the Group		**105,422.96**	**99,021.07**
(c) Non-controlling interests	16	1.26	(240.02)
Total equity		**105,424.22**	**98,781.05**
Liability			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	22,381.67	27,770.87
(ii) Lease Liabilities		7,063.63	-
(iii) Other financial liabilities	18	873.86	645.58
(b) Provisions	19	782.70	678.07
(c) Deferred tax liabilities (net)	8	3,462.87	4,133.47
(d) Other non-current liabilities	20	3,425.44	3,753.71
Total non-current liabilities		**37,990.17**	**36,981.70**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	31,537.01	48,172.92
(ii) Lease Liabilities		1,409.64	-
(iii) Trade payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises		3,236.93	3,180.28
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises		27,663.70	26,767.58
(iv) Other financial liabilities	18	10,313.50	8,952.98
(b) Provisions	19	833.46	1,427.53
(c) Other current liabilities	20	5,343.46	2,663.84
Total current liabilities		**80,337.70**	**91,165.13**
Total equity and liability		**223,752.09**	**226,927.88**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements	1- 53		

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No : 105497

Place : Mumbai
Date : 10 July 2020

For and on behalf of the Board of Directors of Future Consumer Limited

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Sailesh Kedawat
Chief Financial Officer

Place : Mumbai
Date : 10 July 2020

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2020

(₹ In lakhs)

Particulars		Note	Year ended 31st March 2020	Year ended 31st March 2019
1.	**REVENUE**			
	(a) Revenue from operations	23	404,033.02	388,064.97
	(b) Other income	24	2,608.49	3,138.18
	Total income		**406,641.51**	**391,203.15**
2.	**EXPENSES**			
	(a) Cost of materials consumed	25	22,658.00	16,553.98
	(b) Purchase of stock-in-trade (traded goods)		320,739.85	321,066.80
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	8,546.64	(2,013.00)
	(d) Employee benefits expenses	27	11,962.45	13,117.77
	(e) Finance costs	28	8,705.12	7,347.73
	(f) Depreciation and Amortisation expenses	29	7,045.05	5,315.49
	(g) Other expenses	30	35,586.97	29,262.42
	Total expense		**415,244.08**	**390,651.19**
3.	**(Loss) / Profit before share of profit /(loss) of an Associate/ Joint Ventures and exceptional items (1-2)**		**(8,602.57)**	**551.96**
4.	Share of Loss in Associate Company and Joint Ventures		(4,697.13)	(2,949.42)
5.	**Loss before exceptional items and Tax (3+4)**		**(13,299.70)**	**(2,397.46)**
6.	**Exceptional items**	44	**(8,533.14)**	**22.41**
7.	**Loss before tax (5+6)**		**(21,832.84)**	**(2,375.05)**
8.	**Tax expense / (benefit)**			
	(a) Current tax		229.56	144.46
	(b) Tax relating to prior years		76.17	81.57
	(c) Deferred tax	8	(488.29)	(1,882.77)
	Net tax expense / (benefit)		**(182.56)**	**(1,656.74)**
9.	**Loss for the period (7-8)**		**(21,650.28)**	**(718.31)**
10.	**Other comprehensive income (OCI)**			
	(a) (i) Items that will not be reclassified to statement of profit and loss			
	Remeasurement (loss) / gain on defined benefit plans		(3.80)	24.64
	Share of other comprehensive income in Associate Company and Joint Ventures		1.21	0.67
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		(0.72)	(12.12)
	(b) (i) Items that will be reclassified to statement of profit and loss			
	Exchange differences in translating the financial statements of foreign operations		(63.65)	(26.85)
	Total other comprehensive income		**(66.96)**	**(13.66)**
11.	**Total comprehensive income (9+10)**		**(21,717.24)**	**(731.97)**
12.	**Loss for the year attributable to:**			
	Owners of the Group		(21,582.77)	(638.75)
	Non-controlling interests		(67.51)	(79.56)
			(21,650.28)	**(718.31)**
	Other comprehensive income for the year attributable to:			
	Owners of the Group		(43.33)	(2.92)
	Non-controlling interests		(23.63)	(10.74)
			(66.96)	**(13.66)**
	Total comprehensive income for the year attributable to:			
	Owners of the Group		(21,626.10)	(641.67)
	Non-controlling interests		(91.14)	(90.30)
			(21,717.24)	**(731.97)**
	Earnings per share after exceptional item attributable to owners of the Group (Face Value ₹ 6 each)	32		
	(a) Basic (₹)		(1.13)	(0.03)
	(b) Diluted (₹)		(1.13)	(0.03)
	Earnings per share before exceptional item attributable to owners of the Group (Face Value ₹ 6 each)	32		
	(a) Basic (₹)		(0.68)	(0.03)
	(b) Diluted (₹)		(0.68)	(0.03)
	Summary of significant accounting policies	2		
	The accompanying notes are an integral part of the consolidated financial statements	1-53		

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No : 105497

Place : Mumbai
Date : 10 July 2020
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors of Future Consumer Limited

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Sailesh Kedawat
Chief Financial Officer

Place : Mumbai
Date : 10 July 2020

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2020

a. Equity Share Capital (Refer note 14)

(₹ In lakhs)

Particulars	Amount
Balance as at 31st March 2018	**114,128.91**
Changes in Equity Share capital during the Year	
Issue of Equity shares under employee share option plan (ESOP) (Refer note 37)	421.74
Shares purchased (net) by ESOP trust treated as treasury Shares	(122.11)
As at 31st March 2019	**114,428.54**
Changes in Equity Share capital during the Year	
Issue of Equity shares under employee share option plan (ESOP) (Refer note 37)	38.82
Shares purchased (net) by ESOP trust treated as treasury Shares	(7.95)
As at 31st March 2020	**114,459.41**

b. Other Equity (Refer note 15)

(₹ In lakhs)

Particulars	Equity Component of compound financial instruments	Reserves & Surplus						Money received against share warrants	Foreign Currency translation reserve	Other Comprehensive Income	Attributable to owners of the Group	Non-controlling interests ("NCI")	Total Other Equity
		Capital Reserve for bargain purchase business combinations	Securities Premium Account	General Reserve	Share Options Outstanding Account	Capital redemption reserve	Retained Earnings						
Balance at 31st March 2018	**-**	**314.94**	**40,968.46**	**0.59**	**2,430.29**	**5.20**	**(58,092.97)**	**-**	**-**	**(230.27)**	**(14,603.76)**	**423.24**	**(14,180.52)**
Loss for the year	-	-	-	-	-	-	(638.75)	-	-	-	**(638.75)**	(79.56)	**(718.31)**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(16.11)	13.19	**(2.92)**	(10.74)	**(13.66)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(638.75)**	**-**	**(16.11)**	**13.19**	**(641.67)**	**(90.30)**	**(731.97)**
NCI for Comprehensive income on Subsidiary	-	-	-	-	-	-	-	-	-	-	**-**	1.64	**1.64**
Recognition of share-based payments	-	-	-	-	1,263.33	-	-	-	-	-	**1,263.33**	-	**1,263.33**
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(1,445.38)	-	-	-	**(1,445.38)**	-	**(1,445.38)**
Transfer to securities premium on exercise of ESOP	-	-	1,318.66	-	(1,318.66)	-	-	-	-	-	**-**	-	**-**
Transfer to retained earnings on exercise of ESOP	-	-	-	-	(267.15)	-	267.15	-	-	-	**-**	-	**-**
Issue of Shares	-	-	351.50	-	-	-	-	-	-	-	**351.50**	-	**351.50**
On account of acquisition additional stake in Subsidiary	-	-	-	-	-	-	(330.20)	-	-	-	**(330.20)**	(574.60)	**(904.80)**
Others	-	-	-	-	-	-	(1.29)	-	-	-	**(1.29)**	-	**(1.29)**
As at 31st March 2019	**-**	**314.94**	**42,638.62**	**0.59**	**2,107.81**	**5.20**	**(60,241.44)**	**-**	**(16.11)**	**(217.08)**	**(15,407.47)**	**(240.02)**	**(15,647.49)**
Effect of adoption of Ind AS 116 (Refer note 3.1)	-	-	-	-	-	-	(503.88)	-	-	-	**(503.88)**	-	**(503.88)**
Balance at 1st April 2019 (Adjusted)	-	314.94	42,638.62	0.59	2,107.81	5.20	(60,745.32)	-	(16.11)	(217.08)	**(15,911.35)**	**(240.02)**	**(16,151.37)**

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2020

(₹ In lakhs)

Particulars	Equity Component of compound financial instruments	Reserves & Surplus: Capital Reserve for bargain purchase business combinations	Reserves & Surplus: Securities Premium Account	Reserves & Surplus: General Reserve	Reserves & Surplus: Share Options Outstanding Account	Reserves & Surplus: Capital redemption reserve	Reserves & Surplus: Retained Earnings	Money received against share warrants	Foreign Currency translation reserve	Other Comprehensive Income	Attributable to owners of the Group	Non-controlling interests ("NCI")	Total Other Equity
Loss for the year	-	-	-	-	-	-	(21,582.77)	-	-	-	**(21,582.77)**	(67.51)	**(21,650.28)**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(40.02)	(3.31)	**(43.33)**	(23.63)	**(66.96)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	-	(21,582.77)	**-**	**(40.02)**	**(3.31)**	**(21,626.10)**	**(91.14)**	**(21,717.24)**
Recognition of share-based payments	-	-	-	-	51.76	-	-	-	-	-	**51.76**	-	**51.76**
Shares held by ESOP Trust treated as treasury shares	-	-	-	-	-	-	(55.81)	-	-	-	**(55.81)**	-	**(55.81)**
Transfer to securities premium on exercise of ESOP	-	-	95.55	-	(95.55)	-	-	-	-	-	**-**	-	**-**
Transfer to retained earnings on exercise of ESOP	-	-	-	-	(39.87)	-	39.87	-	-	-	**-**	-	**-**
Issue of compulsory convertible debentures	26,253.16	-	-	-	-	-	-	-	-	-	**26,253.16**	-	**26,253.16**
Transfer to retained earnings as per capital reduction order (Refer note 48)	-	-	(28,690.41)	-	-	-	28,690.41	-	-	-	**-**	-	**-**
Issue of Share Warrants	-	-	-	-	-	-	-	1,750.00	-	-	**1,750.00**	-	**1,750.00**
Issue of Shares	-	-	68.84	-	-	-	-	-	-	-	**68.84**	-	**68.84**
On account of acquisition of Subsidiary	-	-	-	-	-	-	(0.44)	-	-	-	**(0.44)**	15.38	**14.94**
Effect on account of Deferred Tax on issue expenses and interest on compulsorily convertible debentures (Refer note 8)	-	-	-	-	-	-	433.49	-	-	-	**433.49**	-	**433.49**
NCI written off of a Subsidiary	-	-	-	-	-	-	-	-	-	-	**-**	317.04	**317.04**
As at 31st March 2020	**26,253.16**	**314.94**	**14,112.60**	**0.59**	**2,024.15**	**5.20**	**(53,220.57)**	**1,750.00**	**(56.13)**	**(220.39)**	**(9,036.45)**	**1.26**	**(9,035.19)**

Summary of significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the consolidated financial statements (Refer note 1 - 53)

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No : 105497

Place : Mumbai
Date : 10 July 2020

For and on behalf of the Board of Directors of Future Consumer Limited

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Sailesh Kedawat
Chief Financial Officer

Place : Mumbai
Date : 10 July 2020

Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31st March 2020

(₹ in lakhs)

Particulars	Year ended 31st March 2020		Year ended 31st March 2019	
Cash flows from operating activities				
Net loss before tax as per the Statement of Profit and Loss		(21,832.84)		(2,375.05)
Adjustments to reconcile profit before tax to net cash flows:				
Exceptional items (Refer note 44)	8,533.14		(22.41)	
Finance costs (including fair value change in financial instruments)	8,705.12		7,347.73	
Finance income (including fair value change in financial instruments)	(1,178.90)		(1,530.81)	
Interest on income tax refund	(66.48)		(140.78)	
Share of loss of associate and joint ventures	4,697.13		2,949.42	
Provision no longer required written back	(26.00)		(79.28)	
Net loss / (gain) on disposal of property, plant and equipment	195.98		39.49	
Net loss / (gain) on financial assets measured at fair value through profit or loss	2.06		(21.39)	
Net unrealised exchange (gain) / loss	(64.59)		(26.85)	
Impairment allowance on trade and other receivable and advances written off	8,605.20		253.66	
Depreciation and Impairment of Property, Plant & Equipment & Right-of-Use Assets	5,431.82		3,595.85	
Amortization of intangible Assets	1,613.23		1,719.64	
Share-based payment expenses	(262.03)		576.49	
Gain on termination of Lease Asset	(86.15)	36,099.53	-	14,660.76
		14,266.69		**12,285.71**
Working capital adjustments:				
(Increase) / Decrease in trade and other receivables	(17,518.18)		(21,439.01)	
(Increase) / Decrease in inventories	8,064.68		(1,919.76)	
(Increase) / Decrease in other assets	413.11		956.62	
Increase / (Decrease) in trade payables	543.85		5,805.92	
Increase / (Decrease) in provisions	(493.24)		(30.69)	
Increase / (Decrease) in other liabilities	(1,062.17)	(10,051.95)	(562.69)	(17,189.61)
Cash flow from / (used in) operations		**4,214.74**		**(4,903.90)**
Income taxes (paid) / refund		(890.45)		(634.43)
Net cash flow from / (used in) operating activities		**3,324.29**		**(5,538.33)**
Cash flows from investing activities				
Purchase of investments in financial assets		(1,550.02)		(3,476.05)
Disposal of investments in financial assets		-		5,332.07
Loans given		(4,408.08)		(8,514.07)
Loans refunded		3,327.58		7,974.15
Interest received		973.97		1,555.87
Purchase of property, plant and equipment including CWIP		(1,932.04)		(7,172.54)
Proceeds from sale of property, plant and equipment		403.15		75.82
Purchase of intangible assets		(28.16)		(179.05)
Advance Received Against Assets Held for Sale		1,111.00		-
Net cash flow used in investing activities		**(2,102.60)**		**(4,403.80)**

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31st March 2020

(₹ in lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Cash flows from financing activities		
Proceeds from issue of equity instruments	107.66	791.96
Proceeds from issue of share warrants	1,750.00	-
Purchase of treasury shares	(179.44)	(2,292.68)
Proceeds on exercise of ESOP out of treasury shares	115.67	725.00
Proceeds from issue of equity component of convertible debentures (Net of expenses)	26,253.16	-
Proceeds from issue of debt component of convertible debentures (Net of expenses)	1,453.60	-
Proceeds from long term borrowings (Net of expenses)	-	4,987.50
Repayment of long term borrowings	(5,526.62)	(10,676.40)
Repayment of Lease Liabilities	(1,158.86)	-
Proceeds from short term borrowings (net)	(16,709.80)	25,137.44
Interest paid	(8,169.59)	(7,516.27)
Net cash flow (used in) / from financing activities	**(2,064.22)**	**11,156.55**
Net increase / (decrease) in cash and cash equivalents	**(842.53)**	**1,214.42**
Cash and cash equivalents at the beginning of the year	5,582.98	4,306.69
Add: Upon addition of Subsidiary	88.53	61.87
Cash and cash equivalents at the end of the year (Refer note 13)	**4,828.98**	**5,582.98**

Non-cash investing and financing activities (Refer note 13)

Summary of significant accounting policies (Refer note 2)
The accompanying notes are an integral part of the consolidated financial statements (1 - 53)

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No : 105497

For and on behalf of the Board of Directors of Future Consumer Limited

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Sailesh Kedawat
Chief Financial Officer

Place : Mumbai
Date : 10 July 2020
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Place : Mumbai
Date : 10 July 2020

Financial Statements

FMCG 2.0

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

1. GENERAL INFORMATION ABOUT THE COMPANY

The consolidated financial statements comprise financial statements of the parent Future Consumer Limited ("the Company") and its subsidiaries (collectively, the Group) for the year ended 31 March, 2020. The Company was incorporated in India on 10th July 1996, under the name "Subhikshith Finance and Investments Limited". The name of the Company was changed to "Future Ventures India Private Limited" with effect from 9th August 2007 and it became a Public Limited Company with effect from 7th September 2007 as "Future Ventures India Limited". The shares of the Company are listed on the National Stock Exchange Limited and BSE Limited since 10th May 2011. The name of the Company was changed to "Future Consumer Enterprise Limited" w.e.f. 30th September 2013 and then to "Future Consumer Limited" effective from 13th October 2016.

The registered office of the Company is located at Knowledge House, Shyam Nagar, Off. Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400 060 and the corporate office is located at Embassy 247, Tower 'C', LBS Marg, Vikhroli (West), Mumbai 400 083.

The Group is engaged in the business of sourcing, manufacturing, branding, marketing and distribution of fast moving consumer goods ("FMCG"), Food and Processed Food Products in Urban and Rural India. Earlier, the Company was regulated by the Reserve Bank of India (the "RBI") as a non-deposit taking Non-Banking Financial Company ("NBFC"). The RBI in terms of application made by the Company has vide its order passed on 21st July 2015 cancelled the Certificate of Registration granted to the Company. Consequently, the Company ceased to be an NBFC.

The financial statements were approved for issue in accordance with a resolution of the Board of directors on 10th July 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit planned – plan assets measured at fair value.

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

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

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

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

The principal accounting policies are set out below.

The financial statements are presented in INR, which is the functional currency of the Company and all values are rounded up to two decimal points to the nearest lakh (₹ 00,000), except when otherwise indicated.

2.2 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

Based on the nature of services and the normal time between the acquisition of assets and their realisation into cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Group:

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

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

<u>Consolidation procedure</u>:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

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

<u>Changes in the Group's ownership interests in existing subsidiaries</u>

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

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

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and 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. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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 2020	As at 31st March 2019
Aadhaar Wholesale Trading and Distribution Limited	Subsidiary	100.00%	100.00%
Bloom Foods and Beverages Private Limited	Subsidiary	100.00%	100.00%
Future Consumer Products Limited	Subsidiary	100.00%	90.00%
FCEL Overseas FZCO	Subsidiary	60.00%	60.00%
FCEL Food Processors Limited	Subsidiary	100.00%	100.00%
The Nilgiri Dairy Farm Private Limited ("NDF")	Subsidiary	100.00%	100.00%
Appu Nutritions Private Limited	NDF Subsidiary	100.00%	100.00%
Nilgiri's Mechanised Bakery Private Limited	NDF Subsidiary	100.00%	100.00%
Nilgiris Franchise Limited (Formerly known as Nilgiris Franchise Private Limited)	NDF Subsidiary	100.00%	100.00%
FCL Tradevest Private Limited ("FCL TPL")	Subsidiary	100.00%	100.00%
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	Subsidiary of FCL TPL	100.00%	100.00%
Future Food and Products Limited	Subsidiary of FCL TPL	100.00%	100.00%
Affluence Food Processors Private Limited	Subsidiary of FCL TPL	100.00%	100.00%

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

Name of the Company	Relationship	Proportion of ownership interest and voting power held by the Group	
		As at 31st March 2020	As at 31st March 2019
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	Subsidiary of FCL TPL	99.93%	99.93%
Delect Spices and Herbs Private Limited	Subsidiary of FCL TPL	99.82%	-
Genoa Rice Mills Private Limited (Subsidiary w.e.f. 30 September 2019)	Subsidiary of FCL TPL	100%	50%
Avante Snack Foods Private Limited (Subsidiary of FCL Tradevest Pvt Ltd w.e.f. 31 March 2019)	Subsidiary of FCL TPL	67.03%	67.03%
Mibelle Future Consumer Products AG	Joint Venture	50%	50%
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	Joint Venture (Held by FCL TPL)	50% + 1 Share	50% + 1 Share
Aussee Oats Milling (Private) Limited	Joint Venture	50% + 1 Share	50% + 1 Share
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	Joint Venture (Held by FCL TPL)	50.01%	50.01%
Hain Future Natural Products Private Limited	Joint Venture	50%	50%
Fonterra Future Dairy Private Limited	Joint Venture	50%	50%
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	Joint Venture (Held by FCL TPL)	51%	51%
Sarjena Foods Private Limited	Associate	19.59%	19.59%

2.4 Business combinations

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

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share–based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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

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

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

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' ("Ind AS 37") and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 115 'Revenue' ("Ind AS 115").

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

2.5 Goodwill and impairment of goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business Goodwill is initially measured at cost (refer note 2.4). After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any.

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

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The date of annual impairment assessment of goodwill considered by the Company is March 31, 2020. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

2.6 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 'Property, Plant and Equipment' ("Ind AS 16") requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit and loss in the period in which the property is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying values of its investment properties measured as per the previous GAAP and use that carrying value as their deemed cost at transition date.

2.7 Revenue from contract with customers

The group recognises revenue from the following major sources:

- Sale of consumer product
- Other operating revenue

Sale of consumer product

The group sells fast moving consumer goods ("FMCG"), Food and Processed Food Products.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue was reduced for estimated customer returns, rebates and similar allowances, if any. Revenue from sale of goods was recognised when the goods were delivered and titles have passed. i.e. the group had transferred to the buyer the significant risks and rewards of ownership of goods; the group retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue could be measured reliably; it was probable that the economic benefits associated with the transaction would flow to the group; and the costs incurred or to be incurred in respect of the transaction could be measured reliably.

The group recognizes revenue on the sale of goods, net of discounts, sales incentives and rebates granted, if any, when control of the goods is transferred to the customer.

Nature, timing of satisfaction of performance obligation and transaction price (Fixed and variable)

The group recognises revenue when it transfers control of a product or service to a customer.

The control of goods is transferred to the customer depending upon the terms or as agreed with customer or delivery basis (i.e. at the point in time when goods are delivered to the customer or when the customer purchases the goods from the group warehouse). Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

At inception of the contract, group assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:

(a) a good or service that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Based on the terms of the contract and as per business practice, the group determines the transaction price considering the amount it expects to be entitled in exchange of transferring promised goods or services to the customer. It excluded amount collected on behalf of third parties such as taxes.

The group provides volume discount and rebate schemes to its customers on certain goods purchased by the customer once the quantity of goods purchased during the period exceeds a threshold specified in the contract. Volume discount and rebate schemes give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the group considers that either the expected value method or the most likely amount method, depending on which of them better predicts the amount of variable consideration for the particular type of contract.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

In case where the customer gives non-cash consideration for the goods and services transferred or where customer provides the group certain materials, equipment, etc. for carrying out the scope of work and the group obtains control of those contributed goods or service, the fair value of such non-cash consideration given /materials supplied by customer is considered as part of the transaction price.

For allocating the transaction price, the group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price.

Rendering of services

Revenue from rendering of services is recognised over time considering the time elapsed. The transaction price of these services is recognised as a contract liability upon receipt of advance from the customer, if any, and is released on a straight line basis over the period of service (monthly basis)

Contract assets, contract liabilities and trade receivables

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues (which we refer to as unearned revenues) and advance from customers are classified as contract liabilities. A receivable is recognised by the group when the control over the goods is transferred to the customer such as when goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The average credit period on sale of goods is 0 to 90 days.

Dividend and Interest income

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

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

2.8 Government grants

Government Grants are recognised where there is reasonable assurance that the grants will be received and all attached conditions will be complied with. When the grants relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants related to assets are accounted in the consolidated balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in the consolidated statement of profit and loss on a systematic basis over the average useful life of the asset.

2.9 Leasing

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) Leases

<u>**Policy applicable from 1st April 2019**</u>

Company as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Building 3 to 15 years
- Plant and machinery 3 to 15 years
- Vehicles 3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.18 Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group lease liabilities are disclosed on the face of Balance sheet under Financial Liabilities.

Policy applicable upto 31st March 2019

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.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.10 Foreign currency transactions and translation

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

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

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

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2016), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

2.11 Borrowing costs

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

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

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

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

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

2.12 Employee benefits

Post-employment benefits

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

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

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

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

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

Short-term and other long-term employee benefits

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

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

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

2.13 Earnings per share

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

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

2.14 Share-based payment arrangements

Share-based payment transactions of the Group

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

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

2.15 Taxation

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. While preparing consolidated financial statements, temporary differences are calculated using the carrying amount as per consolidated financial statements and tax bases as determined by reference to the method of tax computation (i.e. taken from individual entities in the group).

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

In addition, deferred tax liabilities are not recognised for followings:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.16 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, for rental to others or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that incremental future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to consolidated statement of profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit and loss.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation on property, plant and equipment has been provided on straight line method using the rates arrived at based on the useful lives estimated by the management, which are equal to or lower than lives as prescribed under Schedule II of the Companies Act, 2013. The Group's has used the following useful life to provide depreciation on its Property, Plant & Equipment:

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

Asset	Useful Life	Asset	Useful Life
Buildings	10 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		

The Group, based on technical assessment, depreciates certain items of Property, Plant & Equipment over estimated useful lives which are different from the useful life as prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset are likely to be used.

Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Group has elected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

2.17 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in consolidated statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset	Useful Life	Asset	Useful Life
Trademark	5 Years	Brand	10 Years
Software	3 – 6 Years	Brand Usage Rights	25 Years

The Group, based on technical assessment, depreciates certain items of Intangible Assets over estimated useful lives which are different from the useful life as prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset are likely to be used.

Deemed cost on transition to Ind AS

While measuring the property, plant and equipment in accordance with Ind AS, the Group has selected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and used those fair values as their deemed costs at transition date.

2.18 Impairment of non - financial assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in consolidated statement of profit and loss.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value. Raw material goods are stated at cost. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.21 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

2.22 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in consolidated statement of profit and loss for fair value through other comprehensive income ("FVTOCI") debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to consolidated statement of profit and loss.

All other financial assets are subsequently measured at fair value.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in consolidated statement of profit and loss and is included in the "Other Income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income for investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to consolidated statement of profit and loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in consolidated statement of profit and loss. The net gain or loss recognised in consolidated statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in consolidated statement of profit and loss.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in consolidated statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.23 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Compound instruments

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

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

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

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

However, financial guarantee contracts issued by the Group are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense are included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'/ 'Other expenses'.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

2.24 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in consolidated statement of profit and loss immediately. Group does not designate the derivative instrument as a hedging instrument.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

2.25 Treasury Shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The Group treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

2.26 Contingent liabilities

A contingent liability is:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) a present obligation that arises from past events but is not recognised because:-

i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.27 Operating segment

The management views the Group's operation as a single segment engaged in business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products". Hence there is no separate reportable segment under Ind AS 108 'Operating segment'.

2.28 Asset held for sale

The Group classifies Assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.
- Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

2.29 Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

3. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

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

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

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

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. Refer Note 4 for further disclosure.

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. Refer Note 4 for further disclosure.

c) Impairment of investments in joint ventures and associate and impairment of goodwill

Determining whether the goodwill or investments in joint ventures and associate are impaired requires an estimate in the value in use. In considering the value in use, the Management have anticipated the future cash flows, discount rates and other factors of the underlying businesses/companies. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. In certain cases, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. A degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Any subsequent changes to the cash flows could impact the carrying value of investments/ goodwill. Refer Note 4 and 5 for further disclosure.

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. Refer Note 39 for further disclosure.

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. Refer Note 8 for further disclosure.

f) Share based payments

The Group initially measures the cost of equity-settled transactions with employees using an appropriate valuation model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Refer Note 37 for further disclosure.

g) Employee benefit plans

The cost of defined benefit gratuity plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Refer Note 35 for further disclosure.

h) Lease

The application of Ind AS 116 requires company to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, we must consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Assessing whether a contract includes a lease also requires judgement. Estimates are required to determine the appropriate discount rate used to measure lease liabilities.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined,

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Critical accounting judgements
Refer note 33 for the judgement exercised by the Group in establishing control over Integrated Food Park 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.

3.1 Change in Accounting policies and disclosures
The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 supersedes Ind AS 17 Leases.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.9 Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.9 Leases for the accounting policy prior to 1 April 2019

- Leases previously classified as finance leases
  The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from 1 April 2019.
- Leases previously accounted for as operating leases
  The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 April 2019:

- Right-of -use assets of ₹ 6,198.74 lakhs (including deferred lease asset of ₹ 25.78 lakhs) and an investment in sublease of ₹ 357.14 lakhs were recognised and presented separately in Balance Sheet.
- Additional lease liabilities of ₹ 7,165.38 lakhs were recognised and presented separately in Balance Sheet.
- Deferred tax impact of ₹ 131.39 lakhs were recognised as deferred tax assets on changes in assets and liabilities.
- The net effect of these adjustments had been adjusted by reducing retained earnings by ₹ 503.88 lakhs.

Other Ind AS changes
In addition to Ind AS 116 certain other changes to Ind AS have also become applicable from 1st April 2019. However, their application did not have any material impact on the financial statement.

4. PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT-OF-USE ASSETS

(₹ In lakhs)

Description of Assets	Gross Block (At cost / deemed cost)							Depreciation / Amortisation							Net Block
	As at 1st April 2019	Adjustment on transition to Ind AS 116 (Refer note 34)	Acquisition through Business Combination (Refer note 50)	Additions	Deletions	Effect of foreign currency exchange differences	As at 31st March 2020	As at 1st April 2019	Acquisition through Business Combination	For the Period	Deletions	Impairment (Refer note 44)	Effect of foreign currency exchange differences	As at 31st March 2020	As at 31st March 2020
A. Property, plant and equipment															
Freehold land	14,787.44	-	-	-	10,983.08	-	3,804.36	-	-	-	-	-	-	-	**3,804.36**
Leasehold land (Refer note iv)	6,461.21	-	-	-	6,461.21	-	-	-	-	-	-	-	-	-	**-**
Building	16,072.69	-	-	411.61	712.06	(94.74)	15,866.98	1,401.94	-	498.19	94.64	-	-	1,805.49	**14,061.49**
Office equipments	1,416.09	-	2.97	89.18	92.31	-	1,415.93	708.53	0.86	227.73	69.13	-	-	867.99	**547.94**
Computers	1,623.55	-	2.46	94.77	270.99	-	1,449.79	1,224.07	1.79	197.31	260.04	-	-	1,163.13	**286.66**
Furniture & fixtures	4,254.54	-	1.13	324.87	247.90	(0.89)	4,333.53	1,617.95	0.27	388.05	190.03	-	(0.03)	1,816.27	**2,517.26**
Vehicles	142.03	-	-	-	13.85	-	128.18	101.57	-	7.40	9.94	-	-	99.03	**29.15**
Plant & machinery	21,314.39	-	8.17	895.55	65.12	(73.97)	22,226.96	6,363.93	1.80	2,156.16	47.78	250.00	-	8,724.11	**13,502.85**
Leasehold improvements	3,124.95	-	-	103.66	587.36	-	2,641.25	612.53	-	213.28	136.01	-	-	689.80	**1,951.45**
Signage	277.33	-	-	17.48	61.42	-	233.39	221.55	-	24.00	44.37	-	-	201.18	**32.21**
Hydraulic works and pipelines	691.54	-	-	19.00	-	(10.44)	720.98	164.86	-	47.47	-	-	-	212.33	**508.65**
Roads	1,034.40	-	-	26.66	-	(8.28)	1,069.34	612.71	-	217.86	-	-	-	830.57	**238.77**
Subtotal (A)	**71,200.16**	**-**	**14.73**	**1,982.78**	**19,495.30**	**(188.32)**	**53,890.69**	**13,029.64**	**4.72**	**3,977.45**	**851.94**	**250.00**	**(0.03)**	**16,409.90**	**37,480.79**
B. Other intangible assets															
Brands, brand usage rights and trademarks (Refer note ii)	23,651.46	-	-	-	-	-	23,651.46	4,744.96	-	963.72	-	400.00	-	6,108.68	**17,542.78**
Software	3,812.50	-	0.47	28.17	0.63	-	3,840.51	1,284.68	0.40	649.51	0.63	-	-	1,933.96	**1,906.55**
Subtotal (B)	**27,463.96**	**-**	**0.47**	**28.17**	**0.63**	**-**	**27,491.97**	**6,029.64**	**0.40**	**1,613.23**	**0.63**	**400.00**	**-**	**8,042.64**	**19,449.33**
C. Goodwill (Refer notes 44 & 45)	16,905.13	-	-	502.14	-	-	17,407.27	2,670.48	-	-	-	7,825.77	-	10,496.25	**6,911.02**
Subtotal (C)	**16,905.13**	**-**	**-**	**502.14**	**-**	**-**	**17,407.27**	**2,670.48**	**-**	**-**	**-**	**7,825.77**	**-**	**10,496.25**	**6,911.02**
D. Investment property															
Freehold land	236.36	-	-	-	-	-	236.36	-	-	-	-	-	-	-	**236.36**
Building	490.16	-	-	-	-	-	490.16	24.70	-	8.26	-	-	-	32.96	**457.20**
Subtotal (D)	**726.52**	**-**	**-**	**-**	**-**	**-**	**726.52**	**24.70**	**-**	**8.26**	**-**	**-**	**-**	**32.96**	**693.56**
E. Right-of-use assets															
Land	-	41.91	-	6,461.21	-	-	6,503.12	-	-	3.36	-	-	-	3.36	**6,499.76**
Building	-	5,015.83	-	3,250.17	598.63	-	7,667.37	-	-	1,336.61	36.56	-	-	1,300.05	**6,367.32**
Vehicles (Refer note iii)	-	267.56	-	23.10	282.05	-	8.61	-	-	39.56	36.47	-	-	3.09	**5.52**
Plant and Machinery	-	873.44	-	-	-	-	873.44	-	-	66.58	-	-	-	66.58	**806.86**
Subtotal (E)	**-**	**6,198.74**	**-**	**9,734.48**	**880.68**	**-**	**15,052.54**	**-**	**-**	**1,446.11**	**73.03**	**-**	**-**	**1,373.08**	**13,679.46**
Total (A+B+C+D+E)	**116,295.77**	**6,198.74**	**15.20**	**12,247.57**	**20,376.61**	**(188.32)**	**114,568.99**	**21,754.46**	**5.12**	**7,045.05**	**925.60**	**8,475.77**	**(0.03)**	**36,354.83**	**78,214.16**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

4. PROPERTY, PLANT AND EQUIPMENT, GOODWILL, OTHER INTANGIBLE ASSETS, INVESTMENT PROPERTY AND RIGHT-OF-USE ASSETS

(₹ In lakhs)

Description of Assets	Gross Block (At cost / deemed cost)						Depreciation / Amortisation						Net Block
	As at 1st April 2018	Acquisition through Business Combination	Additions	Deletions	Effect of foreign currency exchange differences	As at 31st March 2019	As at 1st April 2018	Acquisition through Business Combination	For the Period	Deletions	Impairment (Refer note 44)	As at 31st March 2019	As at 31st March 2019
A. Property, plant and equipment													
Freehold land	14,787.44	-	-	-	-	14,787.44	-	-	-	-	-	-	**14,787.44**
Leasehold land	6,461.21	-	-	-	-	6,461.21	-	-	-	-	-	-	**6,461.21**
Building	13,766.11	-	2,172.23	-	(134.35)	16,072.69	991.42	-	410.52	-	-	1,401.94	**14,670.75**
Office equipments	1,183.99	1.80	306.78	76.48	-	1,416.09	566.45	0.02	204.16	62.10	-	708.53	**707.56**
Computers	1,518.06	0.77	226.87	122.15	-	1,623.55	1,129.86	0.13	207.57	113.49	-	1,224.07	**399.48**
Furniture & fixtures	3,189.90	0.98	1,265.16	202.08	(0.58)	4,254.54	1,422.92	0.05	345.70	150.72	-	1,617.95	**2,636.59**
Vehicles	151.06	0.05	3.04	12.12	-	142.03	104.88	-	8.00	11.31	-	101.57	**40.46**
Plant & machinery	15,379.83	0.30	5,881.56	52.20	(104.90)	21,314.39	4,432.95	0.01	1,961.07	30.10	-	6,363.93	**14,950.46**
Leasehold improvements	2,137.19	-	1,024.67	36.91	-	3,124.95	440.83	-	202.96	31.26	-	612.53	**2,512.42**
Signage	231.35	-	46.80	0.82	-	277.33	205.32	-	16.85	0.62	-	221.55	**55.78**
Hydraulic works and pipelines	648.85	-	27.88	-	(14.81)	691.54	120.05	-	44.81	-	-	164.86	**526.68**
Roads	855.77	-	166.89	-	(11.74)	1,034.40	426.76	-	185.95	-	-	612.71	**421.69**
Subtotal (A)	**60,310.76**	**3.90**	**11,121.88**	**502.76**	**(266.38)**	**71,200.16**	**9,841.44**	**0.21**	**3,587.59**	**399.60**	**-**	**13,029.64**	**58,170.52**
B. Other intangible assets													
Brands, brand usage rights and trademarks (Refer note no. ii)	23,652.49	-	-	1.03	-	23,651.46	3,262.16	-	1,083.71	0.91	400.00	4,744.96	**18,906.50**
Software	3,654.83	0.20	179.05	21.58	-	3,812.50	658.76	0.04	635.93	10.05	-	1,284.68	**2,527.82**
Subtotal (B)	**27,307.32**	**0.20**	**179.05**	**22.61**	**-**	**27,463.96**	**3,920.92**	**0.04**	**1,719.64**	**10.96**	**400.00**	**6,029.64**	**21,434.32**
C. Goodwill (Refer Notes 44 & 45)	16,769.35	-	135.78	-	-	16,905.13	380.00	-	-	-	2,290.48	2,670.48	**14,234.65**
Subtotal (C)	**16,769.35**	**-**	**135.78**	**-**	**-**	**16,905.13**	**380.00**	**-**	**-**	**-**	**2,290.48**	**2,670.48**	**14,234.65**
D. Investment property													
Freehold land	236.36	-	-	-	-	236.36	-	-	-	-	-	-	**236.36**
Building	490.16	-	-	-	-	490.16	16.44	-	8.26	-	-	24.70	**465.46**
Subtotal (D)	**726.52**	**-**	**-**	**-**	**-**	**726.52**	**16.44**	**-**	**8.26**	**-**	**-**	**24.70**	**701.82**
Total (A+B+C+D)	**105,113.95**	**4.10**	**11,436.71**	**525.37**	**(266.38)**	**116,295.77**	**14,158.80**	**0.25**	**5,315.49**	**410.56**	**2,690.48**	**21,754.46**	**94,541.31**

Notes:

(i) For property, plant and equipment pledged as security (Refer note 17 & 21)

(ii) Includes Kara brand of ₹ 809 lakhs (Previous Year: ₹ 1,209 lakhs) and Nilgiris brand of ₹ 7,038 lakhs (Previous Year: ₹ 7,038 lakhs) with indefinite useful life (Refer note 44)

(iii) Vehicle taken on lease is secured by hypothecation created under said lease

(iv) Transfer of Leasehold land from property, plant and equipment to right-of-use assets as per Ind AS 116.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

5. NON CURRENT INVESTMENTS

(₹ In lakhs)

Particulars			Number of Units		Amount	
			As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
(a)	**Investment in Associate**					
	(i)	Investment in equity shares - (unquoted, fully paid up, accounted for using the equity method)				
		Sarjena Foods Private Limited	324,675	324,675	-	-
	(ii)	Investment in debentures (unquoted, fully paid up, at cost)				
		0.001% Compulsorily Convertible Debentures of Amar Chitra katha Private Limited	4,977	4,977	4,976.91	4,976.91
(b)	**Investment in Joint Ventures**					
	(i)	Investment in equity shares - (unquoted, fully paid up, accounted for using the equity method)				
		Aussee Oats India Limited (formerly known as Aussee Oats India Private Limited)	500,001	500,001	28.47	15.52
		Mibelle Future Consumer Products AG (a company incorporated in Switzerland, face value CHF 1000 each)	400	400	-	7.18
		Hain Future Natural Products Private Limited	19,495,000	14,495,000	824.53	1,131.21
	(ii)	Investment in preference shares - (unquoted, fully paid up, at FVTPL)				
		Cumulative redeemable preference shares of Aussee Oats Milling (Private) Limited (a company incorporated in Sri Lanka, face value LKR 10 each)	11,380,155	11,380,155	453.79	453.79
	(iii)	Investment in preference shares - (unquoted, fully paid up, at cost)				
		12.5% Non- cumulative, optionally convertible redeemable preference shares of Sublime Foods Limited (formerly known as Sublime Foods Private Limited)	3,000,000	3,000,000	300.00	300.00
(c)	**Other investments**					
	(i)	Investment in equity shares - (unquoted, fully paid up, at cost)				
		Saraswat Co-Operative Bank Limited	50	50	0.01	0.01
	Total		**34,705,258**	**29,705,258**	**6,583.71**	**6,884.62**
	Share application money		-	-	-	400.00
	Total		**34,705,258**	**29,705,258**	**6,583.71**	**7,284.62**

6. LOANS (UNSECURED, CONSIDERED GOOD)

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Non-current		
Loans to related parties (Refer note 38)	452.29	2,125.67
Total	**452.29**	**2,125.67**
Current		
Loans to related parties (Refer note 38)	5,559.92	4,310.48
Inter-corporate deposits	477.98	425.00
Total	**6,037.90**	**4,735.48**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

7. OTHER FINANCIAL ASSETS (UNSECURED)

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Non-current		
Considered good:		
Security deposits	462.02	435.46
Other deposits	68.27	65.01
Interest accrued on deposits	96.06	301.30
Operating Lease receivables	246.52	-
Bank deposits with more than 12 months maturity	46.64	86.64
Considered doubtful:		
Security and other deposits which have significant increase in credit risk	23.46	23.46
Impairment allowance		
Less: Deposits which have significant increase in credit risk	(23.46)	(23.46)
Total	**919.51**	**888.41**
Current		
Considered good:		
Security deposits	948.02	983.91
Other deposits	8.15	9.17
Interest accrued on deposits and others	1,085.06	737.44
Operating Lease receivables	57.49	-
Others receivables (for related party, refer note 38)	5,866.46	5,308.16
Considered doubtful:		
Other receivables which have significant increase in credit risk (for related party, refer note 38)	3,981.62	-
	11,946.80	7,038.68
Impairment allowance		
Less: Other Receivables which have significant increase in credit Risk (refer note 30)	(3,981.62)	-
Total	**7,965.18**	**7,038.68**

8. DEFERRED TAX BALANCES
The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet:

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred tax assets (DTA) (Net)	2,281.59	1,899.75
Deferred tax liabilities (DTL) (Net)	(3,462.87)	(4,133.47)
Net	**(1,181.28)**	**(2,233.72)**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

8.1 Movement of Deferred Tax
Deferred tax assets/(liabilities) in relation to the year ended 31st March 2020

(₹ In lakhs)

Particulars	Opening Balance	Impact on other Equity	Difference due to change in tax rate	Recognised in Profit or loss	Recognised in OCI	Closing balance
Minimum Alternate Tax	29.78	-	-	(29.78)	-	-
Impairment allowance	14.99	-	(4.19)	1,988.62	-	1,999.42
Provisions for employee benefits	630.71	-	(175.63)	(122.59)	(0.72)	331.77
Issue Expenses on Equity component of compulsorily convertible debentures	-	64.25	-	(64.25)	-	-
Taxable temporary differences on Interest of compulsorily convertible debentures	-	369.24	-	(211.07)	-	158.17
Taxable temporary differences on lease accounting	-	131.39	(36.76)	49.46		144.09
Tax losses	5,040.34	-	(1,410.11)	(1,356.13)	-	2,274.10
Property, plant, equipment and intangible assets	(6,995.74)	-	1,732.92	33.35	-	(5,229.47)
Government Grant	(855.30)	-	-	51.23	-	(804.07)
Taxable temporary differences on financial liability measured at amortised cost	(98.50)	-	27.56	15.65	-	(55.29)
Total	**(2,233.72)**	**564.88**	**133.79**	**354.49**	**(0.72)**	**(1,181.28)**

8.2 Deferred tax assets/(liabilities) in relation to the year ended 31st March 2019

(₹ In lakhs)

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
Minimum Alternate Tax	26.25	3.53	-	29.78
Impairment allowance	4.72	10.27	-	14.99
Provisions for employee benefits	507.77	135.06	(12.12)	630.71
Tax losses	3,005.07	2,035.27	-	5,040.34
Property, plant, equipment and intangible assets	(6,704.05)	(291.69)	-	(6,995.74)
Government Grant	(855.30)	-	-	(855.30)
Taxable temporary differences on financial liability measured at amortised cost	(88.83)	(9.67)	-	(98.50)
Total	**(4,104.37)**	**1,882.77**	**(12.12)**	**(2,233.72)**

8.3 Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Tax losses (revenue in nature)	63,261.73	47,660.41
Tax losses (capital in nature)	13,608.62	11,174.64
Total	**76,870.35**	**58,835.05**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

9. OTHER ASSETS

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Non-current		
Capital advances	372.34	398.72
Less: provision for doubtful advance	-	(6.34)
	372.34	392.38
Deferred lease asset	5.39	43.52
Balances with government authorities	50.80	46.70
Advance taxes (net)	3,830.34	3,179.05
Other advances	15.15	4.85
Total	**4,274.02**	**3,666.50**
Current		
Advances to employees	20.80	39.28
Advances given to suppliers	953.81	1,070.33
Balances with government authorities	1,382.99	1,324.70
Deferred lease asset	1.25	4.19
Other advances	241.37	255.31
Others	14.31	-
Total	**2,614.53**	**2,693.81**

10. INVENTORIES (At lower of cost and net realisable value)

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Raw materials (at cost)	1,006.07	534.09
Finished goods (at lower of cost and net realisable value)	801.16	273.69
Stock - in - trade (at lower of cost and net realisable value)	14,351.42	23,425.53
Packing material (at cost)	386.70	372.82
Stores, spares and Others (at cost)	74.77	78.67
Total	**16,620.12**	**24,684.80**

Notes:

i) For Inventory hypothecated as security, refer note 21

ii) The amount of write down of inventories recognised as an expense during the year is ₹ 470.89 lakhs (Previous year: ₹ 504.52 lakhs)

11. CURRENT INVESTMENTS

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Investment in Government Security (At Cost)		
National savings certificate (lodged with Sales Tax Authorities)	0.45	0.55
Investments in equity shares (quoted, fully paid up, At FVTPL)		
Karnataka Bank Limited	1.05	3.01
Total	**1.50**	**3.56**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

12. TRADE RECEIVABLES (UNSECURED)

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Considered good (for related party, refer note 38)	76,287.36	67,466.28
Receivables which have significant increase in credit risk (for related party, refer note 38)	5,003.12	489.17
	81,290.48	**67,955.45**
Impairment Allowance		
Less: Receivables which have significant increase in credit risk (refer note 30)	(5,003.12)	(489.17)
Total	**76,287.36**	**67,466.28**

Note : For trade receivables hypothecated as security (Refer note 17 & 21)

13. CASH AND CASH EQUIVALENTS

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Cash and cash equivalents		
On current accounts	2,007.29	1,350.32
In fixed deposit accounts	1,781.43	462.55
Cash and cheques on hand	1,040.26	3,770.11
Total	**4,828.98**	**5,582.98**
Bank balances other than Cash and cash equivalents		
As margin money	1,075.08	1,253.10
Total	**1,075.08**	**1,253.10**

Changes in liability due to financial activities

(₹ In lakhs)

Particulars	As at 31st March 2019	Cash flows	Changes in fair value of financial instruments	Restatement of Lease Liabilities	Upon addition of Subsidiary	As at 31st March 2020
Current Borrowings (Refer note 21)	48,172.92	(16,709.80)	-	-	73.89	31,537.01
Non- current borrowings, including current maturities (Refer note 17)	33,193.89	(4,073.02)	423.42	-	-	29,544.29
Lease Liabilities (Refer note 34)	-	(1,158.86)	86.93	9,545.20	-	8,473.27
Total	**81,366.81**	**(21,941.68)**	**510.35**	**9,545.20**	**73.89**	**69,554.57**

(₹ In lakhs)

Particulars	As at 1st April 2018	Cash flows	Changes in fair value of financial instruments	As at 31st March 2019
Current Borrowings (Refer note 21)	23,035.48	25,137.44	-	48,172.92
Non- current borrowings, including current maturities (Refer note 17)	38,730.29	(5,688.90)	152.50	33,193.89
Total	**61,765.77**	**19,448.54**	**152.50**	**81,366.81**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

14. EQUITY SHARE CAPITAL

a) **Share Capital**

(₹ In lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of ₹ 6 each	5,650,000,000	339,000.00	5,650,000,000	339,000.00
Unclassified shares of ₹ 10 each	1,670,000,000	167,000.00	1,670,000,000	167,000.00
Total		**506,000.00**		**506,000.00**
Issued, subscribed & fully paid-up capital				
Equity shares of ₹ 6 each	1,921,109,680	115,266.58	1,920,462,680	115,227.76
Less: Shares held by ESOP trust treated as treasury shares	(13,452,793)	(807.17)	(13,320,293)	(799.22)
Total	**1,907,656,887**	**114,459.41**	**1,907,142,387**	**114,428.54**

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

(₹ In lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares at the beginning of the year	1,907,142,387	114,428.54	1,902,148,529	114,128.91
Add: Allotment pursuant to exercise of stock options granted under FVIL Employees Stock Option Plan - 2011	200,000	12.00	4,625,017	277.50
Add: Allotment pursuant to exercise of stock options granted under Future Consumer Enterprise Limited - Employees Stock Option Plan - 2014	447,000	26.82	2,404,000	144.24
Less : Shares purchased (net) by ESOP trust treated as treasury shares	(132,500)	(7.95)	(2,035,159)	(122.11)
Equity shares at the end of the year	**1,907,656,887**	**114,459.41**	**1,907,142,387**	**114,428.54**

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

Particulars	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Future Capital Investment Private Limited	826,612,246	43.03	845,212,246	44.01
Black River Food 2 Pte. Ltd	146,283,195	7.61	146,283,195	7.62
Verlinvest SA	140,513,969	7.31	140,513,969	7.32
Arisaig India Fund Limited	134,331,586	6.99	134,331,586	6.99

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

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note no. 37

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

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

ii) Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.

iii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

iv) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to vote in proportion to his share of the paid-up capital of the Company.

f) During the financial year 2019-20:

i) The Group has also issued and allotted 7,000 warrants having face value of ₹ 100,000/- each to Illusie Produkt Private Limited, being a member of the Promoter group ("Illusie") on preferential allotment basis upon receipt of ₹ 1,750 lakhs from Illusie towards 25% of the total consideration price for the warrants. The warrants may be exercised by Illusie 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 Illusie, the warrants shall be converted into equity shares at a conversion price of ₹ 45.02 per equity share.

ii) The Group has issued and allotted 6,962 and 21,000 Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 100,000/- each to Verlinvest SA and International Finance Corporation (Individually referred as "Investor" and collectively as "Investors") respectively, on preferential allotment basis. The CCDs carry a coupon of 4% p.a. compounded on a quarterly basis. The CCDs shall automatically and compulsorily be converted into equity shares at a conversion price of ₹ 45.02 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 ₹ 45.02 for each equity share.

g) As at 31st March, 2020, 3,631,000 equity shares (FY 2019: 4,278,000 equity shares) were reserved for issuance towards outstanding employee stock options granted (Refer note 37) for ESOP Primary Scheme.

h) Aggregate number of equity shares allotted as fully paid up without payment being received in cash for the period of 5 years immediately preceding the balance sheet date is 45,918,367 equity shares issued in 2014-15.

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

15. OTHER EQUITY (EXCLUDING NON-CONTROLLING INTERESTS)

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Capital reserve for bargain purchase business combinations	314.94	314.94
Securities premium account	14,112.60	42,638.62
General reserve	0.59	0.59
Share options outstanding account	2,024.15	2,107.81
Capital redemption reserve	5.20	5.20
Equity component of compound financial instruments	26,253.16	-
Money received against share warrants	1,750.00	-
Retained earnings	(53,220.57)	(60,241.44)
Foreign Currency Translation reserve	(56.13)	(16.11)
Other comprehensive income	(220.39)	(217.08)
Total	**(9,036.45)**	**(15,407.47)**

Description of reserves

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. The same will be utilized as per the provisions of Companies Act 2013 (as amended from time to time) and any other law guiding the utilization of the same, for the time being in force.

Securities premium account

Where the Group issued shares at a premium, a sum equal to the aggregate amount of the premium received on those shares was transferred to a "securities premium account" as per the provisions of the Companies Act, 2013. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

General Reserve is created out of profits earned by the Group by way of transfer from surplus in the statement of profit and loss. The same will be utilized as per the provisions of Companies Act 2013 (as amended from time to time) and any other law guiding the utilization of the same, for the time being in force.

Share options outstanding account

This reserve relates to share options granted by the Group to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 37.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

Capital redemption reserve

As per the provisions of the Companies Act, 2013 capital redemption reserve is created out of the general reserve for the amount of share capital reduction in earlier years. The reserve can be utilized for issuing fully paid up equity shares.

Equity component of compound financial instruments

The Group had issued Compulsory Convertible Debentures ("CCD") with each CCD being compulsorily convertible into equity shares of the Group at a fixed conversion price appropriately adjusted for corporate events.

The instrument is a compound instrument and therefore total proceeds is divided into 'equity' and 'liability'. The equity portion is recorded under this reserve.

Money received against share warrants

A share warrant is a financial instrument which gives the holder the right to acquire equity shares. A disclosure of the money received against share warrants is to be made since shares are yet to be allotted against the share warrants.

Retained earnings

This represents the surplus/ (deficit) of the statement of profit or loss. The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the separate financial statements of the Group and also considering the requirements of the Companies Act, 2013.

Foreign Currency Translation reserve

When preparing consolidated financial statements, differences arising on translation of the financial statements of foreign operations (with a functional currency different from that of the consolidating entity) is transferred to the Foreign Currency Translation Reserve (FCTR), which forms part of Other Comprehensive Income. The same will be utilized as per the provisions of Companies Act 2013 (as amended from time to time) and any other law guiding the utilization of the same, for the time being in force.

Other Comprehensive Income

This relates to the remeasurement impact of defined benefit plans and income tax effect of the same.

16. NON-CONTROLLING INTERESTS ("NCI")

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the end of the year *	1.26	(240.02)
Total	**1.26**	**(240.02)**

* Refer statement of changes in equity

17. NON CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Non-Current	Current (Refer note 18)	Non-Current	Current (Refer note 18)
Secured - at amortised cost				
Term loans from banks	3,675.81	2,387.67	5,943.98	1,946.91
Debentures:				
10.55% redeemable non convertible debentures of ₹ 1 lakh each	-	-	-	988.07
11.00% redeemable non convertible debentures of ₹ 1 lakh each	-	-	-	988.04
9.95% redeemable non convertible debentures of ₹ 1 lakh each	-	1,994.14	1,977.14	1,500.00
11.07% redeemable non convertible debentures of ₹ 10 lakh each	18,705.86	1,176.47	19,849.75	-
Unsecured - at amortised cost				
4 % Compulsorily Convertible Debentures of ₹ 1 lakh each				
Verlinvest SA	-	399.42	-	-
International Finance Corporation	-	1,204.92	-	-
Total	**22,381.67**	**7,162.62**	**27,770.87**	**5,423.02**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

Details of security and repayment terms for secured and unsecured Non Current borrowings

(₹ In lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2020	As at 31st March 2019
1	**Term loan from banks:**			
(i)	a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing. b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering facility amount. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Company.	The loan is repayable in 21 quarterly instalments starting from February 2020. Interest of 10.50% p.a.	4,524.27	4,744.13
(ii)	a) Secured by first executive charge on all the movable and immovable assets of the food park, existing as well as future. b) Exclusive first mortgage charge as also lease hold rights on all land and building to be acquired or to be acquired for the project including already acquired land on lease from Karnataka Industrial Development Board. c) Corporate Guarantee of Future Consumer Limited	The loan is repayable in 20 quarterly instalments (next instalment due in June 2020). Interest: 3 M LIBOR + 3.00%	1,354.59	2,839.07
(iii)	a) Secured by first exclusive Charge on the current assets of and all the movable assets of the Nilgiris Dairy Farm Pvt Ltd (including capex for cookie project & other capex), existing as well as future. b) Unconditional and irrevocable Personal Guarantee of Mr Kishore Biyani c) Unconditional and irrevocable Corporate Guarantee of Future Consumer Limited d) Subordination of preference share capital and undertaking from Future Consumer Limited that unsecured loan of ₹ 7,242 lakhs as on 31st March 2020 (previous year ₹ 5,069 lakhs) would be retained in the Company's business till the facilities are availed from the bank.	The Loan is repayable in 13 quarterly instalment (next instalment due in June 2020). Interest: 1 year MCLR + 2.05% i.e. presently 12.10% p.a.	184.62	307.69
2	**10.55% NCD (repaid during the year) :** a) Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee.	Series C of ₹ 1,000 lakhs repaid in March 2020. Interest of 10.55% p.a.	-	988.07
3	**11% NCD (repaid during the year) :** a) Secured by exclusive first charge on specific fixed assets of the Company and/ or its subsidiaries to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee	Series C of ₹ 1,000 lakhs repaid in March 2020. Interest of 11.00% p.a.	-	988.04

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

(₹ In lakhs)

Sr. No.	Nature of security	Terms of Interest and Repayment	As at 31st March 2020	As at 31st March 2019
4	**9.95% NCD:** a) Secured by first pari passu charge on Rice / Combi mills assets of the Company to the extent of 1.25 times of outstanding borrowing. b) Unconditional and irrevocable guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee	Series B of ₹ 1,500 lakhs repaid in September 2019. Series C of ₹ 2,000 lakhs repayable in September 2020. Interest of 9.95% p.a. payable annually from the date of allotment. These Debentures are privately placed with AK Capital and are listed in Wholesale Debt Segment of BSE Limited	1,994.14	3,477.14
5	**11.07 % NCD:** a) Secured by exclusive first charge on specific fixed assets of the Company and its subsidiaries to be maintained at a minimum of 1.25 times of outstanding borrowing. b) Personal guarantee of Mr. Kishore Biyani for principal and its interest thereon. c) Post dated cheques covering Interest as well as principal in favour of Debenture Trustee. d) Senior first ranking pari passu charge / hypothecation over the "Golden Harvest" brand owned by the Company.	The NCDs is redeemable in 17 equal quarterly installments starting from February 2021. Interest on the facility will be charged @ 11.07% p.a. Interest will be paid in cash in arrear and on a quarterly basis, inclusive of a cash coupon as follows: year 1 @ 8.00% p.a., year 2 @10.00% p.a. & year 3 @ 11.07% p a. All accrued and unpaid Interest, on the facility will be capitalised quarterly and paid on the final maturity date, or the date on which the facility has been repaid in full.	19,882.33	19,849.75
6	**4 % CCD Verlinvest SA (Verlinvest) :** The CCDs shall be unsecured, and until converted, shall rank pari passu with any other unsecured creditors of the Company	The CCDs carry a coupon of 4% p.a. compounded on a quarterly basis. The CCDs shall automatically and compulsorily be converted into equity shares at a conversion price of ₹ 45.02 per equity share on the earlier of occurrence of following events – a) Verlinvest electing to convert the CCDs into equity shares and b) the date that is 18 months from the date of issue of CCDs. Verlinvest are also entitled to such number of equity shares, equivalent to the amount of coupons remaining unpaid, if any, at a conversion price of ₹ 45.02 for each equity share.	399.42	-
7	**4 % CCD International Finance Corporation (IFC) :** The CCDs shall be unsecured, and until converted, shall rank pari passu with any other unsecured creditors of the Company.	The CCDs carry a coupon of 4% p.a. compounded on a quarterly basis. The CCDs shall automatically and compulsorily be converted into equity shares at a conversion price of ₹ 45.02 per equity share on the earlier of occurrence of following events – a) IFC electing to convert the CCDs into equity shares and b) the date that is 18 months from the date of issue of CCDs. IFC are also entitled to such number of equity shares, equivalent to the amount of coupons remaining unpaid, if any, at a conversion price of ₹ 45.02 for each equity share.	1,204.92	-
			29,544.29	**33,193.89**
	Less: Current maturities of long term debt (Refer note 18)		(7,162.62)	(5,423.02)
	Total		**22,381.67**	**27,770.87**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

18. OTHER FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Non-current		
Interest accrued but not due	831.15	568.10
Deposits received from customers	13.86	17.98
Security deposits received	28.85	59.50
Total	**873.86**	**645.58**
Current		
Current maturities of long term debt (refer note 17)	7,162.62	5,423.02
Interest accrued but not due & due	475.42	496.84
Security and other deposits received	764.22	980.17
Payable on purchase of capital goods	1,911.24	2,052.95
Total	**10,313.50**	**8,952.98**

19. PROVISIONS

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Non-current		
Provision for employee benefits:		
Provision for gratuity (Refer note 35)	668.91	678.07
Provision for bonus, incentives and others	113.79	-
Total	**782.70**	**678.07**
Current		
Provision for employee benefits:		
Provision for gratuity (Refer note 35)	150.28	127.09
Provision for compensated absences	542.99	480.52
Provision for bonus, incentives and others	87.19	744.92
Provision for claims and contingencies	53.00	75.00
Total	**833.46**	**1,427.53**

Movement in Provision for claims and contingencies (₹ In lakhs)

Particulars	Amount
Balance as at 31st March 2018	**82.00**
Provisions (utilised) / written back during the year	(7.00)
Balance as at 31st March 2019	**75.00**
Provisions (utilised) / written back during the year	(22.00)
Balance as at 31st March 2020	**53.00**

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.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

20. OTHER LIABILITIES

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Other non-current liabilities		
Contract liabilities	259.86	303.37
Deferred lease payables	16.70	19.97
Deferred revenue arising from government grant	3,148.88	3,430.37
Total	**3,425.44**	**3,753.71**
Other current liabilities		
Statutory dues payable	986.98	934.86
Deferred lease payables	2.90	2.54
Deferred revenue arising from government grant	281.49	281.49
Contract liabilities	509.08	495.05
Capital advance received towards assets held for sale (Refer note 43)	1,111.00	-
Other liabilities	2,452.01	949.90
Total	**5,343.46**	**2,663.84**

21. CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Secured - at amortised cost		
Loans repayable on demand from banks	9,328.48	20,916.06
Term Loans From a Bank	-	3,800.00
Other loans from bank	22,211.27	18,516.24
Buyer's credit	-	1,498.33
	31,539.75	44,730.63
Less :- Unamortised cost	(76.64)	(85.06)
	31,463.11	44,645.57
Unsecured - at amortised cost		
Inter Corporate Deposits from Related Party (Refer note 38)	73.90	-
Commercial papers	-	3,527.35
Total	**31,537.01**	**48,172.92**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

Details of security and repayment terms for secured current borrowings

Nature of Security	Terms of Interest and repayment
Loans repayable on demand from banks (Cash Credit)	
Loan is secured by a) First pari passu hypothecation charge on all existing and future current assets of the company b) Second Charge on fixed assets of the Company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani	The cash credit is repayable on demand and carries interest at rates varying from 9.50% to 11.50% p.a.
Short Term Loans from Bank	
Loan is secured by a) First pari passu charge on rice and combi mill of the Company with a minimum asset cover of 1.25 times of outstanding borrowings. b) Unconditional and irrevocable personal guarantee of Mr Kishore Biyani	The loan was repaid in the month of September 2019. Interest at the rate of 10.25% p.a. payable annually.
Other Loans from Bank (Bill Discounting, Working capital loan and Buyer's Credit)	
Loan is secured by a) First and/or pari passu charge on all existing and future current assets of the Company b) Second charge on fixed assets of the Company c) Unconditional and irrevocable personal guarantee of Mr. Kishore Biyani.	The other loans from Bank is repayable on due dates within a period of 1 year and carries interest at rates varying from 9.10% to 11.50% p.a. Buyer's Credit is repayable on due date and carries interest at rates varying from 10.00% to 10.25%.
Details of terms of interest and repayment for unsecured current borrowings	
Commercial Papers carry average interest rate at the rate of 9.14% per annum for the previous year. These were paid within 365 days from the date of drawdown.	
Inter Corporate Deposits to be repayable within 365 days and carries interest @ 12.5%	

22. TRADE PAYABLES

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Total outstanding dues of micro enterprises and small enterprises (Refer note 42)	3,236.93	3,180.28
Total outstanding dues of trade payables other than micro enterprises and small enterprises (for related party, refer note 38)	27,663.70	26,767.58
Total	**30,900.63**	**29,947.86**

23. REVENUE FROM OPERATIONS

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from Contracts with Customers :		
Sales of products	402,143.95	384,651.97
Sales of services	194.41	1,456.88
Other operating revenue	1,694.66	1,956.12
Total	**404,033.02**	**388,064.97**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

23.1 Details of revenue from contracts with customers recognised by the Group, net of indirect taxes, in its Statement of Profit and Loss. The table below presents disaggregated revenues from contracts with customers.

Type of Goods or Services

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Sale of consumer products	402,143.95	384,651.97
Leasing Income	189.09	1,458.98
Franchisee fees	1,244.07	1,437.12
Royalty income	249.68	247.59
Scrap sales	76.99	42.85
Miscellaneous Income	129.24	226.46
Total revenue from contracts with customers	**404,033.02**	**388,064.97**

Revenue based on Geography

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
India	403,947.69	387,767.61
Outside India	85.33	297.36
Total revenue from contracts with customers	**404,033.02**	**388,064.97**

Timing of revenue recognition

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Goods transferred at a point in time	402,220.94	384,694.82
Services transferred over time	1,812.08	3,370.15
Total revenue from contracts with customers	**404,033.02**	**388,064.97**

23.2 The Group derives its revenue from the business of Branding, Manufacturing, Processing, Selling and Distribution of “Consumer Products” which constitutes a single service line. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108. (Refer Note 31 on Operating segment information.)

23.3 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Trade receivables (Refer note 12)	76,287.36	67,466.28
Contract assets	113.80	166.95
Contract liabilities (Refer note 20)	768.94	798.42

Trade receivables are non interest bearing and are generally on terms of 7 to 90 days. The Group receives payments from customers based upon contractual billing schedules. Trade receivables are recorded when the right to consideration becomes unconditional.

Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

Set out below is the amount of revenue recognised from:

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Amounts included in contract liabilities at the beginning of the year	798.42	464.20
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	798.42	397.60
Revenue recognised from performance obligations satisfied in previous years	-	-

23.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue as per contracted price	411,930.76	394,949.09
Less: Discounts, rebates, refunds, credits, price concessions	(7,897.74)	(6,884.12)
Revenue from contracts with customers	**404,033.02**	**388,064.97**

23.5 Performance Obligation

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Group has a material right but either not yet transferred control of a product or performing services over the period of time to customers. Transaction price includes the price agreed with customer, variable consideration and changes in transaction price. The transaction price of order related to unfilled, confirmed customer orders is estimated at each reporting date and payment is generally due within 7 to 90 days from delivery.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) is as follows:

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Within one year	768.94	798.42
More than one year	-	-

Open sales order as on 31 March 2020 is ₹ Nil (31 March 2019 is ₹ 123.71 lakhs).

24. OTHER INCOME

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Amortisation of government grant	281.49	281.49
Fair valuation of existing interest held in subsidiary	-	50.53
Operating lease rent income	235.60	458.10
Interest income on:		
Inter corporate deposits	944.77	1,439.64
Others	300.61	231.95
Provision no longer required written back (net)	26.00	79.28
Gain on termination of Lease Asset	86.15	-
Net Profit on foreign currency transactions and translation	440.15	293.10
Net gain on financial assets measured at FVTPL	-	21.39
Miscellaneous income	293.72	282.70
Total	**2,608.49**	**3,138.18**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

25. COST OF MATERIALS CONSUMED

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening stock of raw materials and others (Refer note 10)	985.58	846.12
Add: Adjustment on acquisition of subsidiary	-	231.61
Add: Purchases	23,139.96	16,461.83
Less: Closing stock of raw materials and others (Refer note 10)	(1,467.54)	(985.58)
Total	**22,658.00**	**16,553.98**

26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Opening stock of finished goods (Refer note 10)	273.69	205.35
Add: Adjustment on acquisition of subsidiary	-	108.03
Less: Closing stock of finished goods (Refer note 10)	(801.16)	(273.69)
Total (A)	**(527.47)**	**39.69**
Opening stock of traded goods (Refer note 10)	23,425.53	21,372.84
Less: Closing stock of traded goods (Refer note 10)	(14,351.42)	(23,425.53)
Total (B)	**9,074.11**	**(2,052.69)**
Total (A - B)	**8,546.64**	**(2,013.00)**

27. EMPLOYEE BENEFITS EXPENSES

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Salaries wages & bonus	11,234.76	11,566.29
Contribution to provident and other funds	623.04	601.62
(Reversal) / Expenses on Employee Stock Option (ESOP) scheme (Refer note 37)	(262.03)	576.49
Staff welfare expenses	366.68	373.37
Total	**11,962.45**	**13,117.77**

28. FINANCE COSTS

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest expenses on:		
Loans	7,654.57	7,080.92
Lease expenses (Refer note 34)	807.82	-
Others	92.67	162.21
Other borrowing costs	150.06	104.60
Total	**8,705.12**	**7,347.73**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

29. DEPRECIATION AND AMORTISATION EXPENSE

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Depreciation of property, plant and equipment (Refer note 4)	3,977.45	3,587.59
Depreciation of investment property (Refer note 4)	8.26	8.26
Amortisation of intangible assets (Refer note 4)	1,613.23	1,719.64
Depreciation of right-of-use assets (Refer note 4)	1,446.11	-
Total	**7,045.05**	**5,315.49**

30. OTHER EXPENSES

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Rent expenses (Refer note 34)	599.29	2,420.37
Consumables and packing material	161.36	180.69
Warehousing and distribution expenses	10,063.11	9,596.70
Electricity expenses	1,106.08	1,256.78
Advertisement, publicity and selling expenses	1,965.37	2,995.78
Labour contract charges	4,241.01	3,865.84
Repairs and maintenance :		
On plant and machinery	176.11	235.94
On buildings	21.66	24.43
On others	184.98	166.67
Legal and professional charges	2,046.24	1,723.33
Rates & taxes	679.08	976.93
Insurance	155.73	135.50
Auditor's remuneration	185.84	165.05
Directors sitting fees	37.27	30.88
Loss on sale/retirement of property plant and equipment (Net)	195.98	39.49
Corporate social responsibilty (Refer note 47)	64.83	2.12
Brand royalty	111.81	136.53
Impairment allowance on trade and other receivable and advances written off (refer note 12 and 7 respectively)	8,605.20	253.66
Net loss on financial assets measured at FVTPL	2.06	-
Miscellaneous expenses	4,983.96	5,055.73
Total	**35,586.97**	**29,262.42**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

31. SEGMENT INFORMATION

The Group is engaged in the business of Branding, Manufacturing, Processing, Selling and Distribution of "Consumer Products" which constitutes a single reporting segment. Hence there is no separate reportable segment under Indian Accounting Standard on Ind AS 108 'Operating Segment '.

The Chief Operating Decision Maker (CODM) monitors the operating results at the Group level for the purpose of making decisions about resource allocation and performance assessment.

31.1 Geographic Information

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from operations from customers within India	403,947.70	387,767.61
Revenue from operations from customers outside India	85.32	297.36
	404,033.02	388,064.97

31.2 Major Customer

Top customer which individually contribute more than 10% of Group's total revenue.

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Future Retail Limited	291,908.28	284,658.97

32. EARNING PER SHARE

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Profit/(Loss) for the year after adjusting non-controlling interest (₹ in lakhs)	(21,582.77)	(638.75)
Profit/(Loss) for the year before exceptional item after adjusting non-controlling interest (₹ in lakhs)	(13,049.63)	(661.16)
Weighted average number of equity shares outstanding for basic EPS	1,907,741,063	1,904,812,833
Add : Weighted average number of potential equity shares on account of Employee Stock Options Outstanding	1,879,954	4,182,797
Weighted average number of equity shares outstanding for diluted EPS	1,909,621,017	1,908,995,629
Earnings per share after exceptional item (₹)		
Basic	(1.13)	(0.03)
Diluted	(1.13)	(0.03)
Earnings per share before exceptional item (₹)		
Basic	(0.68)	(0.03)
Diluted	(0.68)	(0.03)

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

33. DETAILS OF THE SUBSIDIARIES
33.1 Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of the subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31st March 2020	As at 31st March 2019
Aadhaar Wholesale Trading and Distribution Limited	Rural retailing	India	100.00%	100.00%
Future Food and Products Limited	Food processing	India	100.00%	100.00%
Future Consumer Products Limited	Branding	India	100.00%	90.00%
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	Food processing	India	100.00%	100.00%
FCEL Overseas FZCO	Distribution	UAE	60.00%	60.00%
FCEL Food Processors Limited	Food processing	India	100.00%	100.00%
The Nilgiri Dairy Farm Private Limited	Manufacturing and distribution	India	100.00%	100.00%
Appu Nutritions Private Limited	Manufacturing and distribution	India	100.00%	100.00%
Nilgiri's Mechanised Bakery Private Limited	Distribution	India	100.00%	100.00%
Nilgiris Franchise Limited (Formerly known as Nilgiris Franchise Private Limited)	Back end Support	India	100.00%	100.00%
FCL Tradevest Private Limited	Manufacturing and distribution	India	100.00%	100.00%
Affluence Food Processors Private Limited (w.e.f. 6th November 2018)	Manufacturing and distribution	India	100.00%	100.00%
Genoa Rice Mills Private Limited (w.e.f. 27th September 2019)	Food processing	India	100.00%	NA
Delect Spices and Herbs Private Limited (w.e.f.18th July 2019)	Food processing	India	99.82%	NA
Avante Snack Foods Private Limited (w.e.f 18th March 2020)	Manufacturing and distribution	India	67.03%	NA
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	Operation and maintenance of food park	India	99.93%	99.93%
Bloom Foods and Beverages Private Limited	Distribution	India	100.00%	100.00%

33.2 Investments in associate

The details of proportion of ownership interest held by the Group in Associates are disclosed in Note 2.3 of the consolidated Ind AS financial statement.

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. The Group share of total comprehensive income is NIL (Previous year NIL) for the year as the investment is fully impaired in March, 2018 and the aggregate carrying amount of the Group's interest in the associate is NIL (Previous year NIL).

Due to the significant influence exercised by the Group on Amar Chitra Katha Private Limited (ACK) as per the terms of the Shareholders and Debenture Holders agreement, the Group has identified ACK as an associate entity. Accordingly, the investment in CCDs of ACK are held at cost. Further, since the Group does not currently hold any equity shares of ACK, the Group has not recognized any share of profit or loss of ACK under the equity method. (Refer Note 44.II.a)

33.3 Investments in Joint Ventures

The details of proportion of ownership interest held by the Group in Joint Venture are disclosed in Note 2.3 of the consolidated Ind AS financial statement

Aggregate information of Joint Ventures that are not individually material

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
The Group's share of loss from continuing operations	(4,697.13)	(2,863.41)
The Group's share of other comprehensive income	1.21	0.67
The Group's share of total comprehensive income	(4,695.92)	(2,862.75)

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Aggregate carrying amount of the Group's interests in these Joint Ventures (excluding preference shares held)	853.00	1,153.87

Apart from change in group's ownership interest in Genoa Rice Mills Private Limited that became subsidairy w.e.f. 27th September 2019, there were no changes 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.

For the previous period ended March 2019, apart from change in group's ownership interest in Amar Chitra Katha Private Limited (Refer note 44 (II)(a)) and Fonterra Future Dairy Private Limited, there were no changes in the group's ownership interest in Joint Ventures.

34. LEASING ARRANGEMENTS

The Group has lease contracts for various items of plant, machinery, vehicles,warehouse, office premises and buildings used in its operations. Leases of plant and machinery generally have lease terms between 3 and 15 years, while vehicles and other equipment generally have lease terms between 3 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹ In lakhs)

Particulars	Plant & Machinery	Vehicles	Land	Buildings	Total
As at 1st April 2019	873.44	267.56	41.91	5,015.83	6,198.74
Additions/(Deletions)	-	(258.95)	6,461.21	2,651.54	8,853.80
Depreciation	66.58	3.09	3.36	1,300.05	1,373.08
As at 31st March 2020	**806.86**	**5.52**	**6,499.76**	**6,367.32**	**13,679.46**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(₹ In lakhs)

Particulars	Year ended 31st March 2020
As at 1st April 2019	10,570.58
Additions/Deletions	2,143.59
Accretion of Interest	1,130.02
Payments	2,502.53
Elimination	2,868.39
As at 31st March 2020	8,473.27
Current	**1,409.64**
Non-Current	**7,063.63**

The maturity analysis of lease liabilities are disclosed as below:

(₹ In lakhs)

Maturity analysis of contractual undiscounted cash flow	Upto 3 months	3 months to 6 months	6 months to 12 months	12 months to 2 years	2 years to 5 years	more than 5 years
Lease Liability	720.50	604.80	1,300.59	2,443.39	5,461.81	9,106.85

The Group effective interest rate for lease liabilities is ranging between 11.70%-12.50%.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

The following are the amounts recognised in profit or loss:

(₹ In lakhs)

Particulars	Amount	Amount
Depreciation expense of right-of-use assets		1,446.11
Interest expense on lease liabilities		807.82
Rent Expenses (included in Other Expenses)		
Expense relating to short-term leases	264.20	
Expense relating to leases of low-value assets	33.11	
Variable lease payments	301.98	599.29
Total amount recognised in statement of profit and loss		**2,853.22**

The Group had total cash outflows for leases of INR ₹ 1,158.86 lakhs in 31 March 2020.

Additional information on termination option

Some leases of building contain termination options exercisable by the company after the end of the non-cancellable contract period. Where practicable, the company seeks to include termination options in new leases to provide economic viability. The termination options held are exercisable only by the company and not by the lessors. The company assesses at lease commencement whether it is reasonably certain to exercise the termination options. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

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 25 years or extended period. The said land has been disclosed in note 4 - Property, plant and equipment as lease hold land, the amount of lease cost incurred during the year is ₹ 4.34 lakhs (Previous Year: ₹ 3.84 lakhs).

The disclosure for minimum lease payment are given below :-

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
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	45.20	48.59

Leasing Arrangement (As per Ind AS17 - March 2019)

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 2018-2019 is ₹ 2,420.37 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 2019
Not later than one year	162.34
Later than one year and not later than five years	260.32
Later than five years	-

Finance Lease

The Group has acquired land alloted by Government of Karnataka on lease Cum sale basis for construction of Mega Food Park wherein the land would be transferred to the subsidiary during the period of the agreement or on completion of the conditions mentioned in the agreement or at the end of 25 years or extended period. The said land has been disclosed in note 4 - Property, plant and equipment as lease hold land, the amount of lease cost incurred during the year is ₹ 3.84 lakhs.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

The disclosure for minimum lease payment are given below:-

(₹ In lakhs)

Particulars	As at 31st March 2019
Not later than one year	3.39
Later than one year and not later than five years	13.56
Later than five years	48.59

Lease as a Lessor

One of the subsidiaries of the Group has entered into agreements with customers in respect of lease of infrastructure wherein the leases are non-cancellable as per the terms mentioned in the agreement during the lockin period. The future minimum lease payments receivable under non-cancellable period of operating leases in the aggregate and for each of the following periods.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Not later than one year	307.66	431.39
Later than one year and not later than five years	545.76	1,402.68
Later than five years	1,041.20	992.47

Lease income for the year 2019-20 is ₹1,421.64 lakhs (Previous Year: ₹458.10 lakhs)

Leasing Arrangement (As per Ind AS17 - March 2019)
Operating Lease - As Lessor

One of the subsidiaries of the Group has entered into agreements with customers in respect of lease of infrastructure wherein the leases are non-cancellable as per the terms mentioned in the agreement during the lockin period. The future minimum lease payments receivable under non-cancellable period of operating leases in the aggregate and for each of the following periods.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

(₹ in lakhs)

Particulars	As at 31st March 2019
Not later than one year	431.39
Later than one year and not later than five years	1,402.68
Later than five years	992.47

Lease income for the year 2018-19 is ₹458.10 lakhs.

35. EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

The Group's contribution to provident fund, employee state insurance are determined under the relevant schemes and / or statute and charged to the Consolidated Statement of Profit and Loss.

The Group contribution to Provident Fund for the year 2019-2020 aggregating to ₹525.64 lakhs (Previous Year: ₹471.11 lakhs), ₹ 65.82 lakhs (Previous Year: ₹91.68 lakhs) for ESIC and ₹ 30.58 lakhs for New Pension Scheme (Previous year: ₹ 38.41 lakhs) has been recognised in the Statement of profit or loss under the head employee benefits expense.

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.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

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.

Principal assumptions
The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Particulars	As at 31st March 2020	As at 31st March 2019
1.	Discount rate	6.15% - 7.7%	7% - 7.75%
2.	Salary escalation	2% - 10%	5% - 10%
3.	Mortality rate	Indian Assured Lives Mortality Ultimate	Indian Assured Lives Mortality Ultimate
4.	Withdrawal rate	20% to 1% Age based	20% to 2% 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 2020	As at 31st March 2019
Present value of defined benefit obligation	995.84	976.60
Fair value of plan assets	(105.75)	(100.52)
Net liability arising from gratuity	**890.09**	**876.08**

Effective 1st January, 2018, Nilgiri Dairy Farms Private Limited ('NDFPL') has transferred the operations to a third party. Pursuant to this arrangement, employees of NDFPL as on the date of transfer and the related liabilities post transfer has also been transferred to the third party, amounting to ₹70.92 lakhs (Previous year ₹ 70.92 lakhs). Hence, the Group has performed the valuation of liability as on 31st December, 2017 which is shown under Other financial liabilities as "Other payables".

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in Consolidated Statement of profit and loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity) and movement in plan assets:

(₹ In lakhs)

	Particulars	As at 31st March 2020	As at 31st March 2019
A.	**Components of expense recognised in the Consolidated Statement of Profit and Loss(in employee benefit expenses)**		
	Current service cost	143.55	142.02
	Past service cost and (gain)/loss from settlements	(5.07)	(4.69)
	Net interest expenses	56.15	53.92
	Total (A)	**194.63**	**191.25**
B.	**Components of defined benefit costs recognised in other comprehensive income**		
	Actuarial gains and losses arising from changes in financial assumptions	(38.72)	(0.44)
	Actuarial gains and losses arising from experience adjustments	42.35	(9.90)
	Total (B)	**3.63**	**(10.34)**
C.	**Movements in the present value of the defined benefit obligation**		
	Opening defined benefit obligation	976.60	924.33
	Current service cost	143.55	142.02
	Interest cost	56.15	53.92
	Remeasurement (gains)/losses:		
	Actuarial gains and losses arising from changes in demographic assumptions	(0.06)	5.08
	Actuarial gains and losses arising from changes in financial assumptions	(38.72)	5.27
	Actuarial gains and losses arising from experience adjustments	42.36	(50.31)
	Acquisition / Divestiture/Trf Out	-	(23.25)
	Past service cost	-	-
	Benefits paid	(184.04)	(80.46)
	Closing defined benefit obligation (C)	**995.84**	**976.60**
D.	**Movements in the fair value of the plan assets**		
	Opening fair value of plan assets	100.52	95.55
	Interest income	5.07	4.69
	Remeasurement gain (loss):		
	Return on plan assets (excluding amounts included in net interest expense)	0.16	0.28
	Closing fair value of plan assets (D)	**105.75**	**100.52**

Category wise plan assets

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

(₹ In lakhs)

Particular	As at 31st March 2020	As at 31st March 2019
Central government securities	-	-
Insurer managed funds	105.75	100.52
Total	**105.75**	**100.52**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

36. FINANCIAL INSTRUMENTS AND RISK REVIEW

36.1 Capital Management

The Group being in a working capital intensive industry, its objective is to maintain a strong credit rating healthy ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group's capital requirement is mainly to fund its capex, working capital, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Group is not subject to any externally imposed capital requirements except financial covenant agreed with lenders.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing capex, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments. The Group manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants.

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Debt (i)	69,554.57	81,366.81
Cash and bank balances (iii)	5,950.70	6,922.72
Net debt	63,603.87	74,444.09
Equity (ii)	105,422.97	99,021.07
Net debt to equity ratio	0.60	0.75

(i) Debt is defined as long and short-term borrowings and includes current maturities of long term debt and Lease Liabilities.

(ii) Equity includes all capital and reserves of the Group that are managed as capital.

(iii) Cash and bank balances includes bank deposits with more than 12 months maturity shown under other financial assets.

36.2 Categories of financial instruments

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Financial assets		
Measured at Amortised Cost		
Cash and bank balances	5,904.06	6,836.08
Investments in certificate of deposits and others	0.45	0.55
Trade receivables	76,287.36	67,466.28
Loans	6,490.19	6,861.15
Other financial assets	8,884.69	7,927.09
Investments in debentures	4,976.91	4,976.91
Measured at fair value through profit and loss (FVTPL)		
Investment in preference shares	753.79	753.79
Investments in equity shares	1.05	3.01
Financial liabilities		
Measured at amortised cost		
Borrowing*	61,081.30	81,366.81
Lease Liabilities	8,473.27	-
Trade payable	30,900.63	30,034.84
Other financial liabilities	4,024.74	4,175.54

* 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.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

Fair Value Measurement and related disclosures

Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

(₹ In lakhs)

Financial assets	Carrying / Fair value as at		Fair value hierarchy
	31st March 2020	31st March 2019	
Financial assets at Fair Value Through Profit and Loss (FVTPL)			
0% Non cumulative redeemable preference share (Refer note 5)	753.79	753.79	Level 2
Equity investment in Karnataka Bank Limited (Refer note 11)	1.05	3.01	Level 1
Financial liabilities at Fair Value Through Profit and Loss (FVTPL)			

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instrument by valuation technique:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no transfers between Level 1 and 2 during the period.

Financial assets and financial liabilities that are not measured at fair values (but fair values disclosures are required)

The Group considers that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

The management assessed that carrying values of financial assets and liabilities other than those disclosed above such as trade receivable, loans, finance lease obligations, cash and cash equivalents, other bank balances and trade payables are reasonable approximations of their fair values.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

36.3 Financial risk management objectives

The Group has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

36.4 Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, interest rates and other price risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide principles on foreign exchange risk and interest rate risk. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

36.5 Foreign Currency Risk Management

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a Forex policy approved by the Board of Director.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates.

The Year end foreign currency exposures are given below :-

(₹ In lakhs)

Particulars	Foreign Currency	As at 31st March 2020		As at 31st March 2019	
		Amount in Foreign Currency	Amount Rupees	Amount in Foreign Currency	Amount Rupees
Receivables :					
Trade receivables & loans given (unhedged)	USD	67.51	5,089.29	65.51	4,531.50
Payables :					
Trade payables	USD	4.11	310.09	3.35	231.72
	CHF	-	-	2.92	203.28
	CAD	0.35	16.93	-	-
Borrowings	USD	18.00	1,356.95	41.25	2,853.32
Total Payables			**1,683.97**		**3,288.32**
Of the above payables:					
Unhedged payables			1,683.97		3,288.32

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 and pre tax equity where the Indian Rupee strengthens and weakens by 10% against the relevant currency:

(₹ In lakhs)

Foreign currency	As at 31st March 2020		As at 31st March 2019	
	10% strengthen	10% weakening	10% strengthen	10% weakening
USD	(342.21)	342.21	(144.65)	144.65
CHF	-	-	20.33	(20.33)
CAD	(1.69)	1.69	-	-

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.

A subsidiary of the Company has long term foreign currency borrowings as on 31st March 2020 which have been utilised for the purchase of Property Plant and Equipments. The Company has opted for the exemption given in paragraph 13AA of Appendix D to IND AS 101 and has adjusted the foreign exchange difference on such borrowings to the cost of Property Plant and Equipments. Accordingly, the Exchange Gain/ (Loss) on such borrowings ₹ 187.84 lakhs (Previous Year ₹ 266.37 lakhs) have been included in the cost of Property Plant and Equipments. and depreciation of ₹ 11.70 lakhs (Previous Year (₹ 20.86 lakhs)) have been provided on the same.

36.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like commercial paper and short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

the most cost-effective hedging strategies are applied. The Group hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk.

The following table provides unhedged break-up of Group's fixed and floating rate borrowings:

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Variable interest rate borrowings	32,894.34	43,992.34
Fixed interest rate borrowings	28,189.69	37,374.48
Total	**61,084.03**	**81,366.82**

Interest rate risk sensitivity:

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, following is the impact on profit and pre-tax equity. A positive is increase in profit and negative is decrease in profit.

(₹ In lakhs)

Particular	As at 31st March 2020		As at 31st March 2019	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
Impact on profit	(164.47)	164.47	(219.96)	219.96

36.7 Other price risks

The Group's exposure to other risks arises from investments in preference shares amounting to ₹ 753.79 lakhs (Previous Year: ₹753.79 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 of the above instrument had been 5% higher / lower, profit for the year ended 31st March 2020 would increase/decrease by ₹ 37.69 lakhs (Previous year by ₹37.69 lakhs)

36.8 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from entering into derivative financial instruments and from deposits with banks and financial institutions, other deposits, other receivables, security deposits and from credit exposures to customers, including outstanding receivables.

The Group has limited credit risk arising from cash and cash equivalents as the deposits are maintained with banks and financial institutions with high credit rating. Further, the loans are given to group entities and they have generally been regular in making the payments as per the loan arrangements. The Group has majority of its security deposits placed with group entities for renting of warehouses and other storage units. The Group has a policy in place whereby it evaluates the recoverability of these financial assets at each quarter ended date and wherever required, a provision is created against the same.

Since most of Group's transactions are done on credit, the Group is exposed to credit risk on accounts receivable. Any delay, default or inability on the part of the client to pay on time will expose the Group to credit risk and can impact profitability. Group's maximum credit exposure is in respect of trade receivables of ₹ 76,287.36 lakhs and ₹ 67,466.28 lakhs as at March 31, 2020 and March 31, 2019, respectively and other receivables of ₹ 9,848.08 lakhs and ₹ 5,308.16 lakhs as at March 31, 2020 and March 31, 2019, respectively.

The Group adopted an effective receivable management system to control the Days' Sales Outstanding. Refer below note for the age wise analysis of trade receivables that are not due as well as past due and allowance for the doubtful receivables. Apart from Future Retail Limited, being the largest customer of the Group, the Group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to Future Retail Limited did not exceed 93% (Previous Year: 86%) 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 average credit period on sales of goods is 0 to 90 days. No interest is charged on trade receivables.

For trade receivables and other receivables, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Age of receivables (₹ In lakhs)

Particulars	**As at 31st March 2020**	**As at 31st March 2019**
less than 60 days	74,091.90	56,858.77
61 to 90 days	4,969.05	6,768.13
91 to 180 days	1,947.80	5,829.40
more than 180 days	3,907.08	4,399.98
Less: Expected credit loss allowance	(5,003.12)	(489.17)
Less :- Inter company elimination	(3,625.35)	(5,900.83)
Total	**76,287.36**	**67,466.28**

Credit risk from balances with banks is managed by treasury in accordance with the Board approved policy.

36.9 Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for long term capital expenditure for capex. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents provide liquidity in the short-term and long-term. The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ In lakhs)

Particulars	**Weighted average effective interest rate**	**Less than 1 year**	**1 to 5 years**	**5 years and above**	**Total**	**Carrying amount**
As at 31st March 2020						
Variable interest rate borrowings						
Principal	9.53%	32,894.34	-	-	32,894.34	32,894.34
Interest		3,134.99	-	-	3,134.99	
Fixed interest rate borrowings						
Principal	10.57%	5,813.89	22,520.07	-	28,333.95	28,189.69
Interest		2,864.97	5,189.67	-	8,054.63	
Lease Liability		2,625.89	7,905.20	9,106.85	19,637.93	
Financial guarantee contracts		8,054.63	-	-	8,054.63	
Non interest bearing (Trade payable, deposits etc.)		33,604.95	-	-	33,604.95	

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

(₹ 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 2019						
Variable interest rate instruments	9.88%					
Principal		42,650.05	1,427.35	-	44,077.40	43,992.34
Interest		4,212.73	140.99	-	4,353.72	
Fixed interest rate instruments	11.32%					
Principal		11,527.50	26,545.00	-	38,072.50	37,374.48
Interest		3,999.52	8,394.04	-	12,393.56	
Financial guarantee contracts		5,163.04	-	-	5,163.04	
Non interest bearing (trade payable, deposits etc.)		33,067.95	77.48	-	33,145.43	

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 ₹12,660 lakhs (Previous Year ₹6,769.37 lakhs) undrawn facilities at its disposal to further reduce liquidity risks.

37. SHARE BASED PAYMENTS

37.1 Details of the employee share based plan of the Group

a) The ESOP scheme titled "FVIL Employees Stock Option Plan 2011" (ESOP 2011) was approved by the shareholders at the Annual General Meeting held on 10th August 2010. 50,000,000 options are covered under the ESOP 2011 for 50,000,000 shares. Post listing of equity shares on the stock exchanges, the Shareholders have ratified the pre-IPO scheme.

In the previous years, the Nomination and Remuneration / Compensation Committee of the holding Company has granted 34,535,000 options under ESOP 2011 to certain directors and employees of the Company and some of its Subsidiaries. The options allotted under ESOP 2011 are convertible into equal number of equity shares.

The 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 current year, the Nomination and Remuneration / Compensation Committee has i) at its meeting held on 12th November 2019, 31st January, 2020 and 25th March, 2020, granted 1,000,000, 1,800,000 and 1,130,000 options respectively under secondary market route (ESOP 2014-Secondary) to certain employees of the Company. The options allotted under ESOP 2014-Secondary 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.

In the previous year, there were no grants granted.

The following share-based payment arrangements were in existence during the current and prior years:

Option scheme	No. of Options Granted	Grant date	Expiry date	Exercise price (₹)	Share Price at Grant date	Fair value at grant date (₹)
ESOP 2011	15,000,000	26.12.2015	Note-1 below	6.00	26.15	22.49
ESOP 2014-Secondary	15,950,000	15.05.2015		Note-2 below	11.20	7.05
ESOP 2014-Secondary	3,500,000	14.08.2017		Note-2 below	41.25	17.71
ESOP 2014-Secondary	4,900,000	8.11.2017		Note-2 below	60.95	31.03
ESOP 2014-Primary	10,000,000	12.08.2016		21.4	21.50	11.42
ESOP 2014-Secondary	1,000,000	12.11.2019		Note-2 below	25.20	5.91
ESOP 2014-Secondary	1,800,000	31.01.2020		Note-2 below	23.95	6.97
ESOP 2014-Secondary	1,130,000	25.03.2020		Note-2 below	8.85	1.19

Note-1 The options granted vest over a period of 3 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 3 years from date of vesting.

Note-2 Market price of the Equity Share of the Group as on date of grant of Option or the cost of acquisition of such shares to the Company applying FIFO basis, whichever is higher.

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

Inputs into the model	ESOP 2011	ESOP 2014-Secondary Grant 1	ESOP 2014-Primary	ESOP 2014-Secondary Grant 2	ESOP 2014-Secondary Grant 3	ESOP 2014-Secondary Grant 4	ESOP 2014-Secondary Grant 5	ESOP 2014-Secondary Grant 6
Expected volatility (%)	56.55%	64.18%	48.88%	38.68%	44.85%	44.08%	47.01%	55.91%
Option life (Years)	4-6	4-6	4-6	4-6	4-6	4-6	4-6	4-6
Dividend yield (%)	0%	0%	0%	0%	0%	0%	0%	0%
Risk-free interest rate (Average)	7.82% - 8.09%	7.55% - 7.91%	7.12%-7.25%	6.43% to 6.64%	6.67% to 6.88%	5.86% - 6.33%	5.94% - 6.38%	5.56% - 6.04%

37.3 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 2020		Year ended 31st March 2019	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of period				
ESOP 2011	200,000	6.00	5,025,017	6.00
ESOP 2014 secondary	11,884,000	Refer Note-2 above	15,441,500	Refer Note-2 above
ESOP 2014 primary	4,078,000	21.40	7,282,000	21.40
Granted during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	3,930,000	Refer Note-2 above	-	-
ESOP 2014 primary	-	-	-	-
Forfeited during the period				
ESOP 2011	-	-	200,000	6.00
ESOP 2014 secondary	2,525,000	Refer Note-2 above	139,980	Refer Note-2 above
ESOP 2014 primary	-	-	800,000	21.40

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

Particulars	Year ended 31st March 2020		Year ended 31st March 2019	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Exercised during the period				
ESOP 2011	200,000	6.00	4,625,017	6.00
ESOP 2014 secondary	543,000	Refer Note-2 above	3,417,520	Refer Note-2 above
ESOP 2014 primary	447,000	21.40	2,404,000	21.40
Expired during the period				
ESOP 2011	-	-	-	-
ESOP 2014 secondary	21,000	-	-	-
ESOP 2014 primary	-	-	-	-
Balance at end of period				
ESOP 2011	-	6.00	200,000	6.00
ESOP 2014 secondary	12,725,000	Refer Note-2 above	11,884,000	Refer Note-2 above
ESOP 2014 primary	3,631,000	21.40	4,078,000	21.40

37.4 Share options exercised during the year

The following share options were exercised during the year:

Options scheme	Number exercised	Exercise date	Share price at exercise date (₹)
ESOP 2011	200,000	Various dates	Wt. Avg- 40.65
ESOP 2014 secondary	543,000	Various dates	Wt. Avg- 36.80
ESOP 2014 primary	447,000	Various dates	Wt. Avg- 34.78

37.5 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 1066 days (Previous year: 1194 days). Out of the ESOPs outstanding, the number of options exercisable are as under :-

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
ESOP 2011	-	200,000
ESOP 2014 secondary	5,945,000	5,164,000
ESOP 2014 primary	3,631,000	328,000

37.6 The expense recognised for employee services received during the year is shown in the following table:

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Expenses arising from equity settled share based payment transactions	(262.03)	576.49
Total expenses arising from share based transactions	**(262.03)**	**576.49**

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

38. RELATED PARTY DISCLOSURES

38.1 Name of Related Party and Nature of Relationship

a) Associates

Sarjena Foods Private Limited

Amar Chitra Katha Private Limited (With effect from 14th December 2018)

b) Joint Venture

Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)

Aussee Oats Milling (Private) Limited

Fonterra Future Dairy Private Limited (w e f 1st December 2018)

Genoa Rice Mills Private Limited upto 26th September 2019

Hain Future Natural Products Private Limited

Mibelle Future Consumer Products AG

Mibelle India Consumer Products Private Limited (w e f 22nd May 2018)

MNS Foods Limited (Formerly known as MNS Foods Private Limited)

Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)

Amar Chitra Katha Private Limited (upto. 13th December 2018)

Avante Snack Food Private Limited (Upto 17th March 2020)

Affluence Food Processors Private Limited (Upto 5th Nov 2018)

c) Key Management Personnel (KMP) and their relatives

Executive Directors

Mr. Narendra Baheti

Ms. Ashni Biyani

Non Executive Directors

Mr. Kishore Biyani

Mr. Ghyanendra Nath Bajpai

Mr. Adhiraj Harish

Ms. Vibha Rishi (Ceased to be director w.e.f 14th September 2018)

Ms. Neha Bagaria (Appointed w.e.f. 20th March 2019 upto 28th March 2020)

Mr. Deepak Malik

Mr. Fredric De Mevius

Mr. K K Rathi

Mr. Harminder Sahni (Appointed w.e.f 14th September 2018)

Relatives of KMP

Mr. Rajendra Baheti

Ms. Archana Baheti

Ms. Sunder Devi Baheti

Mr. Amulya Baheti

d) Entities controlled / having significant influence by KMP and their relatives

Future Corporate Resources Private Limited

Future Enterprises Limited

Future Ideas Company Limited

Future Lifestyle Fashion Limited

Future Retail Limited

Future Supply Chain Solutions Limited

Premium Harvest Limited

Greatway Agro Farms Private Limited (upto 26 October 2018)

TDI Textiles Mills Private Limited

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

38.2 Transactions with Related Party

(₹ In lakhs)

Nature of transactions	Associates	Joint Venture	Key Management Personnel (KMP) and Close members of KMP	Entities controlled / having significant influence by KMP and their relatives
Purchase of property, plant and equipment	-	-	-	2.68
	(-)	(-)	(-)	(39.68)
Sale of property, plant and equipment	-	0.43	-	-
	(-)	(-)	(-)	(-)
Inter corporate deposits given	-	4,529.08	-	-
	(-)	(8,246.83)	(-)	(-)
Inter corporate deposits received back	150.00	4,990.08	-	-
	(-)	(10,997.43)	(-)	(2,000.00)
Investment in Preference shares	-	-	-	-
	(-)	(300.00)	(-)	(-)
Investments in Debentures	-	-	-	-
	(-)	(4,977.00)	(-)	(-)
Investments in Equity Shares	-	2,481.27	-	-
	(-)	(1,651.81)	(-)	(-)
Loan Given	-	-	-	-
	(-)	(689.82)	(-)	(-)
Loan Taken	-	-	-	-
	(-)	(417.82)	(-)	(-)
Reimbursement of Expenses	-	-	-	30.05
	(-)	(-)	(-)	(-)
Job Work Charges	-	199.67	-	-
	(-)	(-)	(-)	(-)
Advance given	-	-	-	-
	(-)	(-)	(-)	(75.45)
Corporate guarantees given	-	2,503.86	-	-
	(-)	(2,413.00)	(-)	(-)
Share application	-	-	-	-
	(-)	(250.00)	(-)	(-)
Sale of products	-	1,862.35	-	292,285.01
	(-)	(3,343.12)	(-)	(288,658.43)
Sale of Services	-	260.20	-	-
	(-)	(532.39)	(-)	(-)
Royalty income	-	-	-	2.93
	(-)	(-)	(-)	(7.59)
Interest income	10.85	843.98	-	-
	(5.55)	(1,104.17)	(-)	(250.00)
Rent income	-	231.47	-	-
	(-)	(377.11)	(-)	(-)
Franchise fees income	-	-	-	595.93
	(-)	(-)	(-)	(603.70)
Recovery of expenses	-	549.48	-	6,316.84
	(-)	(527.50)	(-)	(7,458.08)
Purchase of goods	68.15	5,131.27	-	9,851.34
	(348.35)	(10,511.70)	(-)	(11,362.59)
Managerial remuneration*	-	-	471.00	-
	(-)	(-)	(1,083.79)	(-)
Rent expenses	-	-	24.56	1,029.05
	(-)	(-)	(23.69)	(968.00)

(₹ In lakhs)

Nature of transactions	Associates	Joint Venture	Key Management Personnel (KMP) and Close members of KMP	Entities controlled / having significant influence by KMP and their relatives
Finance cost	-	3.13	-	-
	(-)	(5.18)	(-)	(-)
Warehousing Distribution and Transportation charges	-	-	-	2,524.88
	(-)	(-)	(-)	(2,193.90)
Sitting fees	-	-	28.00	-
	(-)	(-)	(19.75)	(-)
Marketing expenses	-	-	-	515.60
	(-)	(-)	(-)	(1,026.44)
Other Income	-	107.71	-	-
	(-)	(51.00)	(-)	(-)
Other expenses	-	3.81	-	7.69
	(-)	(37.67)	(-)	(10.80)

Balance as at 31st March, 2020 (₹ In lakhs)

Nature of transactions	Associates	Joint Venture	Key Management Personnel (KMP) and Close members of KMP	Entities controlled / having significant influence by KMP and their relatives
Trade and other receivable	-	1,416.76	-	80,400.76
	(9.73)	(1,098.37)	(-)	(63,401.61)
Interest receivable	20.98	900.56	-	-
	(117.77)	(758.03)	(-)	(-)
Inter corporate deposits outstanding	-	6,012.21	-	
	(150.00)	(6,016.46)	(-)	(-)
Security deposit given outstanding	-	28.71	2.50	-
	(-)	(25.03)	(-)	(-)
Loan Given Outstanding	-	-	-	-
	(-)	(691.39)	(-)	(-)
Loan Outstanding Payable	-	73.90	-	-
	(-)	(419.39)	(-)	(-)
Advances given outstanding	74.99	4.06	-	-
	(153.37)	(4.06)	(-)	(-)
Security deposit received outstanding	-	-	-	-
	(-)	(125.00)	(-)	(-)
Trade and other payables	2.62	1,211.99	0.40	1,486.58
	(-)	(1,594.19)	(-)	(2,513.56)
Payable on purchase of capital goods	-	-	-	0.35
	(-)	(-)	(-)	(-)
Corporate guarantees outstanding	-	6,713.16	-	-
	(-)	(5,163.04)	(-)	(-)

Figures in bracket represent previous year's figures.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

38.3 Disclosure in respect of Material Transactions with Related Parties

(₹ In lakhs)

Nature of Transactions	2019-20	2018-19
Purchase of property, plant and equipments		
Future Retail Limited	2.68	39.68
Reimbursement of Expenses		
Future Corporate Resources Private Limited	20.63	-
Future Supply Chain Solutions Limited	3.71	-
Future Retail Limited	5.72	-
Investment in Equity shares		
Mibelle Future Consumer Products AG	-	285.99
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	107.80
Aussee Oats Milling (Private) Limited	681.27	18.84
Fonterra Future Dairy Private Limited	1,300.00	250.00
Hain Future Natural Products Private Limited	500.00	804.00
Advances given		
Future Enterprises Limited	-	75.45
Investments in Debentures		
Amar Chitra Katha Private Limited	-	4,976.91
Investment in preference shares		
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	300.00
Inter corporate deposits given		
Amar Chitra Katha Private Limited	-	3,838.50
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	75.00	811.00
MNS Foods Limited	747.20	725.17
Aussee Oats Milling (Private) Limited	2,422.88	408.86
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	848.00	980.90
Inter corporate deposits received back		
Amar Chitra Katha Private Limited	150.00	7,941.82
Future Retail Limited	-	2,000.00
Aussee Oats India Limited	723.00	595.00
MNS Foods Limited	1,207.51	590.03
Sublime Foods Limited	658.50	1,022.20
Aussee Oats Milling (Private) Limited	1,594.67	234.64
Sale of Assets		
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	0.20	-
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	0.23	-
Corporate guarantees given		
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	-	825.00
Hain Future Natural Products Private Limited	500.00	1,588.00
Aussee Oats Milling (Private) Limited	753.86	-
Fonterra Future Dairy Private Limited	1,250.00	-
Share application		
Fonterra Future Diary Private Limited	-	250.00
Loan Taken		
Mibelle Future Consumer Products AG	-	417.82
Loan Given		
Mibelle India Consumer Products Private Limited	-	689.82
Sale of products		
Future Retail Limited	291,908.28	284,658.97
Premium Harvest Limited	168.17	319.89
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	52.92	-
Sale of Services		
Hain Future Natural Products Private Limited	78.96	-
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	97.70	-
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	83.54	192.39

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

(₹ In lakhs)

Nature of Transactions	2019-20	2018-19
Other Income		
Mibelle India Future Consumer Products Limited	-	37.67
Hain Future Natural Products Private Limited	30.06	-
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	40.29	6.67
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	37.36	6.67
Royalty income		
Future Retail Limited	-	3.24
Future Lifestyle Fashions Ltd	2.93	4.35
Interest income		
Amar Chitra Katha Private Limited	10.85	414.19
Aussee Oats Milling (Private) Limited	532.09	397.45
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	95.49	75.11
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	97.40	89.28
Future Retail Limited	-	250.00
Rent income		
Genoa Rice Miils Private Limited	231.47	254.48
Affluence Food Processors Private Limited	-	120.98
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	-	1.65
Job Work Charges		
Genoa Rice Miils Private Limited	199.67	-
Franchise fees income		
Future Retail Limited	595.93	603.70
Recovery of expenses		
Future Retail Limited	-	876.30
Future Corporate Resources Private Limited	6,316.84	6,581.78
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	26.41	8.51
Hain Future Natural Products Private Limited	1.25	1.21
Mibelle India Consumer Products Private Limited	495.10	211.75
Fonterra Future Diary Private Limited	-	240.65
Mibelle Future Consumer Products AG	-	56.87
Sublime Foods Limited	26.72	8.51
Purchase of goods		
Aussee Oats Milling (Private) Limited	1,332.58	2,447.92
Genoa Rice Mills Private Limited	-	3,056.64
Premium Harvest Limited	9,085.00	9,792.97
Finance Cost		
Avante Snack Foods Private Limited	-	1.49
Hain Future Natural Products Private Limited	0.58	0.51
Mibelle Future Consumer Products AG	-	1.65
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	1.07	0.95
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	1.48	1.32
Managerial remuneration		
Ms. Ashni Biyani *	216.84	170.51
Mr. Narendra Baheti *	150.24	806.43
Mr. Rajendra Baheti*	94.43	94.20
Rent expenses		
Future Retail Limited	597.02	570.18
Future Enterprises Limited	129.75	31.63
Future Supply Chain Solutions Limited	113.03	181.95
Premium Harvest Limited	95.04	90.52
Archana Baheti	12.88	12.63
Warehousing, Distribution and Transportation charges		
Future Supply Chain Solutions Limited	2,524.88	2,193.90

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

(₹ In lakhs)

Nature of Transactions	2019-20	2018-19
Sitting fees		
Mr. Ghyanendra Nath Bajpai	5.50	4.25
Mr. Kishore Biyani	4.50	3.25
Mr. Harminder Sahni	3.25	1.75
Mr. Adhiraj Harish	5.95	3.50
Mr. K K Rathi	4.75	4.00
Ms. Vibha Rishi	-	2.00
Marketing expenses		
Future Retail Limited	513.10	887.85
Future Enterprises Limited	-	116.64
Other expenses		
Future Enterprises Limited	5.20	8.33
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	3.81	-
Mibelle Future Consumer Products AG	-	37.67
Premium Harvest Limited	1.67	1.14

(₹ in lakhs)

Balance as at 31st March 2020	2019-20	2018-19
Trade & Other Receivables		
Future Retail Limited	70,967.89	57,853.72
Future Corporate Resources Private Limited	9,086.11	5,032.12
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	163.76	55.34
Interest receivable		
Amar Chitra Katha Private Limited	20.98	117.77
Aussee Oats Milling (Private) Limited	825.16	648.19
Inter corporate deposits outstanding		
Amar Chitra Katha Private Limited	-	150.00
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	747.20	725.17
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	848.00	658.50
Genoa Rice Mills Private Limited	-	777.40
Aussee Oats Milling (Private) Limited	4,342.01	3,274.39
Advances given Outstanding		
Sarjena Foods Private Limited	74.99	153.37
Security deposit received outstanding		
Genoa Rice Mills Private Limited	-	125.00
Loan Outstanding Payable		
Sublime Foods Limited	73.90	-
Mibelle Future Consumer Products AG	-	419.39
Loan Given Outstanding		
Mibelle India Consumer Products Private Limited	-	691.39
Trade and Other payables		
Future Retail Limited	62.90	238.42
Aussee Oats India Limited	520.36	323.48
Future Supply Chain Solutions Limited	1,362.97	760.50
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	85.54	104.57
Aussee Oats Milling (Private) Limited	497.75	124.14
Mibelle Future Consumer Products AG	-	244.13
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	83.78	264.23
Premium Harvest Limited	15.80	1,496.08
Corporate guarantees outstanding		
Hain Future Natural Products Private Limited	1,280.71	1,280.78
Fonterra Future Dairy Private Limited	1,169.77	-
Aussee Oats Milling (Private) Limited	3,109.83	3,118.64
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	816.96	315.23
Payable on purchase of capital goods		
Future Retail Limited	0.35	-
Security deposit given outstanding		
Hain Future Natural Products Private Limited	5.20	4.62
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	11.09	8.57
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	12.42	11.84

*includes share based payments to managerial personnel.

38.4 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Group has recorded an impairment loss of ₹ 7,901.42 lakhs receivables relating to amounts owed by related parties (31 March 2019: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

38.5 Loans & Advances to Related Parties

The Group has given loans and advances to relevant joint ventures and associates in the ordinary course of business to meet the working capital requirements. (Refer note 41).

38.6 Compensation of key management personnel

(₹ In lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Short Term Employee Benefits	471.00	446.66
Share-based payment transactions	-	656.88
Total compensation paid to key management personnel	**471.00**	**1,103.54**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

This do not include the provision made for gratuity and expenses for Leave Encashment as they are determined on an actuarial basis for the Group as a whole.

Directors interest in ESOP

Grant Date	Expiry Date	Exercise Price	Nos o/s as on 31st March 2020	Nos o/s as on 31st March 2019
12.08.2016	12.08.2022	21.40	2,500,000	2,500,000

39. CONTINGENT LIABILITIES

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Claims against the Group not acknowledged as debt*	84.16	77.45
Disputed Income Tax Demands	5,141.86	5,086.89
Disputed Sales Tax and Excise Matters	505.64	909.17
Corporate guarantees issued to banks and financial institutions against credit facilities issued to third parties (Loans outstanding as at 31st March 2020 ₹10,684.32 lakhs; Previous Year ₹ 5,163.04 lakhs)	21,260.80	11,413.34
	26,992.46	**17,486.85**

* Does not include cases where liability is not ascertainable

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments/decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Group's pending litigations comprise of claims against the Group primarily by the customers and proceedings pending with tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

40. CAPITAL COMMITMENT

The estimated amount of contracts remaining to be executed on capital account as at 31st March 2020 is ₹ 1,213.73 lakhs (Previous Year ₹1,230.79 lakhs)

41. Disclosure Requirement of Loans and Advances/ Investments as per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

(₹ In lakhs)

Name of the Company	Outstanding Loan Amount		Maximum Loan Amount Outstanding	
	As at 31st March 2020	As at 31st March 2019	During the year ended 31st March 2020	During the year ended 31st March 2019
Joint ventures:				
Amar Chitra Katha Private Limited (Upto December 13, 2018)*	-	-	-	5,319.00
Aussee Oats Milling (Private) Limited *	4,342.01	3,274.39	5,550.98	3,324.75
Aussee Oats India Limited *	75.00	381.00	381.00	411.00
Sublime Food Limited*	848.00	658.50	1,120.00	1,089.90
MNS Food Limited*	747.20	725.17	988.20	793.20
Genoa Rice Mills Private Limited (upto 26th September 2019)	-	777.40	777.40	977.40
Mibelle India Consumer Products Private Limited	-	272.00	402.00	272.00
Hain Future Natural Products Limited	-	200.00	375.00	200.00
Associates:*				
Amar Chitra Katha Private Limited (From December 14, 2018)	-	150.00	150.00	150.00
	6,012.21	**6,438.46**		

* These Companies are treated as subsidiaries as per the provision of Section 2(87) of the Companies Act, 2013.

42. 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 2020	As at 31st March 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end*	3,224.34	3,178.36
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	12.60	1.92
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	26.26	13.66
Further interest remaining due and payable for earlier periods	13.66	11.74

* Out of this ₹ 671 lakhs is overdue (Previous year ₹ 793.09 lakhs)

The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprise as on the basis of information available with the Group.

43. ASSET HELD FOR SALE

(₹ In lakhs)

Particulars	31st March 2020
Land and Building at Dairy Plant (Refer Note a)	11,582.99
Assets at Dal Mill (refer Note b)	409.08
Total	**11,992.07**

Note a

The Group has entered into a Memorandum of Understanding (MoU) for sale of the Land at Bommasandra, Bangalore along with the Building thereon, which was being used as a Dairy Plant by the Group. Accordingly, Freehold Land ₹ 10,983.08 lakhs and Freehold Building ₹ 599.91 lakhs have been classified at cost as non-current assets held for sale by the Group as on March 31, 2020. Further, the Group has received a capital advance of ₹ 1,111 lakhs as per terms of the above MoU, which has been classified as Advance received against assets held for sale as on March 31, 2020.

Note b

The Group intends to sell its Land ₹ 222.42 lakhs, Building ₹ 88.88 lakhs and other Plant & Equipment of ₹ 97.78 lakhs have been classified at cost as non-current assets held for sale as on March 31, 2020.

44. EXCEPTIONAL ITEMS

I. For the year ended March 2020

(₹ In lakhs)

Particulars	Year ended 31st March 2020
Impairment of Goodwill (Refer Note a below)	7,825.77
Impairment of Brand (Refer Note b below)	400.00
Write off of Non-Controlling Interest (Refer Note c below)	317.04
Impairment of Plant and Machinery (Refer Note d below)	250.00
Fair value gain on acquisition of subsidiary (Refer Note e below)	(259.67)
Total	**8,533.14**

a Impairment of Goodwill majorly includes:

Nilgiri Dairy Farm Private Limited

The Group has recognized an impairment loss of ₹ 7,324.82 lakhs on its Goodwill relating to Nilgiri Dairy Farm Limited due to lower business performance and based on the analysis of recoverable value of the underlying business. The business value is determined based on a value in use calculation which uses cash flow projections based on financial budget approved by the management covering a five year period, discounted at a rate of 16% per annum, which is the weighted average cost of capital. Cash flows beyond the period of five years have been extrapolated at a steady rate of 5% per annum, based on the long-term average growth rate for the business.

Genoa Rice Mills Private Limited

The Group recognized goodwill of ₹ 487.08 lakhs on acquisition of additional 50% stake in Genoa Rice Mills Private Limited ('Genoa'), a subsidiary company. The accumulated loss of the subsidiary company has substantially eroded its net worth. Based on a business valuation, the Group has fully impaired its goodwill of ₹ 487.08 lakhs, included in the exceptional items during the year in the Consolidated Statement of Profit and Loss.

b Brand KARA

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 Group indefinitely. The carrying value of brand Kara is determined based on a percentage of royalty method which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a comparable royalty percentage of 3% (Previous year: 3%), discount rate of 12.7% per annum respectively. 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. Due to lower business performance of this brand and based on an analysis of the recoverable value, the Group has recognized an impairment loss of ₹ 400 lakhs on this brand during the year.

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.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

c FCEL Overseas FZCO

The Group decided to discontinue its operations in FCEL Overseas FZCO due to continued losses being incurred in the subsidiary. The non-controlling interest of ₹ 317.04 lakhs was recoverable from the other investors in FCEL Overseas FZCO. However, based on the expectation of non-recoverability of the non-controlling interest, the Group has provided the same and charged to Statement of Profit and Loss.

d Nilgiri Dairy Farm Private Limited

During the current year the Management has carried out impairment testing for plant and machinery and concluded that the value in use of plant and machinery is lower than carrying value of assets. As a result of this analysis, Management has recognised an impairment charge of ₹ 250.00 lakhs in the current year against the plant and machinery, previously carried at ₹ 1,119.13 lakhs. The impairment charge is recorded in the Statement of Profit and Loss as an exceptional item.

e Genoa Rice Mills Private Limited

During the year, FCL Tradevest Private Limited acquired balance 50% stake in Genoa Rice Mills Private Limited ('Genoa'). On acquisition, Genoa became a subsidiary and the retained interest of FCL Tradevest Private Limited was fair valued. The Group recognized a fair value gain of ₹ 259.67 lakhs, being the reversal of excess loss absorbed in the investee Company upto the date of acquisition i.e September 30, 2019.

II. For the year ended March 2019

(₹ In lakhs)

Particulars	Year ended 31st March 2019
Net gain on sale of investments (Refer Note 44 (II) (a))	2,712.89
Impairment on intangibles and goodwill (Refer Notes 44(II)(b) and 44(II)(c)	(2,690.48)
Total	**22.41**

(a) The Group has sold its stake in Amar Chitra Katha Private Limited (ACK) during the year, at a fair value price of ₹ 4,439 lakhs, and a gain of ₹ 2,712.89 lakhs on the same was included in exceptional items for the year in the Consolidated Statement of Profit and Loss. The Fair Value has been determined by an independent valuer, based on management's projected cash flows over a five year period, discounted at a rate of 18.00% per annum, which is the weighted average cost of capital for the entity. Cash flows beyond the period of five years have been extrapolated at a steady rate of 5% per annum, based on the long term average growth rate for the entity's business. Further, pursuant to the contract of sale and the Shareholders and Debenture Holders Agreement, inter corporate deposits held in ACK were converted by issue of ₹ 4,977 lakhs 0.001% Compulsorily Convertible Debentures (CCDs), which are convertible into equity shares of ACK at the fair value of those shares on the date of conversion.

(b) The accumulated loss of Future Consumer Products Limited ('FCPL'), a subsidiary company, amounting to ₹ 169.60 lakhs at 31st March 2019 has substantially eroded its net worth. The Group does not foresee positive cash flows. Based on a business valuation, the Group has fully impaired its goodwill of ₹1,675.98 lakhs, included in the exceptional items during the year in the Consolidated Statement of Profit and Loss.

(c) KBFP represents convenience store chain KB's Fair price and Big Apple. These stores were mainly operated in Delhi, Mumbai and Bangalore. Due to the decline in sales of these stores and based on an analysis of the recoverable value, the Group has fully impaired its Goodwill of ₹ 614.5 lakhs during the current year which is included in exceptional items in Consolidated Statement of Profit and Loss. The carrying value of Brand KBFP which was ₹1,288.83 lakhs as on March 31, 2019 is based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five year period, and a discount rate of 13.52% per annum. The cash flows beyond that five-year period have been extrapolated using a steady 0.25% per annum growth rate which is the expected growth rate for the convenience stores. Due to the decline in sales of these stores and based on an analysis of the recoverable value, the Group has recognized an impairment loss of ₹400 lakhs on this brand during the year, included in exceptional items for the year in the Consolidated Statement of Profit and Loss.

45. The carrying amount of Goodwill is as follows :-

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
a) The Nilgiris Dairy Farm Limited	3,547.14	10,871.96
b) Centre of Plate	2,951.82	2,951.82
c) Others	412.06	410.87
	6,911.02	**14,234.65**

Centre of Plate (COP) is into the business of procuring, processing and supplying agricultural commodities in loose and packed form under various brands.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

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, and a discount rate based on the respective Weighted Average Cost of Capital of the respective cash-generating unit. 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 budget period have been extrapolated using a steady growth rate based on 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 respective cash-generating unit.

Key assumptions used for valuation of Goodwill are as follows :

Particulars	COP	Nilgiri	Others
Discount rate	12.41%	16.00%	14%-16%
Terminal value growth rate	5.00%	5.00%	5.00%
Period of cash flow projections	5	5	5

46. INVESTMENT PROPERTY

The fair value of the Group's investment properties as at 31st March, 2020 has been arrived at on the basis of a valuation carried out on the respective dates by independent valuers not related to the Group. M/s Kanti Karamsey & Co. are registered with the authority which governs the valuers in India, and they have appropriate qualifications. The fair value of land was determined based on the market approach and fair value of building was determined on cost based approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The Group has not carried out fair valuation of the property as at 31st March, 2020 as the management believes that there is no significant change in fair valuation of investment property as compared to the previous year.

Details with regards to fair value is given as under :-

(₹ In lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Rent Income	23.29	28.71
Expenses incurred for maintenance of investment property	1.33	2.13
Fair value of Investment Property - Land and Building	1,506.50	1,513.17

47. DETAILS OF CSR EXPENDITURE

(₹ In lakhs)

Particulars	31 March 2020
a. Gross amount required to be spent during the year	64.81
b. Amount spent in cash during the year ending on 31st March, 2020:	
Construction / acquisition of any asset	-
Others	64.83
Total	**64.83**
c. Amount unspent in cash and provided during the year ending on 31st March, 2020	-
Construction / acquisition of any asset	-
Others	-
Total	**-**

In previous year, since the Group incurred a loss on average, computed based on the profits / (losses) of last three preceding years, the Company was not required to make contribution to CSR initiative.

48. CAPITAL REDUCTION

The Company had filed a Scheme for Reduction of Share Capital with Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") for utilisation of amount of ₹ 28,690.41 lakhs out of the amount of ₹ 31,427.82 lakhs standing to the credit of Securities Premium Account as on 31st December,2017, for writing off the accumulated losses to the extent of ₹ 28,690.41 lakhs. During the year, the Hon'ble NCLT has approved the said Scheme vide its order dated July 25, 2019. Consequently, the Company has utilised an amount of ₹ 28,690.41 lakhs from Securities Premium account to write off its accumulated losses.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

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

(₹ In lakhs)

Name of the entities	Net assets, i.e. total assets minus total liabilities As at 31st March 2020		Share in total comprehensive income (loss) For the year ended 31st March 2020		Net assets, i.e. total assets minus total liabilities As at 31st March 2019		Share in total comprehensive income (loss) For the year ended 31st March 2019	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount
Future Consumer Limited	97.78%	103,084.11	(96.31%)	(20,915.20)	71.23%	70,364.74	(1,916.52%)	(14,028.32)
<u>Subsidiaries</u>								
Indian								
Aadhaar Wholesale Trading and Distribution Limited	(13.35%)	(14,077.22)	17.59%	3,820.17	(6.30%)	(6,223.98)	1,294.43%	9,474.85
Future Food and Products Limited	2.09%	2,202.74	0.26%	56.11	2.31%	2,282.17	14.88%	108.93
Future Consumer Products Limited	0.13%	140.04	(0.01%)	(3.11)	0.14%	137.80	(6.85%)	(50.16)
FCEL Food Processors Limited	(0.01%)	(10.06)	(0.01%)	(2.20)	(0.01%)	(7.21)	(0.38%)	(2.75)
Future Food Processing Limited (Formerly known as Future Food Processing Private Limited)	(0.32%)	(334.72)	(0.02%)	(4.83)	0.01%	11.84	23.44%	171.59
Avante Snack Foods Private Limited	(0.00%)	(0.00)	(0.00%)	(0.00)	-	-	-	-
Affluence Food Processor Private Limited	(0.27%)	(289.09)	(0.96%)	(209.25)	0.29%	289.50	27.91%	204.26
Genoa Rice Mills Private Limited	(0.03%)	(34.60)	(0.16%)	(34.60)	-	-	-	-
Delect Spices and Herbs Private Limited	(0.01%)	(9.79)	(0.05%)	(10.99)	-	-	-	-
The Nilgiri Dairy Farm Private Limited and subsidiaries	20.45%	21,563.98	10.19%	2,213.42	35.03%	34,603.23	961.14%	7,035.25
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	(3.57%)	(3,761.65)	(9.54%)	(2,071.54)	(1.85%)	(1,825.79)	(95.47%)	(698.80)
FCL Tradevest Private Limited (wef 24 December 2018)	(0.63%)	(661.07)	1.54%	333.40	(0.07%)	(66.11)	(9.03%)	(66.11)
Bloom Foods and Beverages Private Limited	0.78%	825.09	(0.04%)	(9.46)	0.48%	472.93	31.69%	231.97
<u>Foreign</u>								
FCEL Overseas FZCO	(0.72%)	(762.79)	(0.42%)	(92.10)	(0.07%)	(68.17)	(34.64%)	(253.57)
Minority Interest in all subsidiaries								
Indian								
Integrated Food Park Limited (Formerly known as Integrated Food Park Private Limited)	0.00%	0.27	(0.01%)	(1.28)	0.00%	1.66	0.11%	0.77
Avante Snack Foods Private Limited	0.00%	0.01	(0.00%)	(0.00)	-	-	-	-
Delect Spices and Herbs Private Limited	0.00%	0.98	(0.00%)	(0.00)	-	-	-	-
Future Consumer Products Limited	-	-	(0.00%)	(0.42)	(0.00%)	(13.45)	0.52%	3.79

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

(₹ In lakhs)

Name of the entities	Net assets, i.e. total assets minus total liabilities As at 31st March 2020		Share in total comprehensive income (loss) For the year ended 31st March 2020		Net assets, i.e. total assets minus total liabilities As at 31st March 2019		Share in total comprehensive income (loss) For the year ended 31st March 2019	
	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount
Foreign								
FCEL Overseas FZCO	-	-	(0.41%)	(89.44)	(0.23%)	(228.23)	11.71%	85.74
Joint Ventures								
Indian								
Amar Chitra Katha Private Limited and subsidiaries	-	-	-	-	-	-	(63.63%)	(465.75)
MNS Foods Limited (Formerly known as MNS Foods Private Limited)	(0.19%)	(195.29)	(0.90%)	(195.29)	-	-	(14.73%)	(107.80)
Sublime Foods Limited (Formerly known as Sublime Foods Private Limited)	(0.46%)	(489.30)	(1.76%)	(381.41)	(0.00%)	(107.89)	(29.51%)	(216.01)
Genoa Rice Mills Private Limited	-	-	(0.77%)	(166.45)	(0.00%)	(93.22)	(12.81%)	(93.80)
Hain Future Natural Products Private Limited	-	-	(3.71%)	(806.64)	-	-	(43.42%)	(317.83)
Aussee Oats India Limited (Formerly known as Aussee Oats India Private Limited)	-	-	0.06%	12.94	-	-	1.78%	13.07
Affluence Food Processors Private Limited	-	-	-	-	-	-	(13.71%)	(100.33)
Fonterra Future Dairy Private Limited	(0.94%)	(990.76)	(8.94%)	(1,941.53)	(0.00%)	(99.23)	(81.87%)	(599.23)
Foreign								
Aussee Oats Milling (Private) Limited	(0.74%)	(776.66)	(3.72%)	(808.37)	(0.01%)	(649.56)	(88.71%)	(649.32)
Mibelle Future Consumer Products AG	-	-	(1.88%)	(409.17)	-	-	(56.34%)	(412.41)
	100.00%	**105,424.22**	**100.00%**	**(21,717.24)**	**100.00%**	**98,781.05**	**100.00%**	**(731.97)**

50. BUSINESS COMBINATION

A) Subsidiary Acquired

Name of acquiree	Principal Activity	Acquisition date	% of voting interest	Consideration paid in cash
Genoa Rice Mills Limited	A leading company undertaking the business of manufacturing and distribution of rice, Genoa is engaged in the business manufacturing, marketing and distribution of various rice qualities and has set up its Rice Mill at India Food Park, Tumkur.	27-Sep-19	100% *	100
Delect Spices and Herbs Private Limited	The Company is engaged in the business of operating and maintaining spice mills. The operations are yet to commence.	18-Jul-19	99.82%	55,000,000
Avante Snack Foods Private Limited	The Company is engaged in the business of manufacturing chips and roasted almonds. The operations of the Company are restricted to a single geographical area i.e. India	18-Mar-20	67.03%	1,000

* Additional 50% is acquired on 27th September 2019.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

Above subsidiaries were acquired so as to continue the expansion of the Group's activities in the FMCG sector. Assets acquired and liabilities recognized at fair value on the date of acquisition are given below:

(₹ In lakhs)

Particulars	Amount
Current Assets	
Genoa Rice Mills Limited	558.62
Delect Spices and Herbs Private Limited	184.91
Avante Snack Foods Private Limited	94.91
Non-current Assets	
Genoa Rice Mills Limited	10.52
Delect Spices and Herbs Private Limited	363.26
Avante Snack Foods Private Limited	-
Current Liabilities	
Genoa Rice Mills Limited	1,056.22
Delect Spices and Herbs Private Limited	9.36
Avante Snack Foods Private Limited	94.89
Non-current Liabilities	
Genoa Rice Mills Limited	-
Delect Spices and Herbs Private Limited	-
Avante Snack Foods Private Limited	-
Net Assets acquired	**51.75**

Acquisition related costs amounting to ₹ 8.53 lakhs have been excluded from the consideration transferred and have been recognized as expense in profit or loss in the year of acquisition, within the 'Other Expenses' line item. Goodwill arose in the acquisition amounting to ₹ 488.27 lakhs because of expected synergies arising from acquisition.

Net cash outflow on acquisition of business

(₹ In lakhs)

Particulars	Amount
Consideration paid in cash	550.01
Less: cash and cash equivalent balances acquired	202.23
Net cash outflow	**347.78**

51. COVID NOTE

The outbreak of Coronavirus (COVID-19) pandemic globally and in India impacted the business from mid-March, followed by a nationwide lockdown announced on 24th March, 2020. The Group and in the rest of the country it caused significant disturbance and slowdown of economic activity. Though, in the latest extension dated effective 1 June 2020, the Government has given several relaxations from lockdown, the level of economic activity in the country continues to be curtailed.

Since the lockdown has started from last week of March 2020, it did not have any significant impact on operations of the Group for FY 19-20. However due to lockdown related restrictions, the sales performance subsequent to March 2020 is impacted. The Group is engaged in the essential commodities and was allowed to carry on certain activities though it has faced issues in the supply chain due to severe transport restrictions and it has also hampered smooth operations of the entire organisation across warehouses, packing centres and administrative offices. Across the value chain, our suppliers faced similar problems impacting our ability to be consistent with supplies and sales. Employees health and safety was an important priority, social distancing efforts and government regulations were adhered to ensure continuous supply of essential products.

Further, during the lockdown period, most of our retail - channel partner stores remained closed for operations and stores that were opened, operated for restricted hours as directed by local authorities and customer footfalls were significantly lower than normal during the lockdown. Hence, it has adversely impacted the sales performance post March 2020.

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

In finalising these financial statements, the Group has considered various internal and external sources of information and indicators of economic forecasts, including the impact of Covid-19 while assessing the carrying amounts of current and non-current assets and its repayment obligations on a timely basis upto the date of approval of these financial results. However, the impact of the global health pandemic and other events may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

52. EVENTS OCCURING AFTER THE REPORTING PERIOD

The Board of Directors of the Company have at their meeting held on May 16, 2020 considered and approved the raising of funds, up to ₹ 300 Crore, by way of issuing equity shares having face value of ₹ 6/- each of the Company on a rights basis ("Rights Issue") to the eligible equity shareholders of the Company, as on the record date to be determined by the Board (including its duly authorized committee) in due course in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Companies Act, 2013 and the rules framed thereunder, and other applicable laws and subject to receipt of relevant approval from any regulatory authority, as may be required.

53. PREVIOUS YEAR NOTE

Previous year figures have been regrouped and re-classified where necessary to make them comparable.

Summary of significant accounting policies	2
The accompanying notes are an integral part of the consolidated financial statements	1-53

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration number : 324982E/E300003

per **Pramod Kumar Bapna**
Partner
Membership No : 105497

Place : Mumbai
Date : 10 July 2020
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

For and on behalf of the Board of Directors of Future Consumer Limited

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Sailesh Kedawat
Chief Financial Officer

Place : Mumbai
Date : 10 July 2020

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

for the year ended 31st March 2020

FORM AOC-1

(Pursuant to first proviso to sub-sec on (3) of Sec on 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures
Financial information with respect of Subsidiary Companies for the Year Ended 31st March 2020

(₹ In lakhs except % of share holding)

Sr. No	Name of the Company	Date since when subsidairy was acquired	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (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	7,740.00	(10,570.78)	11,643.62	11,643.62	-	28,890.38	(3,733.64)	-	(3,733.64)	-	100%
2	FCL Tradevest Private Limited ("FCL Tradevest")	24.12.2018	12,768.60	(900.20)	11,924.56	11,924.56	-	238.02	(659.87)	-	(659.87)	-	100%
3	Aussee Oats India Limited# (Subsidiary of FCL Tradevest, formerly known as Aussee Oats India Private Limited)	19.02.2016	100.00	(43.46)	1,252.96	1,252.96	-	2,967.25	27.35	1.47	25.88	-	50% + 1 Share
4	Future Food and Products Limited (Subsidiary of FCL Tradevest)	02.08.2010	313.00	2,206.79	3,639.90	3,639.90	-	-	(49.35)	1.16	(50.51)	-	100%
5	Future Food Processing Limited (Subsidiary of FCL Tradevest, formerly known as Future Food Processing Private Limited)	21.10.2014	201.00	(541.19)	1,131.20	1,131.20	-	-	(207.49)	-	(207.49)	-	100%
6	Integrated Food Park Limited (Subsidiary of FCL Tradevest, formerly known as Integrated Food Park Private Limited)	05.02.2015	4,481.30	(3,999.53)	26,827.31	26,827.31	-	3,065.54	(1,888.21)	(68.58)	(1,819.63)	-	99.93%
7	MNS Foods Limited# (Subsidiary of FCL Tradevest, formerly known as MNS Foods Private Limited)	04.08.2015	240.00	(835.39)	2,121.86	2,121.86	-	1,618.44	(366.86)	7.92	(374.78)	-	50.01%
8	Sublime Foods Limited# (Subsidiary of FCL Tradevest, formerly known as Sublime Foods Private Limited)	18.02.2015	437.23	(1,518.37)	1,480.39	1,480.39	-	1,484.43	(724.37)	(0.45)	(723.92)	-	51%
9	Avante Snack Foods Private Limited (Subsidiary of FCL Tradevest)	01.09.2016	89.60	(89.58)	94.91	94.91	-	29.72	28.15	0.99	27.16	-	67.03%
10	Affluence Food Processors Private Limited (Subsidiary of FCL Tradevest)	06.11.2018	148.01	(400.18)	37.30	37.30	-	569.35	48.73	-	48.73	-	100.00%
11	Genoa Rice Mills Private Limited (Subsidiary of FCL Tradevest)	27.09.2019	243.89	(624.39)	271.56	271.56	-	588.00	133.62	-	133.62	-	100.00%
12	Delect Spices and Herbs Private Limited (Subsidiary of FCL Tradevest)	18.07.2019	542.47	(3.65)	548.18	548.18	-	-	(2.47)	-	(2.47)	-	99.82%
13	Aussee Oats Milling (Private) Limited*#	16.09.2014	5,146.97	(5,736.56)	9,156.44	9,156.44	-	6,468.21	(558.82)	31.97	(590.79)	-	50% + 1 Share
14	Bloom Foods and Beverages Private Limited (formerly known as Bloom Fruit and Vegetables Private Limited)	15.01.2016	100.00	1,484.86	4,858.59	4,858.59	-	66,833.80	873.89	222.28	651.61	-	100%
15	Future Consumer Products Limited	29.06.2010	100.00	(143.45)	75.39	75.39	0.10	1.89	0.70	4.13	(3.43)	-	100%
16	FCEL Food Processors Limited (formerly known as known as ACK Edutainment Limited)	27.04.2016	14.00	(21.80)	5.38	5.38	-	-	(3.43)	-	(3.43)	-	100%
17	FCEL Overseas FZCO **	30.07.2014	20.44	(813.04)	24.67	24.67	-	-	(164.53)	-	(164.53)	-	60%
18	The Nilgiri Dairy Farm Private Limited ("NDFPL")	20.11.2014	241.44	2,348.45	20,991.47	20,991.47	-	17,586.32	(4,868.44)	-	(4,868.44)	-	100%
19	Appu Nutritions Private Limited (Subsidiary of NDFPL)	20.11.2014	10.00	1573.82	1,764.55	1,764.55	-	60.00	29.35	29.79	(0.44)	-	100%
20	Nilgiris Franchise Limited (Subsidiary of NDFPL, formerly known as Nilgiris Franchise Private Limited)	20.11.2014	425.00	(448.98)	118.25	118.25	-	62.85	222.49	-	222.49	-	100%
21	Nilgiris Mechanised Bakery Private Limited (Subsidiary of NDFPL)	20.11.2014	14.14	69.77	383.31	383.31	0.95	180.00	124.08	-	124.08	-	100%

* Converted into Indian Rupees at the exchange Rate USD 1 = ₹ 75.3859

** Converted into Indian Rupees at the exchange rate AED 1 = ₹ 20.4400

Considered as Joint Ventures as per Ind AS 28

Note :- 1. The reporting period for all the subsidiaries is 31st March 2020

2. Reporting currency of all entities is Indian Rupee Except Aussee Oats Milling (Private) Limited (Reporting Currency USD) & FCEL Overseas FZCO (Reporting Currency AED)

NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
for the year ended 31st March 2020

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

(₹ In lakhs except % of share holding)

	Name of Associate/Joint Venture	Mibelle Future Consumer Products AG*	Fonterra Future Dairy Private Limited	Hain Future Natural Products Private Limited
1.	Latest audited Balance Sheet Date	31st March'2020	31st March'2020	31st March'2020
2.	Date on which the Associate or Joint Venture was associated or acquired	09.10.2015	01.10.2018	20.06.2017
3.	Shares of Associate/Joint Ventures held by the Company on the Year end			
	No.	400	15,500,000	19,495,000
	Amount of Investment in Associates or Joint Venture	** -	₹ 1,550.00	₹ 1,949.50
	Extent of Holding %	50%	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	#(1,076.40)	(1,005.04)	835.61
7.	Profit / Loss for the year (₹ In lakhs)			
	i. Considered in Consolidation (₹ In lakhs)	#(1,008.19)	(1,941.53)	(806.64)
	ii. Not Considered in Consolidation	-	-	-

* Converted into Indian Rupees at the exchange Rate CHF 1 = ₹ 77.6172

** Investment fully written off during the year.

Note : Sarjena Foods Private Limited ("SFPL") and Amar Chitra Katha Private Limited (ACK) have been considered as associates in terms of Ind AS 109. (Refer Note 33.2).

Consolidated Share : This includes networth and Profit /Loss of Mibelle India Consumer Products Private Limited

For and on behalf of the Board of Directors of Future Consumer Limited

G.N.Bajpai
Chairman

Ashni Biyani
Managing Director

Manoj Gagvani
Company Secretary & Head - Legal

Sailesh Kedawat
Chief Financial Officer

Place : Mumbai
Date : 10 July 2020
Corporate Identity Number of Future Consumer Limited is L52602MH1996PLC192090

Information in terms Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2020.

Details of Employees (including Top Ten Employees) in alphabetical order

Sr. No, Name, Designation, Age, Qualification, Experience (in Years), Date of Commencement of employment, Remuneration (in ₹) Last Employment

1. Anand Ramaswamy^, Chief – Supply Chain, 42, BE & PGDM- Management, 20, 15-May-19, 79,96,140, Mondelez India (P) Foods Limited, 2. Ashni Biyani, Managing Director, 35, Graduate in Textile Designing, 13, 15- Nov-2014, 2,16,84,465, Future Corporate Resources Limited 3. Joyeeta Chatterjee^, Chief- People Office, 49, Masters in Personnel Management, 25, 15-Apr-19, 92,62,289, Punj Lyod Group, 4. Jude Linhares, Director Manufacturing, 54, B Tech, 32, 15-Nov-18, 1,09,02,965, Dabur International Ltd, 5. Maneesh Sharma, Head - Packaging Development, 51, B.Sc. PG Diploma in Packaging Technology, 27, 7-Nov-16, 87,79,632, Marico Industries Ltd, 6. Manoj Gagvani, Company Secretary & Head- Legal, 53, C.S, LL.B, 34, 23-Jun-08, 85,34,181*, Pidilite Industries Limited, 7. Narendra Baheti, Executive Director, 52, B.Com, 30, 13-Apr-05, 1,50,24,000, Self-Employed, 8. Rajendra Baheti, Head – Operations, 54, B.Com, C.A. Intermediate, 31, 13-Apr-05, 94,43,000, Self Employed, 9. Rajnikant Tirumala Sabnavis^, Chief Executive Officer, 54, B.E -Mechanical & MBA, 30, 1-Jan-20, 77,28,496, Jyothy Labs Limited, 10. Ravin Mody^, Chief Financial Officer, 40, B.Com, M.Com, C.A, 13, 27-May-17, 88,38,239, Marico Industries Ltd

^ employed for part of the year

*remuneration does not include perquisite value on stock options exercised during the financial year 2019-20 of ₹ 69,62,025

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 and Mr. Rajendra Baheti. Ms. Ashni Biyani is daughter of Mr. Kishore Biyani and Mr. Rajendra Baheti is brother of Mr. Narendra Baheti.

NOTES

Financial Statements

FMCG 2.0

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

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